

Gree Electric Appliances, Inc. of Zhuhai

2023 Annual Report

April 2024

Section I Important Notice, Contents and Paraphrase

The Board of Directors, Board of Supervisors, directors, supervisors and senior executives of the Company hereby guarantee that the contents are authentic, accurate and complete, without false records, misleading representations or material omissions in the Annual Report, and shall take all the joint and several legal liabilities.

Dong Mingzhu, the Company's responsible person, Liao Jianxiong, responsible person in charge of accounting work and Liu Yanzi, the Accounting Department's responsible person (accounting superintendent) hereby declare and warrant that the financial report in the Annual Report is authentic, accurate and complete.

All the directors have attended the meeting of the Board of Directors in respect of deliberation of the Annual Report.

The forward-looking statements such as future plans and development strategies in the Annual Report do not constitute a substantive commitment of the Company to investors. Investors and relevant persons should therefore make rational investments based on an awareness of risk factors attendant on investment and understand the differences between plans, forecasts and commitments.

The Company's profit distribution proposal passed upon deliberation at the meeting of the Board of Directors is set out as below: Based on the total share capital of 5,521,943,646 shares enjoying profit distribution rights at

the time of disclosure of this profit distribution plan (the total stock capital of 5,631,405,741 shares excluding the 109,462,095 shares held in the repurchase account of the Company), the Company plans to distribute all shareholders a cash dividend of RMB23.8 (tax included) per 10 shares, but does not plan to give any bonus share (0 share, tax included) or convert any capital reserves into share capital.

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References

(I) The accounting statements signed and sealed by Dong Mingzhu, the legal representative, Liao Jianxiong, chief accountant and Liu Yanzi, head of accounting department.

(II) The original audit report sealed by Union Power Certified Public Accountants (Special General Partnership) with signatures and seals of certified public accountants Wu Zihao and Qiu Yiwu.

(III) Originals and original drafts of all the Company's documents and announcements published on the media and CNINFO designated by the Company within the report period.

Paraphrase

Items	Means	Contents
Company, the Company, the Enterprise, Gree Electric Appliances or Gree	Means	Gree Electric Appliances, Inc. of Zhuhai
Zhuhai Mingjun	Means	Zhuhai Mingjun Investment Partnership (Limited Partnership)
GREE GROUP	Means	Zhuhai Gree Group Co., Ltd.
Finance Company	Means	Zhuhai Gree Group Finance Company Limited
Jinghai Internet	Means	Jinghai Internet Technology Development Co., Ltd.
DunAn Environment	Means	Zhejiang DunAn Artificial Environment Co., Ltd.
Gree Altairnano	Means	Gree Altairnano New Energy Inc.
CSRC	Means	China Securities Regulatory Commission
Report Period	Means	January 1, 2023 to December 31, 2023

Section II Company Profile and Main Financial Indicators

I. Company information

Stock Abbreviation	Gree Electric Appliances	Stock Code	000651
Stock Exchange	Shenzhen Stock Exchange		
Name in Chinese	Gree Electric Appliances, Inc. of Zhuhai		
Name Abbreviation in Chinese	Gree Electric Appliances		
Name in Foreign Language (if any)	Gree Electric Appliances, Inc. of Zhuhai		
Name Abbreviation in Foreign Language (if any)	Gree		
Legal Representative of the Company	Dong Mingzhu		
Registered Address	Room 608, No. 108 Huitong Third Road, Hengqin New Area, Zhuhai		
Post Code of Registered Address	519031		
Historical Changes to the Company's Registered Address	On August 26, 2021, it was changed from Jinji West Road, Qianshan, Zhuhai City, Guangdong Province to its current registered address		
Office Address	Jinji West Road, Qianshan, Zhuhai City, Guangdong Province		
Post Code of Office Address	519070		
Website	http://www.gree.com.cn		
Email	gree0651@cn.gree.com		

II. Contacts and contact information

	Secretary of the Board of Directors	Securities Affairs Representative
Name	Deng Xiaobo	Wu Qingqing
Address	Jinji West Road, Qianshan, Zhuhai City, Guangdong Province	Jinji West Road, Qianshan, Zhuhai City, Guangdong Province
Tel.	0756-8669232	0756-8669232
Fax	0756-8614998	0756-8614998
Email	gree0651@cn.gree.com	gree0651@cn.gree.com

III. Information disclosure and place of the report

Website of the stock exchange to which the Company's Annual Report is disclosed	Shenzhen Stock Exchange (http://www.szse.cn)
Media to which the Company's Annual Report is disclosed and its website	China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily, and CNINFO (http://www.cninfo.com.cn)
Place where the Company's Annual Report is available for inspection	Investment Management Department of the Company

IV. Alteration of registration

Unified Social Credit Code	91440400192548256N
Changes (if any) in the main business since the listing of the Company	No change
Changes (if any) in the controlling shareholders	On December 2, 2019, Gree Group and Zhuhai Mingjun signed the <i>Share Transfer Agreement</i> . Gree Group planned to transfer 902,359,632 shares of the Company with unlimited sales conditions held by Gree Group to Zhuhai Mingjun at a price of RMB46.17/share; On December 13, 2019, the Zhuhai Municipal People's Government and the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) of Zhuhai City separately approved the share transfer. Gree Group obtained the <i>Transfer Registration Confirmation</i> issued by China Securities Depository and Clearing Corporation Limited (CSDC) Shenzhen Branch on February 3, 2020. The share transfer registration procedures for the transfer of this agreement have been completed, and the transfer date is January 23, 2020. After the completion of the share transfer registration, the Company has neither a controlling shareholder nor an actual controller.

V. Other related information

Accounting firm engaged by the Company

Name of the accounting firm	Union Power Certified Public Accountants (Special General Partnership)
Office address of the accounting firm	F/17-18, Yangtze River Industry Building, No. 166 Zhongbei Road, Wuhan, Hubei Province
Names of undersigned accountants	Wu Zihao and Qiu Yiwu

Sponsor engaged by the Company to perform continuous supervision during the report period

Applicable Not Applicable

Financial adviser engaged by the Company to perform continuous supervision during the report period

Applicable Not Applicable

VI. Main accounting data and financial indicators

Whether the Company has retroactive adjustment or restatement of previous accounting data

Yes No

Item	2023	2022	Increase/Decrease Over the Previous Year	2021
Operating revenue (yuan)	203,979,266,387.09	188,988,382,706.68	7.93%	187,868,874,892.71
Net profits attributable to shareholders of the listed Company (yuan)	29,017,387,604.18	24,506,623,782.46	18.41%	23,063,732,372.62
Net profits attributable to shareholders of the listed Company less non-recurring profits	27,565,461,117.79	23,986,248,264.15	14.92%	21,850,050,895.31

and losses (yuan)				
Net cash flows from operating activities (yuan)	56,398,426,354.17	28,668,435,921.27	96.73%	1,894,363,258.72
Basic earnings per share (yuan/share)	5.22	4.43	17.83%	4.04
Diluted earnings per share (yuan/share)	5.22	4.43	17.83%	4.04
Weighted average return on equity	26.53%	24.19%	2.34%	21.34%
Item	At the End of 2023	At the End of 2022	Increase/Decrease Over the End of Previous Year	At the End of 2021
Total assets (yuan)	368,053,902,576.37	355,024,758,878.82	3.67%	319,598,183,780.38
Net assets attributable to shareholders of the listed Company (yuan)	116,793,716,103.39	96,758,734,892.25	20.71%	103,651,654,599.87

The net profits of the Company before and after deducting non-recurring profits and losses in the last three fiscal years, whichever is lower, is negative, and the audit report of the last year shows that the Company's ability to continue as a going concern is uncertain

Yes No

The net profits before and after deducting non-recurring profits and losses, whichever is lower, is negative

Yes No

VII. Accounting data differences under domestic and foreign accounting standards

1. Differences in net profits and net assets in the financial report disclosed under the international accounting standards and that disclosed under the domestic accounting standards

Applicable Not Applicable

There was no difference in net profits and net assets in the financial report disclosed under the international accounting standards and that disclosed under the domestic accounting standards during the report period.

2. Differences in net profits and net assets in the financial report disclosed under the overseas accounting standards and that disclosed under the domestic accounting standards

Applicable Not Applicable

There was no difference in net profits and net assets in the financial report disclosed under the overseas accounting standards and that disclosed under the domestic accounting standards during the report period.

VIII. Quarter-based main financial indicators

Unit: yuan (RMB)

Item	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating revenue	35,455,753,354.18	63,780,987,835.32	55,770,570,627.81	48,971,954,569.78
Net profits attributable to shareholders of listed company	4,109,253,018.34	8,563,985,798.21	7,418,868,262.12	8,925,280,525.51

Net profits attributable to shareholders of listed companies after deduction of non-recurring profits and losses	3,723,297,678.38	8,341,838,057.39	7,149,378,505.29	8,350,946,876.73
Net cash flows from operating activities	15,065,152,965.60	15,794,538,969.00	8,736,479,777.58	16,802,254,641.99

Whether major differences exist between the above financial indicators or their sum and those in the disclosed quarterly report and semi-annual report

Yes No

IX. Non-recurring profit and loss items and amounts

Applicable Not applicable

Unit: yuan (RMB)

Item	Amount in 2023	Amount in 2022	Amount in 2021	Description
Profits and losses from disposal of non-current assets (including the write-off of accrued asset impairment reserves)	324,413,866.77	-51,428,778.52	-7,498,891.48	For details, please refer to this Note V. 67, 68 and 69 in Section X Financial Statements.
Governmental subsidies included in the current profits and losses (excluding the governmental subsidies closely relating to the normal business operations of the Company, conforming to national policies and regulations, enjoyed according to established standards, and having a sustained impact on the Company's profits and losses)	784,275,516.36	873,695,831.91	875,778,734.20	For details, please refer to this Note V. 62 and 68 in Section X Financial Statements.
Profits and losses from changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises, and profits and losses from disposal of financial assets and financial liabilities, except for the effective hedging business related to the Company's normal business operations	553,697,207.25	-300,034,685.05	369,460,356.97	
Fund possession costs collected from the non-financial institution and included in the current profits and losses			6,234,097.19	
Reversal of impairment reserves for the receivables under the independent impairment test	72,395,388.85	118,276,955.90	16,844,984.00	
Non-operating revenues and expenditures other than the above items	-21,226,697.92	-25,299,493.59	58,510,843.19	For details, please refer to Note V. 68 and 69 in Section X Financial Statements.
Other profit and loss items conforming to the definition of non-recurring profits and losses	40,553,390.36	-30,904,028.44	13,691,263.12	
Less: Amount affecting income tax	301,917,937.60	64,515,784.15	82,923,289.84	

Amount affecting minority equity (after tax)	264,247.68	-585,500.25	36,416,620.04	
Total	1,451,926,486.39	520,375,518.31	1,213,681,477.31	--

Details of other profit and loss items conforming to the definition of non-recurring profits and losses:

Applicable Not applicable

Unit: yuan (RMB)

Item	Amount in current report period	Reason
Other profit and loss items conforming to the definition of non-recurring profits and losses	40,553,390.36	Commissions refund of individual income tax and others

Description of defining the non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profits and Losses* as recurring profit and loss items

Applicable Not Applicable

No non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profits and Losses* were defined by the Company as recurring profit and loss items.

Section III Management Discussion and Analysis

I. Industry situation of the Company during the report period

(I) Overview of industry development

1. Consumption field - stable growth in the household appliance industry and significant recovery in the air conditioning market

In 2023, China's economy maintained an overall recovery trend, while stimulating consumption was of utmost importance in stabilizing growth. The state encouraged and promoted the exchange of old for new consumer goods. This action brought the greater circulation of the consumer economy, accelerated the emergence of replacement demand, increased the sales and export of high-efficiency products, and further exploited the potential for green consumption.

1) Stable growth in the household appliance industry

In 2023, the domestic economy has significantly recovered, and the household appliance industry has maintained stable growth. According to the *Annual Report of China's Household Appliance Industry in 2023* released by the National Household Appliance Industry Information Center (NAIC), the export sales of the household appliance industry have significantly increased, with an export scale of RMB617.4 billion, a year-on-year increase of 9.9%; the domestic market has achieved stable growth, with a sales scale of RMB773.6 billion, a year-on-year increase of 1.7%.

2) Significant recovery in the air conditioning market

In 2023, the air conditioning market has significantly recovered. According to the total retail data released by All View Cloud (AVC), in 2023, the air conditioning market achieved a retail volume of RMB211.7 billion, a year-on-year increase of 7.5%, and a retail quantity of 60.85 million units, a year-on-year increase of 6.5%. According to the data released by ChinaIOL.com, in 2023, the production of residential air conditioners was 168.692 million units, a year-on-year increase of 11.1%, and the sales were 170.44 million units, a year-on-year increase of 11.2%, including the domestic sales of 99.597 million units, a year-on-year increase of 13.8%, and the export sales of 70.843 million units, a year-on-year increase of 7.8%, achieving growth in both domestic and foreign sales.

2. Industrial field - stable and upward trend in the industrial economy

According to the data released by the Ministry of Industry and Information Technology (MIIT), in 2023, the industrial added value above designated size in China increased by 4.6% year-on-year, an increase of 1 percentage point year-on-year and among them, the industrial added value above designated size in the manufacturing industry increased by 5.0% year-on-year. The scale of the intelligent manufacturing industry is growing. From *Made in China 2025* to *Development Plan on Smart Manufacturing During the "14th Five-Year Plan"*, relevant policies all take the development of advanced intelligent manufacturing industry as the core goal to overall arrange and plan the promotion of manufacturing power. China has initially formed an intelligent manufacturing industry system represented by automated production lines, intelligent detection and assembly equipment, intelligent control systems, industrial robots, etc., and the scale of the industry is growing. The Zhongshang Industry Research Institute forecasted that the market scale of intelligent manufacturing equipment in China can exceed RMB2.97 trillion in 2023. The Forward Industry Research Institute forecasts that by 2027, the market scale of China's intelligent manufacturing industry will reach RMB6.6 trillion, of which the market scale of intelligent manufacturing equipment is about RMB5.4 trillion and that of intelligent manufacturing system solutions is about RMB1.2 trillion. In 2023, China accelerated the technological transformation and upgrading of traditional industries, strengthened the promotion of intelligent manufacturing, established 62 "lighthouse factories", accounting for 40% of the Global Lighthouse Network, and cultivated 421 national-level intelligent manufacturing demonstration factories, as well as more than 10,000 provincial-level digital workshops and intelligent factories.

The industrial scale of air conditioning core parts and components increases significantly. According to the data released by ChinaIOL.com, in 2023, the air conditioning rotor compressor market developed at a high speed; the annual output reached 261 million units, with a year-on-year increase of 12.2%, and the annual sales reached 262 million units, becoming the new peak of the industry. In the domestic market, the performance of rotor compressor is outstanding, and it has maintained a positive growth throughout the year. The domestic sales were expected to be 227 million units, with a year-on-year increase of 14.3%; In the export market, the annual export was expected to be 35.647 million units, with a year-on-year increase of 2.1%. Benefiting from the growth in the sales scale of the downstream air conditioning market in 2023, both the production scale and the sales scale of the air conditioning motor industry increased, reaching 422 million units, with a year-on-year increase of 6.8%; the domestic market output about 350 million units, with a year-on-year increase of 8.4%; and the export market output about 70 million units, flat year-on-year. The growth of the compressor industry and the motor industry has provided strong support for the development of the entire air conditioning industry.

The new energy industry contributes to sustainable development. Following the path specified by China's carbon peaking and carbon neutrality (dual carbon) phased goals, the proportion of non-fossil energy production and consumption will increase rapidly in the future. The *Annual Development Report of China's Electrification in 2022* stated that the consumption proportion of electric energy in end-use energy is expected to exceed 30% in 2025. Under the background of low-carbon transformation and development, promoting the electrification of energy systems and low-carbon power systems, and building safe and efficient new power systems and energy storage systems centering new energy will give continuous support for achieving the goal of green, low-carbon, and sustainable development.

II. Major businesses of the Company during the report period

Gree Electric Appliances, Inc. of Zhuhai is a diversified and technological global industrial group and has three major consumer brands of Gree, TOSOT and KINGHOME, and industrial brands of LANDA, Kaibang, and Xinyuan, etc. Its industry covers two major areas of household consumer goods and industrial equipment. In the consumption field, it covers residential air conditioners, HVAC, refrigerators, washing machines, water heaters, kitchen appliances, environmental appliances, smart buildings, and smart household appliances; In the industrial field, it covers high-end equipment, precision molds, freezers and refrigeration equipment, motors, compressors, capacitors, semiconductor devices, precision casting equipment, basic materials, industrial energy storage, renewable resources, etc. So far, Gree products have served more than 600 million consumers in more than 190 countries and regions around the world, and continue to meet people's needs for a better life.

According to the data released by AVC, the online retail share of Gree residential air conditioners in 2023 was 28.15%, ranking first; among them, the online and offline retail shares of Gree floor-standing air conditioner were 30.28% and 34.43%, respectively, ranking first in the industry. According to the *2023 Report on the Development of China's Central Air Conditioning Industry* released in the ihos's *HVAC and Heat Pump*, Gree achieved the first sales scale among mainstream brands in the central air conditioning industry with a market scale of more than RMB20 billion in 2023, and ranked first in the central air conditioning market for 12 consecutive years. There are obvious advantages in the market competition for high-end products such as floor-standing air conditioners and central air conditioners.

In 2023, the Company focused on consumer demands and continued to create multiple series of electrical products, gradually forming a brand image of "Gree, Making Better Electric Appliances". According to the data released by AVC, the online retail market share of electric fans in 2023 was 18.07%, ranking second in the industry; the online retail market share of electric heaters is 13.10%, also ranking second in the industry.

III. Core competence analysis

Gree Electric Appliances, revolving around carrying forward industrial spirit, mastering core technologies, pursuing perfect quality, and providing first-class services, has been making innovations in technology to attain high-quality development, provide a better life for the people, create value for society, promote the progress of society, and achieve the corporate vision of Gree's century-old brand.

(I) Take a century-old brand as the vision and aim to create a first-class enterprise

The Company firmly follows the path of brand self-development, and has established a great valuable brand with leading core technologies, excellent product quality, and a complete service system. Adhering to keeping up with the times and constantly absorbing new concepts, Gree has embarked on a new era and journey of "Jointly Creating A Better Life for Humanity", from "Gree, Making Better Air Conditioners", "Gree, the Master of Core Technologies" to "Made in China, Loved by the World".

On the Chinese Brand Value Evaluation List, the Company has consistently ranked first in the household appliance industry for many years, and the brand value has been gradually increasing. In 2023, with the outstanding comprehensive strength, the Company was again listed in "Forbes Top 2000 Global Enterprises", "Forbes Top 2000 Global Best Employers" in 2023, and on "China's Top 500 Private Enterprises in 2023", and won the honor of "Pacesetter of Brand Value in 2023" and the honor of the first "2023 China-chic Innovation Model Pioneer Brand" of China Media Group (CMG). In the "2023 China Brand Value Evaluation Information", the Company ranked first in the light industry group's household appliance industry with a brand value of RMB162.883 billion. In addition, the Company won honors such as "China's World Famous Brand", "The Most Competitive Brand in the Market", "National Quality Award", "Export Exemption Enterprise", "China Brand Innovation Award", "China's Top 100 Light Industry Technology Enterprises", "China's Top 500 Enterprises in Credit", and "2023 Excellent Green Development Cases". It has topped the air conditioning customer satisfaction list for 12 consecutive years. The Company builds and establishes its brand based on perfect quality and internationally leading technology, continuously creating value for society.

(II) Stick to the path of independent innovation and lead the development of the industry

Taking technology as the core driving force for development and adhering to the principles of "independent research and development of core technologies" and "investment as needed without an upper limit", the Company has built a multi-level and high-level research and development platform based on national scientific research platforms, forming a technology innovation system that is "enterprise-oriented, market-oriented, and combined industry, academia, and research", in such a way as to conquer key bottleneck technologies one by one and lead the industry development.

The Company has the world's largest air conditioning R&D center. It has established 16 research institutes, 152 research institutions, 1,411 laboratories, 1 academician workstation, as well as 1 national key laboratory, 1 national engineering technology research center, 1 State-level Industrial Design Center, and 1 State Recognized Enterprise Technology Center. In addition, it has also become a research and evaluation base for refrigeration equipment of the National Notification Enquiry Center. As of the end of 2023, the Company has received a total of 114 important awards at the national, provincial, and industrial levels, and has possessed 40 "world-leading" technologies; has applied for 119,261 patents, including 64,174 invention patents; has obtained 20,416 invention patent grants, making it the only household appliance enterprise to enter the top ten in China's invention patent grants for eight consecutive years; has won 77 Chinese patent awards, including 3 gold awards for invention and 3 gold awards for appearance; and has got 14 gold awards of International Exhibition of Inventions of Geneva and 10 gold awards of iENA. At the same time, the Company is one of the first batch of national enterprise intellectual property demonstration unit, "National Patent Operation Pilot Enterprise", and won the China Trademark Gold Award. The Company's steady increase in the number and quality of patents fully demonstrates Gree Electric Appliances's invention and creation capabilities and international leading research and development strength to the world.

(III) Pursue perfect quality and support Made in China

One of the Company's mission is to pursue perfect quality. To this end, adhering to the three major quality control principles of "never take consumer as an experiment", "everyone is a quality inspector", and "perfect quality is achieved through fighting", the Company has successively proposed and established the "T9 Total Quality Control Model", the "D-CTFP Quality Technology Innovation Cycle Methodology", and Gree's 'Perfect Quality' management model of "Made in China, Loved by the World". The Company adheres to integrity management, takes national and international standards as the threshold, with meeting consumer needs as the highest standard, perseveres in "Made in China, Loved by the World", and contributes to China's grand goal of becoming a manufacturing and quality powerhouse.

The Company actively leads or participates in the development of international standards and makes good use of its advanced core technologies and standards to help improve the industry quality. It has led and participated in the development of 836 international and national standards, including 58 international and foreign standards, and has led the development of 8 ISO and IEC international standards; and has undertaken and participated in 140 standardization organizations related to the household appliance industry at home and abroad, including 37 international and foreign standardization organizations. In 2018, Gree's 'Perfect Quality' management model of "Made in China, Loved by the World" won the third China Quality Award, which is the highest award in the field of quality in China. In 2023, Gree Electric Appliances and the School of Business Administration of South China University of Technology jointly wrote *Pursuing Perfection - Innovation & Progress: Gree Quality Model*, which was selected for the "Best Quality Practices in China in the 21st Century" series published by Standards Press of China

In 2023, according to the evaluation data from the Customer Satisfaction Evaluation Center of China National Institute of Standardization, Gree's air conditioning products have maintained the industry's top customer satisfaction for 12 consecutive years. The Company always relies on reputation to build its brand, occupy the market, and gain development advantages. Its products have been exported to more than 190 countries and regions worldwide, with over 600 million users witnessing the leading technology and excellent quality of "Gree Manufacturing".

(IV) Integrate online and offline business formats and create a channel ecological layout

The Company keeps establishing self-control and win-win sales channels and sales models, and implements a transformation of "new retail" marketing model integrating online and offline channels. Based on 30 regions, over 30,000 offline outlets, and official flagship stores of third-party e-commerce platforms, the Company established a dual-line sales network covering the whole country. The Company is closely following the trend of smart retail and actively creating offline scene marketing models to provide an experiential and immersive shopping environment. It also applies Internet engineering technology to sales channels. Through the construction of digital information system, it connects all links of procurement, logistics, sales, and service to realize the digital upgrading of terminal stores and the reform of retail channel flattening and integrates online and offline channels to improve the overall efficiency of channels and the user service level.

(V) Accelerate the optimization of industrial chain layout and cultivate new quality productivity with the craftsmanship spirit

The Company has developed into a diversified and technology-based global industrial manufacturing group, covering household consumer goods and industrial equipment. Through the means of acquisition, self-research, etc., it has laid out core components, production and manufacturing, green recycling and other sectors in the industrial chain, forming a circular industry and enhancing the Company's core competitiveness and sustainable development capability.

In terms of core industrial components, the Company has strong R&D and manufacturing capabilities, laying a solid foundation for the Company's high-quality development. The Company has completed the layout of core components in the consumption and industrial fields, such as compressors, motors, molds, controllers, chips, enameled wires, capacitors, intelligent equipment, CNC machine tools, robots, and cold chains. Through the acquisition of DunAn, Gree Altairmano, etc., the Company has further integrated the fields of refrigeration accessories, new energy vehicle thermal management, energy storage, and battery manufacturing equipment, achieving independent and controllable core components in the consumption and industrial sectors.

In terms of production layout, the Company has established 77 production bases at home and abroad, located in Guangdong, Chongqing, Anhui, Hebei, Henan, Hubei, Hunan, Jiangsu, Zhejiang, Tianjin, Sichuan, Jiangxi, Shandong, and Brazil. Among them, the Company has 14 air conditioning production bases in China, including Zhuhai, Chongqing, Hefei, Zhengzhou, Wuhan, Shijiazhuang, Wuhu, Changsha, Hangzhou, Nanjing, Luoyang, Ganzhou, Linyi, and Zhuhai Gaolan Port. It also has 5 major household appliance production bases, respectively in Zhongshan, Shijiazhuang, Suqian, Chengdu, and Changsha. Therefore, the production layout gains a highly coordinated development of industrial agglomeration and upstream and downstream industrial chains, ensures the independent manufacturing of the Company's products and core components, optimizes efficiency, and further stabilizes the competitiveness of the Company's products. The Gree intelligent manufacturing factory built by the Company in Gaolan Port, Zhuhai, integrates the industrial advantages of intelligent equipment, industrial Internet, and digital technology and realizes self-sensing, self-learning, self-decision-making, self-executing, and self-adapting intelligent whole-process manufacturing, creating a new intelligent manufacturing factory and empowering new quality productivity with production innovation.

In terms of downstream recycling, since 2010, the Company has successively established six renewable resource bases in Changsha, Zhengzhou, Shijiazhuang, Wuhu, Tianjin, and Zhuhai. These bases are mainly engaged in the recycling and treatment of waste electrical and electronic products, scrapped cars, as well as the deep processing and resource recovery of waste circuit boards and waste plastics. This action indicates that the entire industry chain from production to downstream recycling is covered, achieving green, circular, and sustainable development, and has now reached industry leadership. Now, it has the qualification capacity of dismantling 13 million units of used household appliances, 75,000 vehicles, 180,000 tons of recycled plastic processing capacity, and 60,000 tons of waste circuit board processing qualification capacity.

(VI) Carry out independent talent cultivation and drive innovative development

As a technology-driven enterprise, the Company has always regarded talent cultivation as an important strategic resource for enterprise development and adhering to the concept of "no upper limit on R&D costs", provides employees with a R&D platform to accumulate strength for technological innovation. The Company has established a set of "selection, training, employment, retention" talent training system. Through the construction of a learning organization, continuous learning for grassroots backbone management and other systems, it promotes the inheritance of management experience, sharing of R&D technology, and improvement of skills and literacy; organizes and carries out "vanguards" and college students talent training projects targeting key groups, providing comprehensive and multi-level training support for grassroots management and fresh college students; and relying on the construction project of national-level high-skilled talent training base, it cultivates high-skilled professional talents for itself and further enhances its core competitiveness.

As of the end of 2023, the Company has 50,000 R&D personnel and technical workers; and the Group has 14,000 newly assessed skilled talents, of which, 1 has won the title of "National Technical Expert", 8 have won the title of "Guangdong Provincial Technical Expert", 2 has won the title of "Nanyue Technical Expert", and 5 have won the title of "Zhuhai Municipal Technical Expert". There are also 4 "Zhuhai Municipal Post Technical Expert Pacesetters", 16 "Zhuhai Municipal Chief Technical Experts", 11 "Zhuhai Special Artisans", and 306 "Zhuhai Artisans". The Company has obvious advantages in talent cultivation, talent welfare system construction, etc. and has been nominated for "Forbes Global Best Employers" for 9 consecutive years.

The Company will continue to strengthen the construction of talent team, share the dividends from the enterprise's development through multiple channels such as the employee stock ownership plan, talent subsidies, talent housing, policy-based care for public college degree, and dual-day off work system, and continuously improve employee satisfaction and happiness. In addition, Gree will strengthen cooperation with universities and research institutions, jointly cultivate more top-notch innovative talents, and provide strong support for the innovative development of the enterprise.

IV. Analysis of main business

1. Overview

Insisting on the business philosophy of "Made in China, Loved by the World", relying on the efforts, courage, and continuous innovation of Gree people worldwide, the Company has created the best performance since its establishment 33 years ago. In 2023, the total operating revenue of the Company exceeded RMB205.18 billion, a year-on-year increase of 7.82%, and the net profit attributable to the parent company exceeded RMB29.017 billion, a year-on-year increase of 18.41%.

(I) Adhere to independent innovation and activate new quality productivity

1. Drive innovation through technology and become an industry benchmark

Gree adheres to the concept of "Made in China, Loved by the World", continuously innovates in the field of technology, drives the value chain with the innovation chain, and supports the innovation chain with the value chain.

During the report period, in response to the long-standing problem of underground heat injury in the coal industry, the Company developed the "Key technologies and applications of new refrigeration packaged equipment for heat treatment in deep mine" project, which can generally reduce the temperature of coal mining face by more than 10 °C and humidity by more than 30%, improve the working environment of underground workers, and greatly increase the raw coal production while ensuring safety. After appraisal by the China Machinery Industry Federation and Appraisal Committee, the overall technology has reached the international leading level; the "High-efficiency Heat Pump Technology Based on Floor Heat Storage" project developed by the Company plays a huge role in promoting the integration of China's dual carbon goals and "dual transformation" (digitalization promotes greenization), and the overall technology has reached the international leading level; and the "Innovation and Application of a New Generation of Intelligent Environmental Control System for Ventilation and Air Conditioning Based on Direct Expansion Technology" project developed by the Company has reached the international leading level via expert appraisal. The Company's "High-efficiency Electrothermal Dual Drive Bacteria Disinfection Technology and Its Application in Air Purifier" project and "Key Technologies and Industrialization of High-efficiency and Low-noise Air Conditioner Motor" project both won the first prize of Science and Technology Award of China National Light Industry Council; the "Key Technologies and Application of Cloud Management for Multi-split Air Conditioning Units" project based on application characteristics won the second prize of Science and Technology Award of China National Light Industry Council. The "Magnetic Bearing Refrigeration Compressor Key Technologies and Industrialization" project won the first prize of the 2022 Guangdong Provincial Science and Technology Award for Science and Technology Progress, and the "Development of Large-scale High-efficiency Inverter Ice-storage and Refrigerating Centrifugal Unit and Application in Integrated Intelligent Energy" project and the "Key Technologies and Application on High-efficiency Direct-cooling Air Conditioning Unit for Large Space" project, respectively, won the second prize of the 2022 Guangdong Provincial Science and Technology Award for Science and Technology Progress.

During the report period, the Company won 15 international design awards (9 German iF Industrie Forum Design Awards and 6 German Red Dot Design Awards) and the AWE Innovation Award. As of the end of 2023, Gree Electric Appliances has received a total of 114 important awards at the national, provincial, and industrial levels and has possessed 40 "World-leading" technologies, demonstrating Gree's strong innovation ability.

2. Strengthen intellectual property protection and ensure independent innovation

The Company has established a scientific intellectual property reward mechanism and an annual high amount of scientific and technological progress reward fund to reward units and individuals who have achieved outstanding results in management and technology innovation that year, greatly mobilizing the innovation enthusiasm of scientific researchers; the Company also has developed a "full-process intellectual property management system" to achieve electronic management for the entire life cycle of intellectual property from the source to the end.

During the report period, three subsidiaries of the Company were rated as National Intellectual Property Demonstration Enterprise, and three subsidiaries were rated as National Intellectual Property Advantage Enterprise. As of the end of 2023,

Gree Electric Appliances's 7 companies have been selected as National Intellectual Property Demonstration Enterprise and 17 companies as National Intellectual Property Advantage Enterprise. By 2023, the Company has applied for 10,297 patents, including 7,165 invention patents, and has obtained 3,640 invention patent grants. In addition, it has received 6 China Patent Excellence Awards and 2 provincial patent gold awards; it also has won 3 gold, 3 silver, and 2 bronze awards at the International Exhibition of Inventions of Geneva and Nuremberg, once again showing the power of Gree Creation to the world.

(II) Pursue perfect quality, lead standard construction, and provide high-quality services

1. Optimize the perfect quality management model and further promote the high-level development of enterprise quality

The Company vigorously promotes quality management innovation, method innovation, and theory innovation, represented by the proposal of the forward quality-driven "Five Steps of Quality Prevention" and the reverse quality-driven "D-CTFP Quality Technology Innovation Cycle Methodology". With the T9 total quality control mode and PQAM perfect quality assurance mode as the core architecture, the Company integrates classic management theory with rich enterprise practice and creatively constructs Gree Perfect Quality Management Model for its goal of "Made in China, Loved by the World".

During the report period, the Company continuously optimized the perfect quality management model, improved the shortcomings in quality management, and ensured the high-level development of enterprise quality. In order to meet the R&D and testing needs of diversified electrical products, the Company has established standard product laboratories for air conditioners, large commercial air conditioners, household appliances, refrigerators, washing machines, compressors, motors, industrial robots, etc., covering the performance, safety, noise, EMC, and chemical fields of air conditioners and refrigeration units, and household appliances, so as to ensure product quality. In the First Selection of the Quality Control Pioneer of Electronic and Electrical Laboratories by the China Inspection and Testing Society, the Company was selected as the "Quality Control Pioneer of Electronic and Electrical Laboratories" and became one of the first domestic enterprises to receive this honor; the Company's "Innovative Research and Application of Residential Air Conditioner with Distributed Air Supply" and "Research and Practice on Intelligent Testing and Traceability of Safety Performance in the Whole Process of Digital Air Conditioning Based on the Neural Network System" projects won the second prize of the 2023 China Quality Award; and the Company's "Research and Application of Environmental Adaptability Improvement Technology for Air Conditioners" and "Research and Application of Quality Assurance Technology for Fully Domestic Air Conditioning Electronic Control Systems" projects won the Excellent Award of the 2023 China Quality Award.

2. Continue to promote standardization and foster international right of speech

The Company always upholds the core concept of meeting consumer needs, focuses on promoting the internationalization process of independent innovation technology and standards, and is committed to continuously achieving new breakthroughs and competitive advantages in international standardization work.

During the report period, Chairperson Dong Mingzhu of the Company was awarded the highest national standardization award - Outstanding Contribution Award of China Standard Innovation Contribution Award, making her the only entrepreneur to receive this award this time; the *General Technology Requirements for Intelligent Household Appliances* (GB/T 28219-2018), which was specially developed under the leadership of the Company, won the third prize of the China Standards Innovation and Contribution Award; the Company was awarded the title of "Advanced Collective in National Light Industry Standardization Work from 2021 to 2022"; and the Company acts as a deputy leader-level domestic technology counterpart targeting IEC/TC59/SC59N (International Electrotechnical Commission/Performance of Household and Similar Electrical Appliances/Electrical Air Cleaners for Household and Similar Purposes), and it is the first household appliance manufacturer among more than 200 IEC domestic technology counterparts. The Company has been selected as one of the first batch of national standard verification points, becoming the only enterprise in the refrigeration industry to be selected. The research and evaluation base for technical trade measures of refrigeration equipment undertaken by the Company has been rated as one of the five excellent evaluation bases in China.

In 2023, Gree Electric Appliances's 11 enterprise standards were shortlisted for the 2023 Enterprise Standard Forerunner, which is an event guided by the National Development and Reform Commission and the State Administration for Market Regulation while third-party evaluation agencies are responsible for selection, and the number of finalists was the first in the home appliance industry. Since 2018, Gree Electric Appliances has been listed as the Enterprise Standard Forerunner for six consecutive years. In the past four years, it has led the industry in the number of enterprise standards and has obtained a total of 88 Enterprise Standard Forerunner certificates, ranking first in the home appliance industry in terms of the number of finalists.

3. Provide high-quality services and boost quality upgrades

During the report period, the Company relied on the "old for new" business model, combined with its own sales and after-sales systems, to launch the integrated service model of "new machine assembly and old machine disassembly", further mitigating the core pain points of reverse logistics recycling, warehousing consolidation, and other aspects, significantly improving the user replacement experience, promoting the upgrading of household appliance consumption, and implementing the 5.4 million units recycling target required by the producer recycling responsibility system, so that more consumers can enjoy policy benefits of environmental protection, standardization, convenient recycling, and resource reuse. According to the evaluation data from the Customer Satisfaction Evaluation Center of China National Institute of Standardization, since 2011, Gree's air conditioning products have maintained the industry's top customer satisfaction for 12 consecutive years.

(III) Innovate high-quality products and serve a better life

1. Air conditioner sector - focus on market demands and improve product matrices

1) Residential air conditioner - target customer demands and keep moving in product optimization In 2023, according to the report from ChinaIOL.com, the Company's domestic sales of residential air conditioner reached 29.79 million units, a year-on-year increase of 4.05%. During the report period, the Company enhanced the fashion of products from the perspectives of design, colors, materials, etc. and continued to increase investment in the design of new products in new fields. A total of 8 new series products were launched to tailor for different consumer levels of residential air conditioners. In terms of split-type air conditioners, the Company launched a new split-type air conditioner, named Satin Time, which increases the air volume through a new air duct design, with a circulating air volume of up to 650 m³/h and an air supply distance of up to 6 m; optimizes and upgrades the air guide structure, effectively achieving cold air uplift, that is, avoiding direct blowing to people, and achieving separation of cold and hot air ducts. In terms of floor-standing air conditioners, the Company continued to improve the product matrix of the new generation of up-and-down air outlet series and launched series products such as Satin Time and Gree China Chic. In the process, by adopting a new efficient double-suction & two-way centrifugal fan system design and three innovative technologies, the overall performance and air supply comfort of such products were improved, and the cumulative sales of the new generation of top and bottom air discharge series throughout the year exceeded 100,000 sets, a year-on-year increase of 116%.

2) HVAC - empower products with technology and maintain leading in the market

The Company's HVAC sector covers over a thousand categories of 13 major series, including centrifugal chiller, VRF, screw chiller, modular unit, packaged unit, condensing unit, and precision air conditioner, which, by continuously upgrading product technology, can meet the equipment demands of different working conditions, scenarios, and industries, and serve major benchmarking projects. According to Aircon's *2023 China Central Air Conditioning Market Report*, Gree's central air conditioner sector achieved the best market share for 12 consecutive years since 2012.

① Household central air conditioner - empower products with technology and create smart homes

In the household central air conditioner sector, Gree empowers products with technologies and to meet the diverse needs of users, creates smart and comfortable home systems. During the report period, the Company launched two major series, namely K+ series and K+ PRO series high-efficiency inverter duct-type air conditioning units targeting mid-to-high-end consumer groups of the factory-installed market. The energy efficiency of the entire series far exceeds the national primary energy efficiency standard, ushering in the "primary energy efficiency era" of duct-type air conditioners. At the same time, the Company launched the optional accessories: 3D air vent and purification module (for particles and formaldehyde removal)

for duct-type air conditioners, allowing customers to enjoy upgraded comfortable and healthy services. The newly launched fresh air purifiers, such as Qinyuefeng and Jingyuefeng, effectively solve the problem of unsafe installation due to large-diameter through beam drilling and provide users with a clean, peaceful, and comfortable bedroom fresh air experience.

② Commercial VRF - rely on technological advantages and provide customers with more valuable products

During the report period, the Company launched a new generation of GMV S commercial central air conditioning units, providing users with strong cooling and heating effects, achieving targeted deep energy-saving and ultimate quiet experience based on commercial premises. In the units, Gree's latest generation enthalpy-adding VRF technology and upgraded GMV Water heat pump VRF are combined and the advantages of conventional water system and VRF system are integrated to reduce the installation space of the units, and the units can be installed on the equipment floor to enhance the aesthetic value of the building; multiple renewable resources can be utilized in the units to further improve energy efficiency.

During the report period, the Company continued to make efforts in project expansion in the commercial, real estate, and rail transit industries and reached strategic partnerships with multiple industry-leading enterprises. It continuously exported commercial VRF models and set benchmark sample engineering in many fields, further consolidating the leading position of commercial VRF in the industry.

③ Clean heating - construct full building heating and spur sustainable development

The Company is committed to developing advanced heat pump technology and equipment, based on six categories of low-temperature heat sources (air source, surface water, geothermal, data center, process industry, and power plant), and centered on three types of key heat pump equipment (air source heat pump, ground source heat pump, high-capacity high-temperature heat pump), to create full-scenario high-efficient thermal energy system solutions and serve four major application scenarios (domestic hot water, building heating, industrial and agricultural heat, and industrial steam). At present, the Company has established a full building heating product system, equipped with a series of advanced heat pump technologies such as enhanced vapor injection vortex compressor, three-cylinder and dual-stage rotor compressor, permanent magnet inverter and variable capacity screw compressor, double head series centrifugal compressor, air suspension/electromagnetic suspension oil-free steam compressor, and has won the leading brand award in the heat pump industry for many years.

During the report period, the Company launched the Huofenghuang Supreme household heating and cooling (integrated) unit, including single-heat and three-phase power special models, to meet the differentiated needs of the market. Besides, the Company deepened the heat pump industry and launched commercial high-temperature heat pump water heaters and Jinqian direct heating pressure water heaters to meet the needs of industry, agriculture, and high-end comfort. Relying on the Company's innovation advantages in energy conservation research, focusing on clean and green heat products in segmented markets, a new full-scenario application pattern of heat pumps has been constructed, promoting the application and development of heat pump technology in more fields.

④ Precision air conditioner - create self-developed brands and meet market demands

The Company focuses on the "double carbon" strategy, helps the development and construction of green data centers, and contributes to the construction of a clean, low-carbon, safe, and efficient energy system. During the report period, the Company developed the air-cooled fluorine pump inverter intelligent double-cycle air conditioning unit for machine rooms, which can automatically switch over the compressor refrigeration mode, the mixed (compressor + fluorine pump) refrigeration mode, and the fluorine pump refrigeration mode according to the indoor and outdoor temperature difference in different seasons, so as to ensure the energy-saving and efficient operation of the unit under stable and reliable conditions, reduce the energy consumption of the whole unit, and save the operation cost; at the same time, a new and efficient cooling method is selected to ensure the computing capacity of the server, meet the requirements of low PUE construction in the data center, and ensure the operation of the server in the data center with extreme energy efficiency.

⑤ Freezing and refrigeration equipment - strengthen all cold chain products with technology and accelerate industry development

Promoting the high-quality development of cold chain logistics is an important foundation to support and help rural revitalization, is to improve the quality and safety systems of fresh agricultural products "from farmland to table, from the

branches to the tongues", is to enhance the quality control ability for the whole process of pharmaceutical product logistics, and is an important guarantee to support the implementation of food safety strategy and build a healthy China.

During the report period, the Company launched a new -86°C ultra-low temperature freezer, which can be used to store viruses, bacterial samples, vaccines, and biological tissues and organs. The product features a fast cooling speed due to low-temperature enhanced heat transfer technology and combined with precise temperature control technology and multiple enhanced insulation technology, good temperature uniformity inside, so it can fully meet the requirements of low-temperature storage applications in scientific research, biomedicine, pharmaceutical enterprises, and other fields. In response to the call of the national green development policy, the Company also launched a new low-temperature hot fluorine defrosting refrigeration unit. It has a full range of cooling capacity of 3–12 HP and can meet the storage temperature requirements of -25°C – 15°C . Moreover, It has the advantages of high energy efficiency, accurate temperature control, reliable operation, and others, leading the industry to build a low-carbon, green, and energy-saving cold storage system.

⑥ Large-scale water heater - delve into market demands and continuous technology innovation and become an industry leader

During the report period, the Company launched the industrial large-capacity high-temperature centrifugal heat pump unit, characterized by outstanding energy conservation, reliability, and adaptability, and the hot water outlet temperature is as high as 120°C , filling the gap in the high-temperature heat pump market. The unit directly uses the heat pump unit to flash the low-pressure steam of 100°C – 120°C at the primary temperature rise or with the help of steam compressor, the high-pressure steam of 120°C – 160°C at the secondary enhanced temperature rise, which can meet the 80°C – 150°C heat requirements in non-process industries such as food, medicine, and printing and dyeing and replace coal-fired and gas-fired boilers in non-process industries, with more obvious economic advantages.

2. Home appliance sector - make "better appliances" through technological innovation

Revolving around the core development strategy from "Gree, Making Better Air Conditioners" to "Gree, Making Better Electric Appliances", the Company persists in the orientation of health, intelligence, and personalization and implements a systematic layout, realizing full coverage of industries such as kitchen appliances, environmental appliances, refrigerators, and washing machines, and continues to build multiple series of intelligent household appliances focusing on consumer demands.

1) Environmental appliance - dig deep into customer demands and upgrade product services

During the report period, the Company developed an energy storage folding circulation fan, with a built-in 5,200 mAh battery, which can last about 10 h. The air speed is up to 4.6 m/s, the noise is as low as 30 dB(A), and the fan has dual usage of placing on a desk and hanging, suitable for a variety of home and outdoor use scenarios. The Company also developed a 3D floor scrubber that can reach and clean dirt at edges and corners. The scrubber can intelligently sense the degree of contamination and automatically adjust the suction or water output. In addition, it is equipped with heat-conduction air drying technology for safe drying. According to the AVC data in 2023, the Company's online retail sales of electric fans have a market share of 18.07%, ranking second in the industry.

2) Kitchen appliance - improve product technology and product quality

During the report period, the Company adhered to the core positioning of "simple cooking and healthy eating" and continued to improve the functional effect of products through technological innovation to give customers a good cooking experience. For example, the steam oven developed by the Company applies the steaming and baking 2.0 technology, and it adopts the multi-dimensional heat field energy directional distribution scheme to realize simultaneous steaming and baking of three dishes and rice without accessories, improving users' convenience while ensuring good taste, nutrition, and no tainting of food materials. The new 16-liter gas water heater launched by the Company adopts a new high-efficiency coilless single-row heat exchange technology, which improves the heat exchange efficiency by 10%, enhances the corrosion resistance, and strengthens the reliability and durability, and it is unanimously recognized by customers.

3) Refrigerator - drive product and service upgrading with innovative technology

The Company has overcome core technical problems in the preservation of fruits, vegetables, and meat in the household refrigerator industry, developed world-leading key technologies for the preservation of fruits, vegetables, and meat in household refrigerators, and manufactured products that meet the high-quality storage requirements of food materials. During the report period, the Company launched a series of second-generation all-around freshness preservation refrigerators. The series is equipped with a number of world-leading technologies such as fruit and vegetable preservation technology based on self-balancing high permeability film and air source gas phase humidity, natural convection supercooled meat preservation technology, and meat ultra-freezing storage technology of broadband fully sealed piston compressor. It has three core functions: soft-freezing 2.0, ultra-freezing and fresh-keeping, and photosynthetic moisturized fresh-keeping, as well as characteristic functions, for example, HCP full space sterilization and purification, dot matrix precise temperature control, closed moisture control zone, and four temperature control options. The series can further enhance the refrigerator use experience through the design of closed exclusive space, visual sterilization display, easy-to-take bottle frame, three-step drawer, and other details.

4) Washer and dryer combo sector - inherit core technologies and lead the industry in terms of washing and drying effects

For washer and dryer combo products, Gree has adhered to the direction of "leading heat pump washing and drying" and "AI intelligent washing". Guided by consumers' demands, it has been committed to meeting targeted customer demands. During the report period, after comprehensive research and upgrading on the washing, drying, and care of conventional clothes and delicate clothing materials, the Company launched the second-generation heat pump washer dryer, achieving a significant improvement in the washing, drying, and care performance and user experience. In terms of intelligent applications, it can realize one-button automatic door opening without manual pushing and pulling, so as to improve user experience. After the washing program ends, it can automatically open the door to keep the air circulation in the cylinder and prevent clothes from being stuffy and smelly. Equipped with the iCleaner2.0 all-round intelligent cleaning system, the self-cleaning of the drying filter and heat exchanger has been upgraded from passive washing to active washing + brushing, improving the cleanliness to 100% and the drying efficiency of clothes, and eliminating secondary pollution of clothes. In terms of health, using anti-mold and antibacterial door seals, the antibacterial rate reaches 99%, effectively preventing door seals from getting moldy and breeding bacteria, and maintaining a clean laundry environment. Equipped with a 60 °C cylinder cleaning function, high-temperature water flow meticulously cleans the dirt and residue inside and outside the cylinder, offering a clean laundry environment. Fitted with a dual spray system, it can clean the glass door and door seal rings to avoid secondary pollution caused by foam or stain residue. Nano Ag+ ions slowly release when in contact with water and can achieve sterilization even when washing at room temperature, with a sterilization rate of over 99.9%. Steam care is intended to remove bacteria mites, with a bacteria removal rate of over 99.99% and a mite removal rate of over 99%.

(IV) Grasp the core links of industrial products and assist the Company in high-quality development

Gree Electric Appliances has strong research and manufacturing capabilities in the core components of household appliances and intelligent equipment, laying solid groundwork for the Company's high-quality development.

1. Compressor sector - persist in continuous innovation and lead industry technology development

The Company has five major compressor production bases, including 16 series of products of C39/C44/C48/C49/C55/C63, etc., covering over 1,000 models of high-efficiency, energy-saving, and eco-friendly products such as fixed frequency, DC inverter, different power sources, different working substance, dual rotors, vortex type, with wide application scope covering multiple air conditioning fields such as a household, commercial, vehicle, freezing and refrigeration, dehumidification and heating. Its product technologies are at the forefront of the industry in fields such as two-stage enthalpy-adding compressors and three-cylinder two-stage compressor of variable volume ratio.

During the report period, in response to the working environment of base station air conditioning, the Company developed a new generation of high-efficiency compressors for base station air conditioning through innovative designs such as the low-power consumption motor, compact but efficient pump structure, and low-friction bearing system. Due to the increase of 5% in energy efficiency ratio, they act as core power for high-efficiency base station air conditioning, thus accelerating the

Company's layout in the base station air conditioning field of the telecommunications industry. In the field of residential floor-standing air conditioner, the Company developed a new generation of ultra-efficient compressors through innovative designs such as wear-reducing materials and low-power consumption motors, with an energy efficiency ratio improvement of 5.3%, leading the industry's technological development.

2. Motor sector - deepen technological innovation and become a high-quality pioneer in the industry

The Company has launched motor products in 5 major categories, 24 series, and over 1,000 varieties and specifications, with 2,286 motor-specific national patents. They are mainly used in household appliances, BEVs, intelligent equipment, high-efficiency industries, HVAC equipment, and other fields and have been widely applied and recognized by customers.

During the report period, the Company further expanded its application of magnetic bearing technology to the field of industrial air compressors. The magnetic bearing high-speed motor system developed for 3-kilogram air compressors has a rotational speed of up to 40,000 rpm, high levitation accuracy, and can achieve friction-free, efficient, high-speed, and oil-free operation. It is matched with the entire air compressor, and its performance exceeds the national primary energy efficiency level. This further consolidates Gree magnetic bearing leading position in the industry and helps achieve the national "dual carbon" strategic goal.

In the field of industrial motor, the Company developed a new permanent magnet-assisted reluctance motor featuring high torque density, high efficiency, no rare earth, and a full range of 0.75 kW–315 kW. It reaches the industry's highest energy efficiency IE5 level. Through the magnetic circuit anti-saturation design, high saliency ratio rotor topology, and efficient heat dissipation technology, the torque density is increased by 20% compared to asynchronous motors of the same power. This provides the industry with an efficient, low-carbon, and green product, frees the industrial motor industry from the constraints of rare earth resources, ensures sustainable development of the industry, and plays a positive role in promoting carbon peaking and carbon neutrality policies for the country.

3. Refrigeration accessories sector - strengthen supply chain control and improve industrial chain layout

In recent years, the Company has increased its diversified layout, acquired DunAn Environment, optimized the supply chain, and improved its industrial chain layout. Focusing on the main business of refrigeration, DunAn Environment manufactures series of products aimed at the entire HVAC&R industry to fully support segmented fields such as residential air conditioners, commercial air conditioners, air source heat pumps, freezing and refrigeration, and new energy vehicle thermal management. It has a state-recognized enterprise technology center, a national postdoctoral workstation, an academician workstation, a CNAS laboratory, and a national full-performance testing center of central air conditioner. Therefore, it has formed a product development platform and core technology system with independent intellectual property rights. Relying on the R&D platform and following the orientation of "green, efficient, comfortable, and intelligent" technology development, DunAn Environment makes doubled efforts in research and development and pursues progress in key new products. In 2023, the market share of DunAn Environment's cut-off valve ranked first in the world, that of the four-way valve ranked second in the world, and that of the electronic expansion valve ranked second in the world.

4. Precision mold sector - vigorously develop precision machining and build a leading mold enterprise

Gree Precision Mold is an important development pillar of the Company's industrial sector. Gree Precision Mold adheres to a high-standard quality control concept and closely revolves around the "4+1" business model, that is, household appliance molds, automobile molds, precision molds, and motor molds + mold products, making it maintain a leading position. Gree Precision Mold has set up a supporting mold center in all production bases of the Company, 4 R&D platforms, 1 national-level skilled master studio, 3 municipal-level skilled master studio, 1 municipal-level skill workstation, 1 municipal-level model worker innovation studio, and 12 technical manufacturing service centers, providing customers with reliable and cost-effective one-stop solutions.

During the report period, Gree Precision Mold accomplished multiple technological breakthroughs. For example, a new energy large-scale dual color mold technology was developed, replacing the traditional manual pasting of sealing rings, and the production efficiency of flow energy storage battery stacks was improved by more than twice; the high-speed stamping

technology for straight-bar iron cores at round riveting points increased the material utilization rate from 5% to 65%; and through the optimization technology of cutting process parameters, the cutting efficiency of precision machining parameters for ball end cutters can be improved by 37% to 42% and that for round nose cutters can be improved by 23% to 28%.

(V)Implement diversified and efficient operation of channels

1. Domestic sales channels: Promote digital upgrading of stores and steadily explore sinking channels

The Company vigorously promotes the construction of digital stores and by introducing a series of digital devices such as intelligent shopping guide screens, cloud shelves, and electronic price tags, accelerates the upgrading of health, comfort, and convenience of stores, allowing consumers to have a deep understanding of products.

The Company seeks innovation while maintaining stability in its sinking sales channels and fully grasps platform resources, to jointly explore the market development of sinking channels. It also expands channels from the perspective of platform + brand, demonstrated by the favorable development of brand stores on JD and Tmall. During the report period, the sales performance of household appliance through channels such as JD and Tmall increased year-on-year, entering a stage of steady development.

2. Overseas channels: Vigorously develop independent brands, deepen marketing transformation, and expand overseas e-commerce layout

Strengthen the overseas social media matrix and create a diverse content ecosystem. During the report period, overseas social media platforms had over 100 million online exposures and millions of user interactions, widely and deeply spreading Gree's brand philosophy. The Company actively participated in professional refrigeration exhibitions such as the Canton Fair, AHR Expo, MCE, and Refrigeration & HVAC Indonesia and received customers from 230 countries and regions around the world, maximizing product and brand exposure, and subtly highlighting Gree's product attributes and brand tone. In order to consolidate overseas distributors' loyalty to the brand, the Company held the 4th Gree Global Strategic Partners Conference and Gree Global Dream Gala 2024, combined with creative expression and China chic of products, showcasing the corporate culture, company strategy, product layout, and comprehensive strength to global consumers, further elevating Gree's independent brand image.

Strengthen the layout of mainstream overseas retail e-commerce platforms and expand the categories in overseas markets. The Company's home appliances such as circulating fans and humidifiers have been launched on mainstream retail e-commerce platforms such as Amazon, Walmart, SHOPEE, LAZADA, and Mercadolibre. With a high-quality and innovative product image, Gree has quickly captured the minds of local consumers and received widespread praise.

During the report period, the Company's products were sold to more than 190 countries and regions, and its overseas business achieved a revenue of RMB24.904 billion, with independent brands accounting for nearly 70%, an increase of 8% year-on-year. We have won over 130 typical projects with a total cooling capacity of over 450,000 RT, including Angola Luanda New Airport, Pakistan Gwadar New Airport, Ivory Coast Abidjan Stadium, Peruvian Agricultural University, Oman Ministry of Defense Office Building, Chinese University of Hong Kong, Pitts Street Hotel in Sydney, Australia, covering Africa, Brazil, the Middle East, Australia, Asia Pacific, and other overseas countries and regions. We have achieved success in various fields such as airports, power plants, oil fields, rail transit, hotels, factories, office buildings, and special China-aid foreign projects, continuing to support Gree's international brand image.

(VI)Persist in technology to achieve success and accelerate diversified development

Taking technology as the core driving force for diversified development, the Company has overcome key bottleneck technologies one after one and made continuous efforts in diversified fields such as intelligent equipment, industrial products, home appliances, and new energy, providing growth momentum for performance.

1. Intelligent equipment - pursue continuous innovation and provide reliable intelligent manufacturing solutions

At present, Gree Intelligent Equipment has established 15 R&D units, 7 technology service centers, and 3 provincial-level scientific research platforms in Zhuhai, Guangdong Province, including 1 provincial-level enterprise technology center and 1 provincial-level manufacturing innovation center. Its products involve four major sectors: industrial robots, CNC machine

tools, intelligent logistics & warehousing, and factory automation, and are applied to multiple fields such as home appliances, new energy, automobiles, and 3C. In 2023, Gree Intelligent Equipment continued to optimize its product system architecture, and focusing on series products in four major sectors: CNC machine tools, industrial robots, intelligent logistics & warehousing, and factory automation, provided products for many leading enterprises in the industry at home and abroad, helping to upgrade automation.

In the sector of CNC machine tools, revolving around the electrification and light weight of new energy vehicles, we have successfully developed a series of fully closed-loop direct drive, high-speed three-axis vertical machining, four-axis vertical machining, and five-axis gantry CNC machine tools to meet the requirements of PACK modules and components, automotive safety components, chassis integrated die-casting components, and other CNC machine tool equipment. We are committed to becoming a leader in high-speed machining system solutions for new energy vehicle components.

In the sector of industrial robots, revolving around the new energy market, we have developed industrial robots such as GR35, GR50E, and GRS20 for the lithium-ion battery and photovoltaic fields, GR200 for automotive component die-casting, and GRX5 collaborative robots for matching liquid dispensing workstations, providing robot automation application solutions for the manufacturing of new energy vehicle components, and assisting in the intelligent upgrading of production and manufacturing models in the new energy vehicle industry.

In the sector of intelligent logistics & warehousing, we have developed dual station control technology, multi-vehicle control system, and modular control system for stacker cranes, and completed major project acceptance in the fields of electric power, automotive components, and education. In addition, the Company has completed the promotion of a high-rise and high-efficiency intelligent three-dimensional warehouse management and scheduling system for the automotive parts industry, achieving intelligent scheduling and management of logistics from production, temporary storage, to distribution, and providing professional system solutions for automotive and its parts manufacturers.

2. Green energy - deepen technology innovation and build a better future

Under the "dual carbon" background, China's energy green transformation is accelerating, and a new type of electric power system and energy storage system with new energy as the focus, safe and efficient, is gradually becoming an important measure to achieve the "dual carbon" strategy. In recent years, the Company has continued to make efforts in green energy, committed to key technology research and product development in the field of new energy, and coordinated the construction of new energy industry layouts, providing assistance for the transformation and development of China's green economy.

1) Photovoltaic (storage) air conditioner - develop "zero carbon source" technology and usher in the green revolution

After ten years of technological research and development, the Company innovatively integrates photovoltaic energy and air conditioning products across borders. The world's first Gree "zero carbon source" air conditioning system won the highest award at the 2021 Global Cooling Prize. According to the organizing committee's calculation, this technology can reduce air conditioning carbon emissions by 85.7%.

During the report period, the "Key Technology Research and Product Development of Power Adjustable DC Electromechanical Equipment" project of the Company's technical team was included in the 14th National Key R&D Program of China, fully demonstrating the Company's research and development strength in this field. As of the end of 2023, the technology related to the photovoltaic (storage) DC air conditioning system has won multiple domestic and international awards, including the first Chinese Patent Gold Award in the household appliance industry, the UK RAC Annual Achievement Award, and the Geneva International Invention Gold Award; the Company's "zero carbon source" system has been applied in more than 12,000 engineering scenarios in 35 countries and regions worldwide. The Company's PEDF technology has also been applied in key projects such as the 19th Asian Games Hangzhou 2022, Hainan Boao Forum for Asia, Dammam Medical University in Saudi Arabia, and Qatar Mosque, exerting significant influence both domestically and internationally.

2) New energy - seize the future track and further improve industrial layout

As of the end of 2023, Gree Altairnano has won honors such as "China's Top 500 Private Enterprises in the Manufacturing Industry", "National Quality Trustworthy Products", "Bus Safety Technology Achievement Award", the "Most Influential

Enterprise Award in China's Energy Storage Industry", and "Green Factory", and has been selected as the "National Intellectual Property Advantage Enterprise" and "National Top 100 Quality Inspection Integrity Benchmark Enterprises". Gree Altairnano's 18-meter dolphin bus won the "China Patent Award - Gold Award for Appearance Design", becoming the only product selected in the new energy vehicle industry. The key technology of Gree Altairnano's high-safety and large-rate energy storage system has been identified by the China Machinery Industry Federation as reaching the "international leading" level, and has won the second prize of Guangdong Province Science and Technology Award and the first prize of Guangdong Mechanical Engineering Society's Science and Technology Award. The "Lithium Titanate Power Efficient Energy Storage System" has been selected into the catalog of recommended energy-saving technologies and equipment in the field of industry and information technologies. Gree Altairnano has been selected as one of the top 500 global new energy enterprises for many years.

During the report period, Gree Altairnano's invention patent won the gold medal at the iENA in Germany. As of the end of 2023, Gree Altairnano has applied for a total of 3,571 patents, including 1,016 invention patents; a total of 2,640 patents have been granted, covering various fields such as lithium battery materials, electric vehicle powertrains, intelligent energy storage, etc., fully demonstrating Gree Altairnano's research and innovation capabilities in the field of new energy.

① New energy vehicle - explore new markets and adhere to diversified sales channels

Insisting on independent innovation, Gree Altairnano launched two series of products, namely commercial vehicles and special vehicles, according to the needs of different industries. In 2023, facing a fiercely competitive market environment, Gree Altairnano adhered to diversified sales channels and product routes, achieving breakthroughs in the domestic vehicle sales market of 10 meter and 18 meter buses and logistics vehicles. Gree Altairnano's new energy buses and classic new energy buses have been delivered to places such as Yinchuan in Ningxia, Xining in Qinghai, and Linyi in Shandong, helping to build demonstration zones for a green transportation powerhouse through the "public transportation + life" model.

During the report period, with the trend of increasing the volume of overseas new energy buses and increasing efforts to expand overseas markets, Gree Altairnano achieved breakthrough growth in overseas markets. Gree Altairnano, focusing on the field of public transportation vehicles, has reached strategic cooperation with high-end customers in the Middle East market and has delivered in bulk; in response to the high heat and desert environment in the Middle East region, Gree Altairnano made technological adjustments to the vehicle adaptability and took an active part in local BEV tourist vehicle projects to promote the electrification process of zero-emission public transportation in the Middle East region and jointly create a new green and low-carbon tourism experience.

② Lithium battery - expand product matrices and meet market demands

During the report period, Gree Altairnano achieved a breakthrough in the lithium titanate battery market. In the field of power grid frequency modulation, Gree Altairnano achieved batch application and transformation of high-rate lithium titanate container systems, and successfully undertaken the 33 million power plant project in Yuncheng, Shanxi. In terms of rail transit, Gree Altairnano and CRRC Times reached a cooperation agreement, and the high-power pure electric new energy shunting locomotive equipped with a high-voltage liquid-cooled lithium titanate power battery system has been successfully put into use in Datong, Shanxi. Gree Altairnano has increased the development and promotion of independent LFP batteries, enriching the main battery product route of lithium titanate batteries and further expanding the product matrix. In the battery sector, Gree Altairnano achieved new business breakthroughs in markets in more than 20 countries, including Europe, the Americas, Southeast Asia, Australia, and Russia, with the long-term customer demand increasing by 35% year-on-year; carried out relevant overseas bus standard certification work and simultaneously explored the European pure electric bus market; it had a cumulative sales exceeding RMB100 million of two-or three-wheeled vehicles in India, with a stabilizing demand.

3. Semiconductor - seek efficient products and continuous innovation and enhance market competitiveness

The Company has developed series products including MCU, AIoT SoC, and power semiconductors. The 32-bit series MCU chips have been widely used in terminal products such as residential air conditioners, commercial VRFs, wire controllers, and remote controls, with an annual usage of over 30 million pieces. They can be widely used in consumer electronics, wearable devices, home products, health and medical equipment, commercial large-scale units, industrial sensors, high-performance motor controls, and other fields; power semiconductors such as FRD, IGBT, IPM, and PIM have been applied in batches on

inverter air conditioners, with an annual usage of over 20 million pieces, and can be widely used in fields such as household appliances, intelligent equipment, and new energy. The developed AI chip combined with the key algorithm for the Company's energy-saving air conditioners has been validated in mass production, which can achieve energy savings of over 15% in air conditioners. The third-generation semiconductor power devices have been validated in mass production on the Company's residential floor-standing air conditioners, which can effectively improve the energy-saving efficiency of air conditioners and reduce the overall cost of products.

4. Renewable resources - carry out social responsibilities with green renewable resource system

The Company actively practices the producer responsibility extension system and innovatively proposes the circular development model of "green design - green manufacturing - green recycling" to ensure the green efficiency of the whole industrial chain. Starting from 2010, the Company has established six recycling bases that mainly engage in the recycling of waste electrical and electronic products and end-of-life vehicles, as well as the intensive processing of waste circuit boards and waste plastics, in Changsha, Zhengzhou, Shijiazhuang, Wuhu, Tianjin, and Zhuhai.

During the report period, the Company processed a total of 9.95 million sets of waste household appliances. As of the end of 2023, a total of over 56.64 million units (sets) of various waste electrical and electronic products have been processed, and approximately 719,000 tons of recycled copper, iron, aluminum, and plastic have been converted, which can reduce carbon dioxide emissions by 876,100 tons and help achieve carbon peaking and carbon neutrality goals.

5. Healthcare - lay out new tracks and support the development of national healthcare industry

At present, breaking through the bottleneck technology in the medical field, optimizing intelligent solutions, and improving the level of medical technology in China have become the main theme of innovation and development in China's medical field. The Company has successively established a number of medical equipment companies, such as Zhuhai GE HEALTH MEDICAL Technology Co., Ltd. and Chengdu Gree Xinhui Medical Equipment Co., Ltd., and engaged in R&D and production of medical protective products, laboratory equipment, and mobile medical equipment. By building a platform for research and transformation of generic technologies, the Company satisfied the customized needs of products in different application scenarios, drove the localization of equipment in biomedicine and life sciences, and supported the high-quality development of China's healthcare industry through technological innovation.

6. Prefabricated food equipment - adhere to independent innovation and build industrial clusters of prefabricated food equipment

In 2009, the Company laid out the freezing and refrigeration industry and independently developed eight categories of cold chain equipment, including pre-cooling, storage, and cooling categories. Based on years of deep research in the field of freezing and refrigeration, our products have expanded into over 100 models in 17 series, achieving low-temperature preservation at a minimum of -85 °C and full cold chain coverage. Zhuhai Gree Prefabricated Vegetable Equipment Technology Development Co., Ltd., established by the Company, combines automated production equipment, intelligent logistics equipment, and high-end freezing and refrigeration equipment to provide customized intelligent solutions of prefabricated food featuring equipment automation, operation informatization, and factory intelligence for enterprises.

During the report period, the Company launched a dedicated lychee preservation mobile equipment, which effectively reduced the dehydration rate of lychees, prevented microbial invasion, extended the preservation period, and achieved a good fruit rate of 99.8% by increasing humidity, sterilization, temperature control, and other functions, enhancing the international competitiveness of Chinese lychees. The Company will connect the upstream and downstream industrial chains, promote vigorous development of the prefabricated food industry through technological innovation, drive the upgrading of traditional agricultural industrialization, and accelerate rural economic revitalization.

7. Upgrade all categories of smart home appliances and create a beautiful living and home ecosystem

The Company adheres to independent innovation, independent research and development, and independent manufacturing, and builds zero-carbon healthy homes with core technology. The Company continuously upgrades the five smart living systems of energy, air, health, security, and lighting throughout the entire house; it develops personalized spatial intelligent

solutions for different living spaces such as living rooms, bedrooms, and kitchens, to create a green, efficient, convenient, and safe interconnected home space.

During the report period, the Company deepened its layout in areas such as smart home systems, smart home networks, smart voice interaction, smart scenario solutions, and smart product technologies. According to the "2023 Top 100 Global Smart Home Invention Patents Ranking" released by the intellectual property industry media IPRdaily, Gree ranked among the top five globally with 3,011 patents.

In terms of whole-house smart home, Gree Zero Carbon Health Home has settled in various parts of the country, and dozens of Gree Smart Comfortable Home stores have been established in Sichuan, Chongqing, Henan, Anhui, Guangxi, Jiangxi and other regions. Through six technologies, five systems, and spatial deployment, Gree has achieved intelligent emission reduction, creating energy-saving, environmentally friendly, comfortable and healthy smart homes.

In terms of centralized management platform, the Company developed a comprehensive solution for smart apartments in Wuhan, Zhuhai, Luoyang, Jiangxi, Tianjin and other regions. Equipped with the Gree smart air conditioning centralized management system and smart door lock, it provides services such as online informatization for check-in and check-out, abnormal safety alarm for residents, remote control and management of apartment and dormitory appliances, reduces operating costs and personnel investment, and improves the management level to give apartment residents higher quality of life.

In terms of smart home ecological interconnection, Gree Standard Cloud cooperated with well-known manufacturers at home and abroad. By providing authorized services for cooperative manufacturers, Gree Standard Cloud provided convenient inquiry and control of Gree equipment for plenty of users, which improved the Company's influences and brand effect.

(VII) Build a scientific talent cultivation system and promote the endogenous development momentum of the enterprise

The Company has established a set of unique "selection, training, employment, retention" talent training system and a comprehensive salary and benefit system to cultivate the endogenous development momentum of the enterprise.

1. Build a learning organization and meet talent demands

During the report period, the Company actively advanced the establishment of a learning organization. Normalized company-wide open courses and routine learning sessions for grassroots management leaders were implemented to nurture universally applicable talents extensively. More than 100 public seminars were organized throughout the year, attracting close to 4,000 participants, solidly promoting the inheritance of management expertise, sharing of R&D technologies, and enhancing professional competencies.

The Company persisted in carrying out the "Foundation Consolidation Project" aimed at elevating job-specific skills. Through master-apprentice programs led by renowned mentors, assessment and certification processes, and skill competitions, a total of 79 batches of new staff orientation training and base support training were conducted, involving 4,867 individuals. Additionally, 29 skill contests were held, engaging nearly 1,000 employees, and specialized training for over 1,400 personnel was organized. This approach realized standardized job training, routine professional development, and competitive skill enhancement, thereby reinforcing the Company's talent development. By leveraging platforms such as Master Craftsmen Studios and Technician Workstations, a skill talent cultivation system was established, smoothing the development path for skilled professionals, and vigorously building a highly skilled workforce characterized by "rational structure, solid skills, ample numbers, and excellent quality", thereby enhancing the Company's industrial competitiveness. During this period, the Company was shortlisted for the "Engineering and Technology Talent Contribution Award," becoming the first enterprise in the home appliance industry to receive this honor.

2. Improve the talent incentive policy and stimulate the inherent potential of employees

During the report period, the Company continued to promote the talent incentive policy and gave play to the exemplary leading role of advanced employees. It set up scientific and technological progress award, management innovation award, rationalization proposal award, performance bonus, year-end bonus and diversified bonus system, and created honorary selection activities such as advanced individuals, pioneer workers, gold medal employees, outstanding city employees, and skill pacesetters, etc., to encourage employees to innovate and give full play to their strengths.

3. Improve the employee welfare security system and create a happy and contented atmosphere within the Company.

The Company consistently intensified its investment in the "Talent Sanctuary," encompassing multiple facets of life including clothing, food, housing, and transportation. In terms of transportation, the establishment of Zhuhai Gree Transportation Co., Ltd. provides employees with complimentary, comfortable shuttle bus services, effectively functioning as a secondary transportation network in Zhuhai. Regarding living conditions, the Company also invested hundreds of millions of RMB to build Gree Kang Park and staff living areas to solve problems of staff housing, leisure and entertainment. It established a perfect employee welfare security system and a "Sunshine Fund", which met the urgent needs of employees in difficulty. In terms of salary and benefits, a well-rounded employee welfare and benefits system was established, offering not only substantial and diverse compensation packages, social insurance and housing fund contributions, meal allowances, high-temperature subsidies, housing allowances, and transportation allowances as fundamental benefits, but also incentive-based rewards like the science and technology progress award, management innovation award, and rationalization proposal award.

4. Continue to implement the share incentive plan and share the dividends of enterprise development

The Company consistently launched and implemented the employee stock ownership plan to improve the benefit sharing and risk-sharing mechanism between the Company and core employees, fully mobilize the enthusiasm and creativity of employees, improve the cohesion of employees and the competitiveness of the Company, and promote the long-term, sustainable, and healthy development of the Company.

2. Revenue and cost

(1) Composition of operating revenue

Unit: yuan (RMB)

Item	2023		2022		Year-on-year Increase/Decrease
	Amount	Proportion to Operating Revenue	Amount	Proportion to Operating Revenue	
Total operating revenue	203,979,266,387.09	100%	188,988,382,706.68	100%	7.93%
By industries					
Manufacturing industry	174,565,470,852.38	85.58%	153,165,839,566.10	81.05%	13.97%
Other business	29,413,795,534.71	14.42%	35,822,543,140.58	18.95%	-17.89%
By products					
Air conditioner	151,216,511,000.13	74.14%	134,859,394,542.06	71.36%	12.13%
Home appliance	4,001,971,437.12	1.96%	4,567,901,238.21	2.42%	-12.39%
Industrial product	10,002,891,047.02	4.90%	7,599,259,996.39	4.02%	31.63%
Smart device	669,842,288.11	0.33%	432,085,871.36	0.23%	55.03%
Green energy	7,106,463,576.73	3.48%	4,701,188,530.73	2.49%	51.16%
Other main business	1,567,791,503.27	0.77%	1,006,009,387.35	0.53%	55.84%
Other business	29,413,795,534.71	14.42%	35,822,543,140.58	18.95%	-17.89%
By regions					
Domestic sales – main business	149,661,934,832.94	73.37%	129,895,113,805.01	68.74%	15.22%
Export sales – main business	24,903,536,019.44	12.21%	23,270,725,761.09	12.31%	7.02%
Other business	29,413,795,534.71	14.42%	35,822,543,140.58	18.95%	-17.89%

(2) Industries, products, regions, and sales models that account for more than 10% of the Company's operating revenue or operating profits

Applicable Not applicable

Unit: yuan (RMB)

Item	Operating revenue	Operating Cost	Gross Margin	Increase or Decrease in Operating Revenue over the Same Period of the Previous Year	Increase or Decrease in Operating Cost over the Same Period of the Previous Year	Increase or Decrease in Gross Margin over the Same Period of the Previous Year
By industries						
Manufacturing industry	174,565,470,852.38	113,508,550,549.59	34.98%	13.97%	7.52%	3.91%
Other business	29,413,795,534.71	28,116,999,197.36	4.41%	-17.89%	-17.81%	-0.09%
By products						
Air conditioner	151,216,511,000.13	95,207,973,716.18	37.04%	12.13%	4.49%	4.60%
Other business	29,413,795,534.71	28,116,999,197.36	4.41%	-17.89%	-17.81%	-0.09%
By regions						
Domestic sales – main business	149,661,934,832.94	94,519,678,129.83	36.84%	15.22%	10.35%	2.78%
Export sales – main business	24,903,536,019.44	18,988,872,419.76	23.75%	7.02%	-4.69%	9.36%
Other business	29,413,795,534.71	28,116,999,197.36	4.41%	-17.89%	-17.81%	-0.09%

In case the statistical caliber of the Company's main business data is adjusted during the report period, the Company's main business data will be adjusted according to the caliber at the end of the report period in the last year.

Applicable Not Applicable

(3) Whether the Company's revenue from physical sales is greater than that from labor services

Yes No

Description of a year-on-year change of 30% or more in relevant data

Applicable Not Applicable

(4) Performance of significant sales contracts and purchase contracts entered into by the Company as of the report period

Applicable Not Applicable

(5) Composition of operating costs

Industry and product classification

Unit: yuan (RMB)

Industry Classification	Item	2023		2022		Year-on-year Increase/Decrease
		Amount	Proportion to Operating Cost	Amount	Proportion to Operating Cost	

Household appliance manufacturing	Raw materials	93,909,272,081.72	87.94%	89,062,003,824.55	88.01%	5.44%
	Labor costs	4,839,203,936.92	4.53%	4,487,688,687.68	4.43%	7.83%
	Depreciation	1,950,717,636.85	1.83%	1,963,862,221.35	1.94%	-0.67%
	Energy	1,060,398,535.08	0.99%	923,522,729.23	0.91%	14.82%

(6) Whether there was a change in the combination scope during the report period

Yes No

1. Business combination not under common control**① Business combination not under common control in the current period**

Unit: yuan (RMB)

Name of the Acquiree	Time Point of Equity Acquisition	Equity Acquisition Cost	Equity Acquisition Proportion	Equity Acquisition Method	Acquisition Date
Ganzhou Qianjin Real Estate Co., Ltd.	2023/10/31	239,485,900.00	90.00%	Purchase by cash	2023/10/31

Unit: yuan (RMB)

Name of the Acquiree	Basis for Determining the Acquisition Date	Operating Income of the Acquiree from the Acquisition Date to the End of the Period	Net Profit of the Acquiree from the Acquisition Date to the End of the Period	Cash Flow of the Acquiree from the Acquisition Date to the End of the Period
Ganzhou Qianjin Real Estate Co., Ltd.	Acquisition of control		-804,692.79	3,947,533.56

② Cost and goodwill of business combination

Unit: yuan (RMB)

Cost of business combination	Amount
Total cost of business combination	239,485,900.00
Including: Cash	239,485,900.00
Less: Fair value of the identifiable net assets acquired	239,485,903.54
Combination cost less than the share of fair value of identifiable net asset acquired	-3.54

③ Identifiable assets and liabilities of the acquiree on the acquisition date

Unit: yuan (RMB)

Item	Ganzhou Qianjin Real Estate Co., Ltd.	
	Fair value on the acquisition date	Book value on the acquisition date
Assets:		
Monetary funds	143,501.61	143,501.61
Other receivables	19,819,308.24	19,819,308.24
Inventory	226,354,123.01	226,354,123.01
Other current assets	19,778,515.52	19,778,515.52

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Subtotal of assets	266,095,448.38	266,095,448.38
Liabilities:		
Subtotal of liabilities		
Net Assets	266,095,448.38	266,095,448.38
Less: Minority shareholders' equity	26,609,544.84	26,609,544.84
Net assets acquired	239,485,903.54	239,485,903.54

④ Gains or losses arising from the remeasurement of equity held before the acquisition date at fair value

None.

2. Business combination under the same control

None.

3. Reverse purchase

None.

4. Disposal of subsidiaries

Name of Subsidiary	Time Point of Losing Control	Disposal Price of the Time Point of Losing Control	Disposal Ratio of the Time Point of Losing Control (%)	Disposal Methods of the Time Point of Losing Control	Basis for Determining the Time Point of Losing Control	The Difference Between the Disposal Price and the Share of the Subsidiaries' Net Assets at the Level of Consolidated Statements Corresponding to the Disposal Investment	Proportion of Remaining Equity on the Date of Losing Control (%)	Book Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Fair Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Gains or Losses Arising from Remeasurement of Remaining Equity at Fair Value	Determination Methods and Main Assumptions of the Fair Value of the Remaining Equity on the Date of Losing Control at the Consolidated Financial Statement Level	Amount of Other Comprehensive Income Related to Equity Investment of the Original Subsidiary Transferred into Investment Profits and Losses or Retained Earnings
Tianjin Gree Xinhui Medical Equipment Co., Ltd.	2023-10-30		100.00	Cancelled	Business registration							None
SL Group Jingu Grain Depot Co., Ltd.	2023-8-25		100.00	Cancelled	Business registration							None

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Name of Subsidiary	Time Point of Losing Control	Disposal Price of the Time Point of Losing Control	Disposal Ratio of the Time Point of Losing Control (%)	Disposal Methods of the Time Point of Losing Control	Basis for Determining the Time Point of Losing Control	The Difference Between the Disposal Price and the Share of the Subsidiaries' Net Assets at the Level of Consolidated Statements Corresponding to the Disposal Investment	Proportion of Remaining Equity on the Date of Losing Control (%)	Book Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Fair Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Gains or Losses Arising from Remeasurement of Remaining Equity at Fair Value	Determination Methods and Main Assumptions of the Fair Value of the Remaining Equity on the Date of Losing Control at the Consolidated Financial Statement Level	Amount of Other Comprehensive Income Related to Equity Investment of the Original Subsidiary Transferred into Investment Profits and Losses or Retained Earnings
SL Group Songlin Grain Depot Co., Ltd.	2023-9-22		100.00	Cancelled	Business registration							None
DunAn Sensing Technology Co., Ltd.	2023-6-5		66.58	Cancelled	Business registration							None
Jilin Songliang Modern Logistics Development Co., Ltd.	2023-5-6		100.00	Cancelled	Business registration							None

5. Change of combination scope for other reasons

Newly established entity in the current period:

Unit: yuan (RMB)

Company Name	Date of Establishment	Net Assets at the End of the Period	Net Profit from the Combination Date to the End of the Period
Hunan DunAn Refrigeration Equipment Co., Ltd.	2023-2-7	22,486,643.44	2,486,643.44
Luoyang Herun Real Estate Co., Ltd.	2023-9-28	-51,151.68	-51,151.68
Gree Lintanyuan (Shanghai) Technology Co., Ltd.	2023-10-20		

(7) Significant changes or adjustments in the Company's business, products or services during the report period Applicable Not Applicable**(8) Main sales customers and suppliers**

Main sales customers of the Company

Total sales amount of the top five customers (RMB)	36,373,719,797.80
Proportion of total sales amount of top five customers to the total annual sales	17.74%
Proportion of sales amount of related parties in the sales amount of top five customers to the total annual sales	5.15%

Information of top five customers

S/N	Customer Name	Sales Amount (RMB)	Proportion to Total Annual Sales
1	First	11,643,121,629.28	5.68%
2	Second	8,861,614,850.62	4.32%
3	Third	5,885,129,357.41	2.87%
4	Fourth	5,310,473,001.39	2.59%
5	Fifth	4,673,380,959.10	2.28%
Total	--	36,373,719,797.80	17.74%

Other descriptions of major customers

 Applicable Not Applicable

Main suppliers of the Company

Total purchase amount of the top five suppliers (RMB)	37,070,471,527.30
Proportion of total purchase amount of top five customers to the total annual purchases	28.15%
Proportion of total purchase amount of related parties in the purchase amount of top five suppliers to the total annual purchases	0.00%

Information of top five suppliers

S/N	Supplier Name	Purchase Amount (RMB)	Proportion to Total Annual Purchases
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1	First	10,414,856,904.36	7.91%
2	Second	7,917,687,520.80	6.01%
3	Third	7,800,951,953.66	5.92%
4	Fourth	7,464,163,661.22	5.67%
5	Fifth	3,472,811,487.26	2.64%
Total	--	37,070,471,527.30	28.15%

Other descriptions of major suppliers

Applicable Not Applicable

3. Expenses

Unit: yuan (RMB)

Item	2023	2022	Year-on-year Increase/Decrease	Significant Changes Description
Sales expenses	17,129,639,682.51	11,285,451,112.27	51.79%	Mainly affected by the increase in product installation and maintenance costs.
Administrative expenses	6,542,161,037.82	5,267,999,733.62	24.19%	
Financial expenses	-3,526,521,851.75	-2,206,764,591.65	-59.81%	Mainly affected by the increase in financial expenses and interest income.
R&D expenses	6,762,136,262.23	6,281,394,430.40	7.65%	

4. R&D investment

Applicable Not applicable

Name of Major R&D Projects	Project Purpose	Project Progress	Objectives to be Achieved	Expected Impact on the Future Development of the Company
Research on lean distributed air supply technology based on dual-suction fans	Promote the iterative upgrading of distributed air supply products through fan innovation, and improve product performance and exquisite appearance.	The project has been completed and successfully promoted and applied to the new products of Satin Time floor standing air conditioner and Gree Chinoiserie floor standing air conditioner.	Realize innovative upgrading of fans and promote quality improvement, with an APF of up to 4.50 for 3 HP models and up to 4.80 for 2 HP models.	Promote the deepening development of air conditioner ventilation modes towards healthier, more comfortable, and more efficient directions, while enhancing the production efficiency of distributed ventilation products, facilitating their popularization and promotion, and enriching the layout of product lines.
New high-speed compressor series split type unit (24K North American and EU product series)	Develop ultra-high-speed compression technology to solve the problem of synchronously improving air conditioner energy	The 24K North American model has been launched, while other models are still	Seasonal energy efficiency can increase by more than 10%, low-temperature heating capacity can increase by	As a leading technology in the industry, it can enhance the market competitiveness of products.

	efficiency and low-temperature heating capacity.	under review and testing.	more than 10%, SEER energy efficiency can reach 29, and low-temperature heating capacity does not decay at -15 °C.	
120 °C + industrial large-capacity, high-efficiency, and high-temperature centrifugal heat pump	Develop high-capacity, high-temperature, and high-efficiency centrifugal heat pumps above 120 °C to replace non-process industrial boilers and assist in industrial carbon reduction.	Product series development is underway.	Break through the key technologies of high-temperature heat pump compressors, high-efficiency heat pump systems, and high-temperature enhanced heat exchange, achieving a single heat pump capacity of 10 MW and a heating temperature of over 120 °C.	This technology has been identified as leading internationally. It is poised to conquer the pinnacle of large-capacity high-temperature heat pump technology, enabling foray into the market as a substitute for industrial boilers, thereby presenting a broad commercial outlook and yielding substantial societal benefits.
COP7.0 + two-stage permanent magnet variable frequency screw chiller	Develop a COP7.0 + two-stage permanent magnet variable frequency screw chiller to solve the problem of low energy efficiency of small and medium-sized cooling capacity chillers.	Product series development is underway.	Achieve a breakthrough of 7.0 in the energy efficiency level of small and medium-sized cooling capacity chillers, and comprehensively improve the energy efficiency and energy-saving level of screw refrigeration equipment.	This technology has been identified as an international leading level, improving the energy efficiency of small and medium-sized cooling capacity chillers, enhancing product competitiveness, and promoting industry technological innovation.
Development of R290 heat pump water heater	Actively promote the research and development of green and efficient equipment, respond to energy conservation and environmental protection policies in various global markets, and develop new refrigerant R290 heat pump water heaters.	The European version of the product has been launched. The Australian version is planned to be developed by July 2024; research is underway on the North American version of the product.	The refrigerant charge is as low as 152 g, representing an 82% reduction compared to R32; energy efficiency reaches up to 145%; maximum hot water output is increased by 64%, now at 546 L; and it is capable of producing hot water at a temperature as high as 70 °C.	Improve the entire chain of R290 R&D, testing, production, warehousing, and transportation. Enhance product competitiveness and brand awareness by introducing new low-GWP refrigerant products into the market.
Development of zero consumables healthy drying floor scrubber	Research zero consumables and rolling brush healthy drying technology, and develop competitive products.	The product has been completed and launched.	Expand the company's cleaning appliances. Research on multiple separation technologies to achieve zero HEPA consumables; research on heat conduction drying to achieve safe and healthy drying.	Form a unique wet mop cleaning technology feature to build the foundation for the rapid development of the cleaning appliances in the future.
Research and application of ten year cleaning-free technology for the inner chamber of the	Solve the problems of oil accumulation in the inner chamber of the range hood, cleaning, weakened suction, and increased	The product has been completed and launched.	1. Develop intelligent rotary oil capture technology to reduce oil fumes entering the fan and maintain stable and	This technology has been applied to the Star series range hoods, filling the technical gap of cleaning free in the industry and

range hood	noise after prolonged use.		high suction. 2. Develop an oil-repellent wind wheel system that prevents oil stains from adhering easily, achieving a 10-year cleaning-free inner chamber without compromising performance.	improving the core competitiveness of range hood products.
Research and application of key technologies for preserving fruits, vegetables, and meat in household refrigerators	Solve the problems of fruits and vegetables in the refrigerator industry that are prone to dehydration and spoilage, short-term preservation of meat that is prone to air drying and discoloration, and insufficient freezing temperature of aquatic products that cannot be stored with high quality.	The product has been completed and launched.	1. The weight loss rate of spinach after 10 days of fruit and vegetable preservation is less than 7%; 2. The drying rate of short-term preservation of meat for 10 days is less than 5%; 3. Stable operation at -38 °C in the refrigerator's freezer compartment can be achieved.	This technology has been identified as leading internationally, and it is of great significance for promoting the upgrading of core fresh-keeping technologies in refrigerators, enhancing the quality of food storage, and safeguarding people's dietary health.
Development of high energy efficiency household split photovoltaic (storage) air conditioner products in tropical climate	Develop household split photovoltaic (storage) air conditioner products.	The product is under limited-run trial production stage.	1. Increase the seasonal energy efficiency ratio by more than 15% and obtain Saudi Arabia's A-level energy efficiency certification; 2. Internationally pioneer photovoltaic direct drive control technology, with a comprehensive energy utilization efficiency of over 99%.	In response to the climate characteristics of the Middle East, such as high temperatures and abundant sunlight throughout the year, relevant models have been developed to enhance product competitiveness.
Development of efficient rare earth free new permanent magnet assisted reluctance motor	Develop an efficient, miniaturized, and highly reliable series of industrial motors to solve the problems of low energy efficiency and limited rare earth resources in three-phase asynchronous motors in the industrial field.	The product has been completed and launched.	The energy efficiency of the motor can reach the IE5 energy efficiency standard in IEC60034-30-2 without using rare earth permanent magnet materials, meeting the needs of various mechanical equipment.	This can enable the industrial motor industry to break free from the constraints of rare earth resources for efficiency improvements, guiding the industry towards more efficient development.
Development of household 1 HP-3 HP high-efficiency variable frequency compressor	Develop a new generation of household 1 HP-3 HP high-efficiency compressors to assist in energy conservation and carbon reduction of air conditioner.	The product has been completed and put into mass production.	Compared to the previous generation model, the energy efficiency can increase by 2%-5%. The product can meet the efficient use needs of 1 HP-3 HP air conditioners and is fully applied to the Company's household air conditioner systems.	As a new generation of main models, it has been fully applied in household air conditioner systems, achieving efficiency improvement and further enhancing the competitiveness of the household air conditioner market.
Development of modular high thrust linear motor	Develop linear motors for the X-axis and Y-axis of the large gantry machine	The prototype is currently in the trial production	Overcome the design and process technology of modular linear motors,	Realize the autonomy of core components of machine tools, improve

	tool 3020.	stage.	establish a product platform, and meet the related requirements of the Company's machine tool products.	the market competitiveness of the Company's machine tool products, and promote the development of the machine tool industry towards high-speed direct drive.
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Company R&D personnel

	2023	2022	Change Ratio
Number of R&D personnel (persons)	15,282	12,977	17.76%
Proportion of number of R&D personnel	21.05%	17.93%	3.12%
Educational structure of R&D personnel			
Bachelor	8,773	8,312	5.55%
Master and above	1,407	1,294	8.73%
Age composition of R&D personnel			
Under 30	7,667	7,323	4.70%
30-40	5,915	4,529	30.60%

R&D investment of the Company

Item	2023	2022	Change Ratio
Amount of R&D investment (RMB)	7,006,497,352.61	6,429,702,080.04	8.97%
Proportion of R&D investment to the operating revenue	3.43%	3.40%	0.03%
Capitalization amount of R&D investment (RMB)	244,361,090.38	148,307,649.64	64.77%
Proportion of capitalized R&D investment to R&D investment	3.49%	2.31%	1.18%

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

Applicable Not Applicable

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

Applicable Not Applicable

Reasons for significant changes in capitalization rate of R&D investment and its reasonableness

Applicable Not applicable

The Company's capitalized R&D investment increased by 64.77% year-on-year, mainly due to the increase in capitalized investment such as fixed assets engaged in R&D activities.

5. Cash flow

Unit: yuan (RMB)

Item	2023	2022	Year-on-year
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			Increase/Decrease
Subtotal of cash inflows from operating activities	228,996,916,924.84	198,587,680,806.39	15.31%
Subtotal of cash outflows from operating activities	172,598,490,570.67	169,919,244,885.12	1.58%
Net cash flows from operating activities	56,398,426,354.17	28,668,435,921.27	96.73%
Subtotal of cash inflows from investment activities	49,223,300,660.90	10,527,205,021.13	367.58%
Subtotal of cash outflows from investment activities	90,240,520,005.31	47,584,037,812.54	89.64%
Net cash flows from investment activities	-41,017,219,344.41	-37,056,832,791.41	-10.69%
Subtotal of cash inflows from financing activities	88,825,770,725.94	102,978,746,831.03	-13.74%
Subtotal of cash outflows from financing activities	105,183,587,284.78	93,055,954,517.92	13.03%
Net cash flows from financing activities	-16,357,816,558.84	9,922,792,313.11	-264.85%
Net increase in cash and cash equivalents	-840,460,509.20	1,802,912,937.61	-146.62%

Description of the main factors affecting the significant year-on-year changes in relevant data

Applicable Not applicable

1. Net cash flows from operating activities increased by 96.73% year-on-year, mainly due to the increase in cash received in connection with sales goods and labor services.

2. Net cash flows from financing activities decreased by 264.85% year-on-year, mainly due to the decrease in cash received from borrowing and an increase in cash paid for debt repayment.

Reasons for significant differences between net cash flows from operating activities and net profit for the year during the report period

Applicable Not applicable

That is mainly affected by the decrease in operating receivables and the increase in operating payables. Please refer to Note V.72 Supplementary for cash flow statement in Section X Financial Statements for details.

V. Analysis of non-main business

Applicable Not Applicable

VI. Analysis of assets and liabilities

1. Significant changes in the composition of assets

Unit: yuan (RMB)

Item	At the End of 2023		At the Beginning of 2023		Proportion Increase or Decrease	Significant Changes Description
	Amount	Proportion to Total	Amount	Proportion to Total		

		Assets		Assets		
Monetary funds	124,104,987,289.62	33.72%	157,484,332,251.39	44.35%	-10.63%	
Accounts receivable	16,099,477,117.56	4.37%	14,824,742,623.45	4.18%	0.19%	
Contract assets	838,812,133.65	0.23%	1,047,739,817.94	0.30%	-0.07%	
Inventory	32,579,140,028.70	8.85%	38,314,176,763.90	10.79%	-1.94%	
Investment real estate	633,262,161.10	0.17%	634,689,201.98	0.18%	-0.01%	
Long-term equity investments	4,488,967,031.20	1.22%	5,892,290,568.81	1.66%	-0.44%	
Fixed assets	34,034,829,116.47	9.25%	33,817,019,391.36	9.52%	-0.27%	
Construction in progress	6,563,911,378.94	1.78%	5,966,678,892.16	1.68%	0.10%	
Usufruct assets	842,250,508.12	0.23%	207,344,779.05	0.06%	0.17%	
Short-term borrowings	26,443,476,388.52	7.18%	52,895,851,287.92	14.90%	-7.72%	Due to the repayment of current short-term borrowings during the period
Contract liabilities	13,588,771,210.88	3.69%	14,972,336,715.45	4.22%	-0.53%	
Long-term borrowings	39,035,742,535.09	10.61%	30,784,241,211.21	8.67%	1.94%	
Lease liabilities	767,007,951.92	0.21%	146,836,620.66	0.04%	0.17%	

Overseas assets account for a relatively high proportion.

Applicable Not Applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: yuan (RMB)

Item	Beginning Amount	Profits and Losses From Changes in Fair Value in the Current Period	Cumulative Fair Value Changes Included in Equity	Impairment Accrued in the Current Period	Purchase Amount in the Current Period	Sales Amount in the Current Period	Other Changes	Ending Amount
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	3,867,203,363.52	9,741,126.98			18,874,695,670.00	21,341,651,471.35	8,204,434,714.25	9,614,423,403.40
2. Derivative financial assets		108,919,513.22						108,919,513.22
3. Other debt investments	14,340,348,882.97	21,413,747.71	17,078,766.51		3,817,000,000.00		-1,814,920,964.72	16,363,841,665.96
4. Other equity instrument investments	4,669,455,797.90	-740,755,585.40	-883,261,200.43			74,520,335.95	10,685,632.82	3,864,865,509.37
5. Receivables financing	28,427,310,345.20	-11,939,843.77	-23,453,909.25			18,239,280,833.02		10,176,089,668.41
6. Other non-current financial assets	4,428,003,204.49	126,031,136.83			3,650,400,372.93		-8,204,434,714.25	-
7. Others	3,278,106,802.74	5,929,312.07	2,781,162.07			3,000,000,000.00	2,082,280,523.08	2,366,316,637.89
Subtotal of financial assets	59,010,428,396.82	-480,660,592.36	-886,855,181.10		26,342,096,042.93	42,655,452,640.32	278,045,191.18	42,494,456,398.25
Total above	59,010,428,396.82	-480,660,592.36	-886,855,181.10		26,342,096,042.93	42,655,452,640.32	278,045,191.18	42,494,456,398.25
Financial liabilities	184,811,894.98	181,438,868.23					706,893.16	4,079,919.91

Other changes

Other changes mainly refer to the reclassification of financial statements, differences in foreign currency translation, and interest income.

Whether there was any significant change in the measurement attributes of the Company's major assets during the report period

Yes No

3. Restricted rights to assets as of the end of the report period

Unit: yuan (RMB)

Item	End of Period	
	Book Value	Restricted Reason
Monetary funds	36,444,669,541.57	Required deposit reserve, earnest money, etc.
Accounts receivable	95,386,260.00	Pledged
Receivables financing	5,033,716,307.04	Pledged
Contract assets	103,189,654.26	Pledged
Other current assets	9,000,000,000.00	Pledged
Non-current assets due within one year	1,000,000,000.00	Pledged
Other debt investments	10,090,000,000.00	Pledged
Long-term equity investments	310,838,556.07	Pledged
Fixed assets	2,285,127,725.15	Pledged
Construction in progress	223,626,881.02	Pledged
Intangible assets	1,436,665,729.28	Pledged
Other non-current assets	12,180,000,000.00	Pledged
Others	13,646,580.00	Pledged
Total	78,216,867,234.39	

VII. Analysis of investments

1. Overview

Applicable Not applicable

Investment in the Report Period (RMB)	Investment in the Same Period of Last Year (RMB)	Change Range
84,267,244,633.47	13,467,910,481.50	525.69%

2. Significant equity investments obtained during the report period

Applicable Not Applicable

3. Significant non-equity investments in progress during the report period

Applicable Not Applicable

4. Financial assets investments

(1) Securities investments

Applicable Not applicable

Unit: yuan (RMB)

Securities Type	Securities Code	Securities Abbreviation	Initial Investment Cost	Accounting Measurement Model	Book Value at the Beginning of the Period	Profits and Losses From Changes in Fair Value in the Current Period	Cumulative Fair Value Changes Included in Equity	Purchase Amount in the Current Period	Sales Amount in the Current Period	Profits and Losses During the Report Period	Book Value at the End of the Period	Accounting Items	Capital Source
Others	-	Zunyu No.1 Fund Trust Plan	2,891,120,690.09	Measured at fair value		-8,010,137.57		4,165,035,779.92	1,273,915,089.83	77,957,574.66	2,883,110,552.52	Trading financial assets	Own funds
Others	-	Anxin Lixiang Asset Management Plan	1,852,280,819.94	Measured at fair value	500,153,496.56	2,528,570.30		4,404,000,000.00	3,051,719,180.06	6,394,353.94	1,854,962,886.80	Trading financial assets	Own funds

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Stocks listed on domestic and overseas stock exchanges	600703	San'an Optoelectronics	2,000,000,000.00	Measured at fair value	1,965,635,734.92	-379,152,347.47	-413,516,612.55			5,727,376.85	1,586,483,387.45	Other equity instrument investments	Own funds
Stocks listed on domestic and overseas stock exchanges	600745	WINGTECH	884,999,996.60	Measured at fair value	1,885,465,957.10	-368,271,878.65	632,194,081.85				1,517,194,078.45	Other equity instrument investments	Own funds
Stocks listed on domestic and overseas stock exchanges	600619	Highly	1,145,544,479.57	Measured at fair value	522,205,716.62	103,698,375.62	-519,052,993.48			961,076.44	626,491,486.09	Other equity instrument investments	Own funds
Bonds	160017	16Coupon-bearing bond 17	288,405,500.00	Measured at fair value	307,238,782.20	-1,736,417.62	6,766,380.25			7,761,600.00	306,780,382.20	Other debt investments	Own funds
Others	-	Structured deposits under macro composite index	307,760,661.55	Measured at fair value	702,522,948.29	-6,692,032.70		300,000,000.00	692,239,338.44	1,068,628.85	303,591,577.15	Trading financial assets	Own funds
Bonds	200408	20 Nongfa 08	199,203,000.00	Measured at fair value	206,612,610.97	-1,082,667.73	4,080,477.13			5,979,400.00	205,692,010.97	Other debt investments	Own funds
Bonds	232380082	23 CZBank Tier 2 Capital Note 02	200,000,000.00	Measured at fair value		2,685,600.00	2,685,600.00	200,000,000.00		3,356,832.86	203,356,832.86	Other debt investments	Own funds
Bonds	102280934	22 Huafa Group MTN006	180,000,000.00	Measured at fair value	178,827,514.51	7,813,080.00	1,441,800.00			14,946,327.87	186,640,594.51	Other debt investments	Own funds

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Other securities investments held at the end of the period	1,077,128,039.81	--	5,143,422,671.74	-105,744,121.56	-581,175,480.05	707,369,863.01	5,246,080,198.96	188,657,339.33	509,062,598.70	--	--
Total	11,026,443,187.56	--	11,412,085,432.91	-753,963,977.38	-866,576,746.85	9,776,405,642.93	10,263,953,807.29	312,810,510.80	10,183,366,387.70	--	--
Announcement disclosure date of board's meeting for approval of securities investment	April 29, 2023										

(2) Derivative investments

Applicable Not applicable

1) Derivative investment for speculative purposes during the report period

Applicable Not applicable

Unit: RMB10,000

Derivatives Investments Type	Initial Investment Amount	Beginning Amount	Profits and Losses From Changes in Fair Value in the Current Period	Cumulative Fair Value Changes Included in Equity	Purchase Amount During the report period	Sales Amount During the report period	Investment Amount at the End of the Period	Proportion of the Investment Amount at the End of the Period to Net Assets at the End of the report period
Futures hedging contracts	219.02	219.02	639.04	317.55			858.06	0.01%
Forward financial contracts	-18,481.19	-18,481.19	29,035.84				10,483.96	0.09%
Total	-18,262.17	-18,262.17	29,674.88	317.55			11,342.02	0.10%
Description of whether there was any significant change in the accounting policies for hedging business and specific principles for financial	No change							

accounting during the report period as compared to the previous report period	
Statement of actual profits and losses during the report period	The actual profits and losses of futures hedging contracts during the report period were RMB123,540,300, and that of forward financial contracts during the report period was RMB-334,089,600.
Description of the hedging effect	-
Capital source of derivative investments	Own funds
Risk analysis and description of control measures for derivative positions during the report period (including but not limited to market risks, liquidity risks, credit risks, operational risks, legal risks, etc.)	<p>1. Legal risks: The Company needs to abide by laws and regulations to carry out hedging and foreign exchange fund trading business, and clearly stipulate the rights and obligations between the Company and its agencies. Control measures: In addition to studying laws, regulations and market rules, the designated responsible departments of the Company shall strictly review contracts, clarify rights and obligations, and strengthen compliance inspection to ensure that the Company's derivative investments and position meet the requirements of laws, regulations, and the Company's internal management system.</p> <p>2. Operational risks: Risks caused by imperfect internal processes, staff operations, systems, etc. Control measures: The Company has formulated corresponding management systems that clarified the division of responsibilities and approval process of hedging and foreign exchange fund trading business, and a relatively perfect supervision mechanism to effectively reduce operational risks through risk control of business, decision-making, and trading processes.</p> <p>3. Market risks: The uncertainty of commodity price changes and exchange rate fluctuations in the foreign exchange market leads to greater market risks in the future business and foreign exchange fund trading business. Control measures: The Company's futures hedging business and foreign exchange fund trading business shall not engage in speculative transactions by adhering to the principle of prudent and steady operation. For hedging business, it is strictly stipulated that the number of hedging shall not exceed the actual number of spot transactions, and the futures positions shall not exceed the spot amount of hedging, and a stop loss mechanism shall be adopted. With regard to foreign exchange fund business, the Company effectively prevents market risks by evaluating and judging the trend of foreign exchange rate, and determining the foreign exchange settlement rate through contracts.</p>
Changes in the market price or fair value of the product during the report period of the invested derivatives, with the analysis of the fair value of the derivatives disclosing the specific methodology used and the setting of relevant assumptions and parameters	The fair value change income of derivatives during the report period was RMB296,748,800.

Involvement in lawsuits (if applicable)	Not applicable
Announcement disclosure date of Board of Directors for approval of derivative investment (if any)	April 29, 2023
Announcement disclosure date of shareholder's meeting for approval of derivative investment (if any)	July 1, 2023
Special opinions of independent directors on the Company's derivative Investments and risk control	The independent directors of the Company believed that conducting bulk material futures hedging and foreign exchange derivative hedging business was beneficial for locking production costs, controlling operational risks, and improving management level. The Company has established a corresponding control system for the relevant business under legal and compliant approval and implementation, and with controllable risks, which is in the interests of the Company and all shareholders.

2) Derivative investment for speculative purposes during the report period

Applicable Not Applicable

The Company has no derivative investment for speculative purposes during the report period.

5. Use of placements

Applicable Not Applicable

The Company had no use of placements during the report period.

VIII. Significant assets and equity sales

1. Significant assets sales

Applicable Not Applicable

The Company did not sell any significant assets during the report period.

2. Significant equity sales

Applicable Not Applicable

IX. Analysis of main holding and joint-stock companies

Applicable Not applicable

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

Unit: yuan (RMB)

Company Name	Company Type	Main Business	Registered Capital	Total Assets	Net Assets	Operating revenue	Operating Profits	Net Profits
Gree (Hefei) Electric Appliances Co., Ltd.	Subsidiary	Air conditioner manufacturing	150,000,000.00	9,308,217,007.17	4,979,727,191.70	9,378,753,397.98	531,771,935.27	454,085,224.53
Zhuhai Landa Compressor Co., Ltd.	Subsidiary	Compressor manufacturing	93,030,000.00	13,832,678,719.30	9,110,715,685.50	10,909,199,594.60	1,005,572,325.67	880,561,916.21
Zhuhai Gree Xinyuan Electronics Co., Ltd.	Subsidiary	Capacitor manufacturing	126,180,000.00	3,369,859,652.82	1,110,075,949.21	2,010,003,940.03	152,885,859.61	128,885,351.13
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Subsidiary	Motor manufacturing	82,000,000.00	4,055,437,723.78	1,308,663,778.53	3,320,602,636.53	148,892,882.43	130,706,244.21

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Gree (Zhong Shan) Small Home Appliances Co., Ltd.	Subsidiary	Small household appliance manufacturing	30,000,000.00	1,010,982,251.42	634,354,287.07	921,655,967.39	47,760,579.92	43,419,710.00
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Information about the acquisition and disposal of subsidiaries during the report period

Applicable Not applicable

Unit: yuan (RMB)

Company Name	Methods of Acquisition and Disposal of Subsidiaries During the Report Period	Impact on Overall Production, Operation and Performance
Hunan DunAn Refrigeration Equipment Co., Ltd.	New	2,486,643.44
Jilin Songliang Modern Logistics Development Co., Ltd.	Cancelled	0.01
Gree Lintanyuan (Shanghai) Technology Co., Ltd.	New	
Ganzhou Qianjin Real Estate Co., Ltd.	Acquisition	-804,692.79
Luoyang Herun Real Estate Co., Ltd.	New	-51,151.68
Tianjin Gree Xinhui Medical Equipment Co., Ltd.	Cancelled	
SL Group Jingu Grain Depot Co., Ltd.	Cancelled	426,668.73
SL Group Songlin Grain Depot Co., Ltd.	Cancelled	108,192.07
DunAn Sensing Technology Co., Ltd.	Cancelled	-4,927.54

Description of major holding and participating companies

None

X. Structured entities controlled by the Company

Applicable Not Applicable

XI. Prospects for the future development of the Company

(I) Development vision of the Company

The Company will continue to adhere to its corporate vision of "To create a world-class enterprise, achieving Gree's century-old brand." Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, it remains true to its original aspiration, keeps its mission firmly in mind, sticks to the real economy, and adheres to the road of self-reliance and independent innovation and development. Through innovation, responsibility, and green development, it contributes to the progress of human society, striving to become a trusted global brand and create a better future for all.

(II) 2024 business plan

1. Promote high-quality development of the enterprise with advanced enterprise Party building

The Company adheres to the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and promotes the implementation of the spirit of the Party Congress, which is to "remember instructions, be united, be grateful and strive for progress, and grow together". It strengthens the construction of Party organizations and Party member teams, fully leverages the exemplary role of Party members, deeply integrates Party building work with enterprise development, promotes business through Party building, and promotes high-quality development of enterprise through business.

2. Promote the development of the enterprise with science and technology based on existing industrial advantages

As a leading manufacturing enterprise, the Company relies on its advantages and is closely connected to the industrial ecosystem, constantly overcoming key bottleneck technologies. With technology as the core driving force for diversified development, industrial products, intelligent equipment, household appliances, and new energy are the key directions for diversified development. It continues to promote the basic strategy of diversified transformation and achieve stable development of diversified businesses.

3. Accelerate digital intelligent transformation and continue to promote cost reduction and efficiency

The Company will accelerate the implementation of the top-level design plan for group informatization, increase efforts to build a digital enterprise, improve the digital management methods and operating system of the enterprise, comprehensively carry out digital infrastructure construction, plan digital goals from marketing, production, supply chain, finance, quality, and other fields, and integrate the entire business process. Through applying digital technologies, the Company aims to provide superior solutions that facilitate business transformation by reducing costs, decreasing consumption, enhancing quality, and boosting efficiency. Additionally, the acceleration of smart factory development leveraging digital technologies will pave the way for establishing advanced demonstration sites within the group.

4. Adhere to quality first and build a solid foundation

The Company will continue to strengthen its quality concept, strictly implement a prevention-oriented quality control mode, strictly control product quality and safety, ensure zero safety quality accidents in after-sales service, increase investment in automated inspection and testing technology, build a digital and intelligent quality control mode, and use advanced standards to promote product quality and efficiency improvement. By continuously optimizing quality management innovation and using the "D-CTFP Quality Technology Innovation Cycle Methodology" and the "Five Steps of Quality Prevention", the Company continues to promote the improvement of product quality level, helping the "perfect quality management model" to serve every consumer.

5. Continuously expand the channels for attracting talents and deepen the cultivation of talents

The Company strengthens the construction of reserve cadres and talent teams and refines a normalized working system for dynamic positions among cadres, gradually forming a good situation where the capable rise to the top, the outstanding are

rewarded, the mediocre are relegated, and the ineffective are removed. Targeted efforts will be made to strengthen the introduction of talents from universities, enrich the cooperation models between schools and the enterprise, and continuously enhance the supply capacity of key job talents. It focuses on key areas and groups to carry out key training projects and accelerate the cultivation of core professional talents. The four-in-one linkage model of "government, industries, enterprises, universities" can integrate high-quality resources, fully empower businesses, and supply high-quality talent for the stable development of the Company.

6. Strengthen audit supervision of the Company and consolidate internal security management

The Company should continue to innovate its internal audit system construction, introduce advanced audit tools and means, deeply and efficiently implement audit projects, continuously expand channels for information collection, data monitoring, and project auditing, and strengthen the crackdown on behaviors that harm the Company's interests; strengthen the maintenance and operation of information systems to ensure efficient and controlled information systems, establish a comprehensive risk management internal control system, enhance risk control, facilitate rational and orderly conduct of all office affairs, and promote the healthy development of the Company.

(III) Main risks to future development

1. Macroeconomic fluctuation risk

The Company's products span two major sectors: consumer goods and industrial products. Macroeconomic fluctuations affect changes in consumer income and expenditure, which in turn impact corporate decisions regarding strategic contraction or expansion. These decisions have a bearing on the sales of the Company's products.

2. Risk of factor price fluctuations

On the one hand, the raw materials for the Company's products are mainly copper, steel, aluminum, and plastics of different grades. The cost of main raw materials accounts for a relatively high proportion of the main business cost, and fluctuations in raw material prices will have an impact on the cost. On the other hand, the rise in labor costs has become a common phenomenon in economic development, and the increase in labor costs will have a negative impact on the Company's gross margin.

3. Risk of intensified market competition

The urbanization rate in China is gradually increasing, and the ownership of major household appliances has significantly increased, leading to increasingly fierce industry competition.

4. Political risks overseas

With the uncertainties brought about by the tense overseas political situation, escalating trade frictions, economic globalization, overseas business may be faced with more risks.

5. Risk of exchange rate fluctuations

Exchange rate fluctuations may weaken product competitiveness, bring adverse effects to product exports, and may also cause exchange losses and increase financial costs.

In the face of complex and ever-changing internal and external environment and risks, Gree will continuously improve its corporate governance structure, improve its standardized operation level, strengthen its internal control system in accordance with the requirements of the *Company Law*, *Securities Law*, and relevant laws and regulations of the China Securities Regulatory Commission, to effectively prevent and control risks, ensuring the Company's sustained, stable, and healthy development.

Lastly, the Company, along with the Board of Directors, sincerely thanks all our shareholders, global customers, partners, and all parts of society for their trust and support in Gree Electric Appliances. With the utmost consideration for the welfare of all our shareholders, the Board of Directors is dedicated to achieving the annual operational goals and working tirelessly to generate long-term, value-based investment returns for the shareholders!

XII. Activities such as reception of research, communication, interviews during the report period

Applicable Not applicable

Time of Reception	Place of Reception	Method of Reception	Type of Reception Object	Reception Object	Main Contents Discussed and Material Provided	Index of Basic Information of Research
June 15, 2023	Jihuobao: https://n.jhbshow.com/live-text/2124749415	Others	Others	Company investors	Company operations	Please refer to the information disclosed by the Company on June 15, 2023, on CNINFO (http://www.cninfo.com.cn/new/index) <i>Gree Electric Appliances: 2022 Performance Explanation Meeting Investor Relations Activity Record Form.</i>
September 19, 2023	Quanjingwang: https://rs.p5w.net/html/140304.shtml	Others	Others	Company investors	Company operations	Please refer to the information disclosed by the Company on September 19, 2023, on CNINFO (http://www.cninfo.com.cn/new/index) <i>Gree Electric Appliances: 000651 Gree Electric Appliances Investor Relations Activity Record Form on September 19, 2023.</i>
September 22, 2023	Hong Kong	Others	Organization	Company investors	Company operations	Please refer to the information disclosed by the Company on September 22, 2023, on CNINFO (http://www.cninfo.com.cn/new/index) <i>Gree Electric Appliances: Investor Relations Activity Record Form on September 22, 2023.</i>
October 19, 2023	Shenzhen	Others	Organization	Company investors	Company operations	Please refer to the information disclosed by the Company on October 19, 2023, on CNINFO (http://www.cninfo.com.cn/new/index) <i>Gree Electric Appliances: Investor Relations Activity Record Form on October 19, 2023.</i>

XIII. Implementation of the action plan for "Double Improvement of Quality and Return"

Has the Company disclosed an action plan for "Double Improvement of Quality and Return"?

Yes No

For specific details, please refer to the *Announcement on Promoting the Implementation of the 'Double Improvement of Quality and Return' Action Plan* (Announcement No.: 2024-005) disclosed by the Company on February 19, 2024, on CNINFO (<http://www.cninfo.com.cn/new/index>).

Section IV Corporate Governance

I. Basic status of corporate governance

The Company, in strict accordance with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, other relevant national laws and regulations, and the *Shenzhen Stock Exchange Listed Companies Self-regulatory Guidelines No. 1 – Standardized Operation of Main Board Listed Companies*, has established a normative corporate governance structure and rules of procedure for the General Meeting of Shareholders, Board of Directors and Board of Supervisors, clarified the responsibilities and authorities for decision-making, execution and supervision, forming an effective division of responsibilities and balance mechanism, and continuously promoted the standardized operation level of the Company, safeguarding the interests of investors and the Company.

The Company's governance complied with the *Company Law of the People's Republic of China* and the requirements of the China Securities Regulatory Commission regarding the governance of listed companies.

Whether there were any significant differences between the actual state of corporate governance and the laws, administrative regulations, and regulations on corporate governance of listed companies issued by the China Securities Regulatory Commission.

Yes No

There were no significant differences between the actual state of corporate governance and the laws, administrative regulations and the regulations on governance of listed companies issued by the China Securities Regulatory Commission.

II. The independence of the Company from the controlling shareholder and the actual controller in terms of assets, personnel, finance, organization and business of the Company

The Company has a sound corporate governance structure and is completely independent of the largest shareholder, Zhuhai Mingjun, in assets, personnel, finance, organization, and business, and the Company has an independent and complete business operation and independent management capability.

III. Horizontal competition

Applicable Not Applicable

IV. Annual general meeting of shareholders and interim general meeting of shareholders during the report period

1. General meetings of shareholders during the report period

Session of Meeting	Type of Meeting	Investor Participation Ratio	Date of Convening	Date of Disclosure	Meeting Resolutions
2022 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	42.88%	June 30, 2023	July 1, 2023	<i>Announcement on the Resolutions of 2022 Annual General Meeting of Shareholders</i>

					(Announcement No.: 2023-031) on CNINFO (http://www.cninfo.com.cn/new/index)
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2. Convening of an interim general meeting of shareholders requested by the preferred shareholders with restored voting rights

Applicable Not Applicable

V. Directors, supervisors, and senior executives

1. Basic information

Name	Sex	Age	Title	Employment Status	Term Start Date	Term End Date	Number of Shares Held at the Beginning of the Period (Shares)	Number of Shares Increased in the Current Period (Shares)	Number of Shares Decreased in the Current Period (Shares)	Other Increase/Decrease (Shares)	Number of Shares Held at the End of the Period (Shares)	Reasons for Increase or Decrease of Shares
Dong Mingzhu	Female	69	Chairperson	Incumbent	May 25, 2012	February 28, 2025	44,488,492	10,000,000			54,488,492	Ownership of employee stock ownership plan shares
			President	Incumbent	April 24, 2001	February 28, 2025						
Zhang Wei	Male	47	Director and Secretary of the Party Committee	Incumbent	January 16, 2019	February 28, 2025		183,328			183,328	Ownership of employee stock ownership plan shares
Guo Shuzhan	Male	67	Director	Incumbent	January 16, 2019	February 28, 2025						
Zhang Jundu	Male	63	Director	Incumbent	May 25, 2012	February 28, 2025						
Deng Xiaobo	Male	48	Director	Incumbent	February 28, 2022	February 28, 2025	116,600				116,600	Secondary market increase and ownership of employee stock ownership plan shares
			Vice President	Incumbent	December 26, 2020	February 28, 2025						
			Secretary of the Board of Directors	Incumbent	December 26, 2020	February 28, 2025						
Liu Shuwei	Female	71	Independent director	Incumbent	January 16, 2019	February 28, 2025						
Wang Xiaohua	Male	62	Independent director	Incumbent	January 16, 2019	February 28, 2025						
Xing Ziwen	Male	61	Independent director	Incumbent	January 16, 2019	February 28, 2025						
Zhang Qiusheng	Male	56	Independent director	Incumbent	February 28, 2022	February 28, 2025						
Cheng Min	Female	43	Supervisor	Incumbent	November 2, 2020	February 28, 2025						

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Duan Xiufeng	Male	60	Supervisor	Incumbent	January 16, 2019	February 28, 2025	447,525	156,300			603,825	Secondary market increase
Wang Fawen	Female	40	Employee supervisor	Incumbent	January 16, 2019	February 28, 2025		51,355			51,355	Ownership of employee stock ownership plan shares
Zhuang Pei	Male	59	Vice President	Incumbent	April 16, 2003	February 28, 2025	5,955,202	420,253			6,375,455	Ownership of employee stock ownership plan shares
Tan Jianming	Male	59	Vice President and Chief Engineer	Incumbent	August 30, 2017	February 28, 2025	1,297,300	488,469			1,785,769	Ownership of employee stock ownership plan shares
Shu Lizhi	Male	54	Vice President	Incumbent	December 26, 2020	February 28, 2025		99,719			99,719	Ownership of employee stock ownership plan shares
Liao Jianxiong	Male	50	President Assistant and Finance Chief	Incumbent	August 6, 2020	February 28, 2025		77,663			77,663	Ownership of employee stock ownership plan shares
Fang Xiangjian	Male	46	Vice President	Incumbent	November 19, 2021	February 28, 2025	167,400	391,890			559,290	Ownership of employee stock ownership plan shares
Total	--	--	--	--	--	--	52,355,919	11,985,577			64,341,496	--

Whether there are cases of quit of directors and supervisors and dismissal of senior executives during the report period

Yes No

Changes in the Company's directors, supervisors and senior executives

Applicable Not Applicable

2. Employment situation

Professional background, major work experience, and current major responsibilities of the Company's current directors, supervisors and senior executives

Ms. Dong Mingzhu, with a master's degree, currently serves as the Chairperson and President of Gree Electric Appliances, Inc. of Zhuhai. She successively held the posts of salesperson, Vice Director of Sales Department, Director of Sales Department, Deputy General Manager, Vice Chairperson and President of Gree Electric Appliances.

She was successively elected as a deputy of the 10th, 11th, 12th, 13th, and 14th National People's Congress, a member of the 10th, 11th, and 12th Executive Committee of the All-China Women's Federation, an expert who enjoys special government allowances from the State Council, a member of the 13th Five-Year Plan Expert Committee of the National Development and Reform Commission, a member of the Advisory Committee of the All-China Federation of Industry and Commerce, a United Nations Ambassador for Sustainable Urban Development, the first rotating chair of the UNDP Commission on Sustainable Development, and Chairperson of the ISO/TC86/SC4.

She was awarded the "National Model Worker", "National May Day Labor Medal", "National March 8th Red Banner Pacesetter", China Patent Gold Award, the Third China Quality Award, Liu Yuanzhang Quality Technology Contribution Award, Fudan University Outstanding Contribution to Enterprise Management Award, Top 10 Management Innovation Leaders · Practitioners of *Tsinghua Business Review* in 2018, and "China Outstanding Individual for Quality (National Individual Quality Award)", Nomination Award for the 4th China Quality Award, Advanced Individual of Private Economy in the Fight against the COVID-19 Epidemic, Outstanding Contribution Award of China Standard Innovation Contribution Award, and other honors and titles, and three times has been selected by CCTV as "Economic Personality of the Year."

Mr. Zhang Wei, a senior economist with a bachelor's degree, currently serves as the Secretary of the Party Committee and Director of Gree Electric Appliances, Inc. of Zhuhai.

He joined Gree Electric Appliances, Inc. of Zhuhai in 1999 and successively served as the head of Gree Electric Appliances Pipeline Branch, Material Supply Department, Outsourcing and Purchasing Quality Management Department, Enterprise Management Department, and President Assistant, and served as Vice President of Zhuhai Gree Group Co., Ltd. from 2013 to 2020, served as a director of Gree Electric Appliances from January 2019 to now, and has been serving as the Secretary of the Party Committee of Gree Electric Appliances since September 2020.

Mr. Guo Shuzhan, with a junior college degree, currently serves as a director of Gree Electric Appliances, Inc. of Zhuhai.

Since August 2006, he has been serving as the Chairman and General Manager of Jinghai Internet Technology Development Co., Ltd.; since August 2012, he has been serving as the Executive Director of Henan Shengshi Xinxing Gree Trade Co., Ltd.; from May 2012 to January 2019, he served as a supervisor of the Company, and since January 2019, he has been serving as a director of the Company.

Mr. Zhang Jundu, with a junior college degree, currently serves as a director of Gree Electric Appliances, Inc. of Zhuhai.

Since September 1999, he has been serving as the Chairman of Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. Since August 2012 to the present, he has been concurrently serving as the Executive Director and General Manager of Zhejiang Shengshi Xinxing Gree Trade Co., Ltd., and has served as director of the Company from May 2012 to the present.

Mr. Deng Xiaobo, with a bachelor's degree, currently serves as a director, Vice President and Secretary of the Board of Directors of Gree Electric Appliances, Inc. of Zhuhai.

He joined Gree Electric Appliances, Inc. of Zhuhai in December 2020 and served as Vice President and Secretary of the Board of Directors of the Company. Since February 2022, he has been serving as Director of Gree Electric Appliances, Inc. of Zhuhai.

Ms. Liu Shuwei, with a master's degree, currently serves as an independent director of Gree Electric Appliances, Inc. of Zhuhai.

Ms. Liu graduated from Peking University with a master's degree in economics in 1986 and studied under the tutelage of Professor Chen Daisun and Professor Li Yining, who are renowned scholars in finance. In 2002, she was awarded "Economic Personality of the Year" and "Touching China – 2002 Person of the Year" by CCTV. Now, she is an independent director of Costar Group Co., Ltd., and a researcher on Chinese enterprises at the Central University of Finance and Economics. She has served as an independent Director of the Company from January 2019 to the present.

Mr. Xing Ziwen, with a doctoral degree, currently serves as an independent director of Gree Electric Appliances, Inc. of Zhuhai.

He is currently a professor of Xi'an Jiaotong University, executive director of the Chinese Association of Refrigeration, an academic member of the State Key Laboratory of High-end Compressor and System, State Key Laboratory of Air-conditioning Equipment and System Energy Conservation, and the candidate of several national leading talent plans, enjoying special allowance of the State Council. Professor Xing Ziwen has served as the director of the Department of Refrigeration and Cryogenic Engineering, Director of Compressor Research Institute, and Deputy Director of the National Engineering Center for Fluid Machinery and Compressors of School of Energy and Power Engineering, Xi'an Jiaotong University. He has won 2 National Science and Technology Progress Awards, 9 Provincial and Ministerial Science and Technology Progress Awards, and the Special Award for Science and Technology Progress of the Chinese Association of Refrigeration, the Special Award for Invention and Entrepreneurship of the China Association of Inventions, the Distinguished Professor Award of the Xia Anshi Education Foundation, and the Youth Innovation Award of the Ho Leung Ho Lee Foundation, etc.

Mr. Wang Xiaohua, a Master of Laws from the University of East London, is a first-class lawyer in Guangdong Province, a national outstanding lawyer, and a visiting professor at Zhongnan University of Economics and Law. He is now an independent director of Gree Electric Appliances, Inc. of Zhuhai.

He has been working at ETR Law Firm since January 1993 and is currently the honorary director and founding partner of the law firm. He also serves as a legal advisor to units such as the Guangdong Provincial Public Security Department, Zhong Nanshan Medical Foundation, and the General Office of the Guangdong Provincial CPPCC. In addition, he is an independent director of Guangzhou Tower Tourism and Culture Development Co., Ltd. and ARROW Home Group Co., Ltd. He has served as a member of the Standing Committee of Guangdong Provincial CPPCC, a councilor of the All China Lawyers Association, a legal advisor to the 16th Asian Games Organizing Committee, a supervisory judicial consulting expert of the Standing Committee of the Guangdong Provincial People's Congress, the President of the Guangzhou Alumni Association of Zhongnan University of Economics and Law, a member of the Guangdong Province Law Society, a member of the 9th All-China Youth Federation, the President of the Guangzhou Lawyers Association, a legal consulting expert and legal advisor to the People's Government of Guangzhou Municipality. Over the past 35 years of practice, he has handled more than 1,000

litigation, arbitration, and non-litigation cases and projects individually or with his team, having rich experience in legal services.

Mr. Wang Xiaohua has published four monographs and co-authored four books, published more than 30 papers and articles, and submitted more than 60 proposals, and was praised by the Nanfang Daily News as a major proposal writer.

Mr. Zhang Qiusheng, with a doctoral degree, is a non-practicing member of the Chinese Certified Public Accountant. He is currently a professor at the School of Economics and Management of Beijing Jiaotong University, the director of the National Institute of Transportation Development, the director of the China Center for Corporate Mergers and Acquisitions, and an independent director of CMST Development Co., Ltd. and Luoniushan Co., Ltd.

Mr. Zhang Qiusheng has undertaken various provincial and ministerial research projects, including the National Natural Science Foundation of China, the National Social Science Fund of China, the National Soft Science Program, as well as the Ministry of Education, the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council, and the China Securities Regulatory Commission. He has published more than 30 works (translations) including the monograph *A Framework for Mergers and Acquisitions* and more than 100 academic and professional papers, and has won a second prize for national teaching achievements, 4 awards for provincial and ministerial research achievements, and 2 first prizes for teaching achievements in Beijing.

Ms. Cheng Min, with a bachelor's degree, currently serves as a supervisor of Gree Electric Appliances, Inc. of Zhuhai.

She serves as the President Assistant of Zhuhai Gree Group Co., Ltd., and the Chairperson of Zhuhai Gexin Development Co., Ltd. She successively held the posts of the head of the Planning Department of Zhuhai Exhibition and Convention Bureau, a member of the Party Group of Zhuhai Exhibition and Convention Bureau, and the office director and secretary of the Board of Directors of Zhuhai Gree Group Co., Ltd.

Mr. Duan Xiufeng currently serves as a supervisor of Gree Electric Appliances, Inc. of Zhuhai.

He graduated from Shandong Party School in 1999 and has served as the Deputy General Manager and General Manager of Shandong Gree Electric Appliance Marketing Co., Ltd. and General Manager of Shandong Shengshi Xinxing Gree Trade Co., Ltd. He has served as a supervisor of the Company from January 2019 to the present.

Ms. Wang Fawen, with a master's degree, a mid-level economist and human resources manager, serves as the supervisor of the staff representative of Gree Electric Appliances, Inc. of Zhuhai.

From 2007 to 2019, she successively served as Human Resources Specialist of the Human Resources Department, Director of the Personnel General Office, Supervisor of the Performance Section, Supervisor of the Training Section, Assistant Director of the Training Department, Human Resources Department and Director of the Training Department; she has been serving as a supervisor of the Employee Representative of the Company since January 2019, and the Director Assistant of the Human Resources Department of the Company since February 2019.

Mr. Zhuang Pei, a senior engineer with a bachelor's degree, currently serves as the Vice President of Gree Electric Appliances, Inc. of Zhuhai.

He served as President's Assistant from 2002 to April 2003 and has been serving as Vice President of the Company since April 2003.

Mr. Tan Jianming, with a master's degree, currently serves as the Vice President and Chief Engineer of Gree Electric Appliances, Inc. of Zhuhai.

From 1982 to 1986, he studied Refrigeration and Cryogenic Engineering major at Huazhong University of Science and Technology and received his bachelor's degree; from 1986 to 1989, he continued his studies in Refrigeration and Cryogenic Engineering at Huazhong University of Science and Technology and received his Master's degree; after graduation in 1989, he joined Gree Electric Appliances, Inc. of Zhuhai and successively served as a Designer, Director, President Assistant, and Deputy Chief Engineer, etc. Since August 2017, he has been serving as the Vice President and Chief Engineer of the Company.

Mr. Shu Lizhi, with a master's degree, currently serves as the Vice President of Gree Electric Appliances, Inc. of Zhuhai.

He served as the Deputy Director and Director of Wuhan Special Commission Office of the National Audit Office. He joined Gree Electric Appliances, Inc. of Zhuhai in December 2019. He has served as Vice President of the Company from December 2020 to the present.

Mr. Fang Xiangjian, a senior engineer with a master's degree, currently serves as the Vice President of Gree Electric Appliances, Inc. of Zhuhai.

From July 2004 to December 2016, he successively served as the assistant to factory manager, deputy factory manager and factory manager of the Incoming Materials Inspection Factory, and Director of Quality Control Department, of Gree Electric Appliances, Inc. of Zhuhai. He has been serving as the Assistant President of Gree Electric Appliances, Inc. of Zhuhai since December 2016 and has been serving as the Vice President of Gree Electric Appliances, Inc. of Zhuhai since November 2021. He won the Guangdong May Day Labor Medal, Liu Yuanzhang Quality Technical Talent Award, and the Management Talent Award of the China Management Science Society. He serves as Vice President of the China Association for Quality Inspection, Professional Committee Member of the China Fire Protection Association, Member of the 8th Academic Committee of the China Association for Quality, Vice Chairman of the Green and Efficient Energy Products Professional Committee of the China Energy Conservation Association, and a member of the 3rd TC463 Committee.

Mr. Liao Jianxiong, with a bachelor's degree, currently serves as the Finance Chief and President Assistant of Gree Electric Appliances, Inc. of Zhuhai.

He joined Gree in May 1993 and successively served as the head of the Financial Department of Gree (Chongqing) Electric Appliances Co., Ltd., head of the Financial Department and President Assistant of Gree Electric Appliances, Inc. of Zhuhai. He has served as the Finance Chief and assistant to the president of the Company from August 2020 to the present.

Employment in Shareholders

Applicable Not applicable

Name of Incumbent	Name of Shareholder	Position Held at the Shareholder	Term Start Date	Term End Date	Receive Remuneration and Allowance From the Shareholder or Not
Cheng Min	Zhuhai Gree Group Co., Ltd.	President Assistant	March 1, 2020		Yes
Guo Shuzhan	Jinghai Internet Technology Development Co., Ltd.	President and Legal Representative	August 1, 2006		Yes
Zhang Jundu	Jinghai Internet Technology	Director	September 20, 2023		Yes

	Development Co., Ltd.				
Description of incumbent in shareholders	None				

Employment in other companies

Applicable Not applicable

Name of Incumbent	Name of Other Companies	Position Held in the Other Companies	Term Start Date	Term End Date	Receive Remuneration and Allowance From Other Companies or Not
Dong Mingzhu	Zhuhai Gezhen Investment Management Partnership (Limited Partnership)	Executive Partner	September 26, 2019		No
Dong Mingzhu	Kingdee International Software Group Co., Ltd.	Non-executive Director	August 21, 2012		Yes
Guo Shuzhan	Beijing Qianyuan Hengjiuhe Liquor Co., Ltd.	Director	April 25, 2014		No
Guo Shuzhan	Xiahe Hengsheng Hydropower Co., Ltd.	Director	May 1, 2017		No
Guo Shuzhan	Henan Shengshi Xinxing Gree Trade Co., Ltd.	Executive Director	August 1, 2010		Yes
Guo Shuzhan	Luoyang Gree Electric Appliance Logistics Co., Ltd.	Executive Director and General Manager	June 1, 2010		No
Guo Shuzhan	Xiahe Hengfa Hydropower Co., Ltd.	Director	June 1, 2005		No
Guo Shuzhan	Henan Gree Installation Engineering Co., Ltd.	Executive Director	March 10, 2021		No
Guo Shuzhan	Henan Sanli Real Estate Development Co., Ltd.	Supervisor	November 6, 2006		No
Zhang Jundu	Zhejiang Tongcheng Gree Electric Appliances Co., Ltd.	Chairman	September 1, 1999		Yes
Zhang Jundu	Ningbo Tongcheng Gree Electric Appliance Co., Ltd.	Director	July 1, 2013		No
Zhang Jundu	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	Executive Director and General Manager	January 1, 2017		Yes
Zhang Jundu	Zhejiang Ruitong Vehicle Co., Ltd.	Director	December 1, 2014		No
Zhang Jundu	Wenzhou Tongcheng Economic and Trade Co., Ltd.	Director	April 1, 2012		No
Zhang Jundu	Huzhou Tongcheng	Director	November 1, 2008		No

	Gree Electric Appliance Co., Ltd.				
Liu Shuwei	China Vanke Co., Ltd.	Independent director	June 30, 2017	June 29, 2023	Yes
Liu Shuwei	Costar Group Co., Ltd.	Independent director	April 10, 2019		Yes
Wang Xiaohua	ETR Law Firm	Honorary Director	July 1, 2022		Yes
Wang Xiaohua	ARROW Home Group Co., Ltd.	Independent director	December 18, 2019		Yes
Wang Xiaohua	CantonTower Cultural Tourism Development Co., Ltd.	Independent director	April 27, 2021		Yes
Zhang Qiusheng	Jinneng Holding Shanxi Coal Industry Co., Ltd.	Independent director	June 5, 2020		Yes
Zhang Qiusheng	Luoniushan Co., Ltd.	Independent director	October 1, 2022		Yes
Zhang Qiusheng	Tianjin Lishen Battery Joint-stock Co., Ltd.	Independent director	December 25, 2021		Yes
Zhang Qiusheng	Yusys Technologies Co., Ltd.	Independent director	August 18, 2022		Yes
Zhang Qiusheng	CMST Development Co., Ltd.	Independent director	October 1, 2022		Yes
Xing Ziwen	Zhejiang Wangzhou Internet of Things Technology Co., Ltd.	Director	November 10, 2014		Yes
Cheng Min	Zhuhai Gexin Development Co., Ltd.	President and Legal Representative	September 11, 2018		Yes
Duan Xiufeng	Beijing Rongzhi Xingwei Management Consulting Co., Ltd.	Executive Director	May 13, 2014	March 31, 2023	No
Duan Xiufeng	Jinan Qihui Small Loan Co., Ltd.	Director	February 4, 2009		No
Duan Xiufeng	Shandong Blue Economy Industrial Fund Management Co., Ltd.	Chairman	November 5, 2014		No
Duan Xiufeng	Jinan Jierui New Energy Technology Co., Ltd.	Executive Director and General Manager	December 21, 2016		No
Duan Xiufeng	Zhongfu Huaxia Management Consulting Co., Ltd.	Chairman	December 23, 2005		No
Duan Xiufeng	Hainan Jierui Tongda Investment Co., Ltd.	Executive Director and General Manager	June 15, 2024		No
Duan Xiufeng	Jinan Rural Commercial Bank Co., Ltd.	Supervisor	May 22, 2020		No
Description of incumbent in the other companies	None				

Penalties imposed by securities regulators on current and outgoing directors, supervisors and senior executives in the report period in the recent three years

Applicable Not applicable

On December 27, 2021, Mr. Duan Xiufeng, a supervisor of the Company, cumulatively reduced his holdings of the Company's shares through centralized bidding, amounting to 149,175 shares, representing 0.0025% of the total share capital at that time. However, Mr. Duan failed to disclose his share reduction plan 15 trading days prior to the first sale, contravening the provisions of the *Information Disclosure Regulations for Listed Companies*, as well as the *Several Provisions on the Reduction of Shares Held by Shareholders, Directors, Supervisors, and Senior Management of Listed Companies*. In response to this situation, the Guangdong Branch of the China Securities Regulatory Commission has administered an administrative regulatory measure against Mr. Duan Xiufeng in the form of a warning letter; concurrently, the Shenzhen Stock Exchange has also issued a regulatory letter to him.

3. Remuneration of directors, supervisors and senior executives

Decision-making procedures, determination basis, and actual payment regarding the remunerations of directors, supervisors and senior executives

During the report period, to fully stimulate the potential of the Board of Directors and Supervisors and create greater value, and to establish a salary assessment and incentive system that is in line with the actual situation of the Company, the Board of Directors evaluated the performance of senior executives in terms of "morality, ability, diligence, and performance" in accordance with relevant provisions such as the *Company's Articles of Association*.

Remunerations of directors, supervisors and senior executives in the report period

Unit: RMB10,000

Name	Sex	Age	Title	Employment Status	Total Pre-tax Remuneration Received From the Company	Receive Remuneration From a Related Party of the Company or Not
Dong Mingzhu	Female	69	Chairperson & President	Incumbent	1,213.8	Yes
Zhang Wei	Male	47	Director and Secretary of the Party Committee	Incumbent	400	No
Guo Shuzhan	Male	67	Director	Incumbent	0	Yes
Zhang Jundu	Male	63	Director	Incumbent	0	Yes
Deng Xiaobo	Male	48	Director, Vice President, Secretary of the Board of Directors	Incumbent	300	No
Liu Shuwei	Female	71	Independent director	Incumbent	20	No
Wang Xiaohua	Male	62	Independent director	Incumbent	20	No
Xing Ziwen	Male	61	Independent director	Incumbent	20	Yes
Zhang Qiusheng	Male	56	Independent director	Incumbent	20	No
Cheng Min	Female	43	Supervisor	Incumbent	0	Yes
Duan	Male	60	Supervisor	Incumbent	0	No

Xiufeng						
Wang Fawen	Female	40	Employee supervisor	Incumbent	74.39	No
Zhuang Pei	Male	59	Vice President	Incumbent	240	No
Tan Jianming	Male	59	Vice President and Chief Engineer	Incumbent	400	No
Shu Lizhi	Male	54	Vice President	Incumbent	220	No
Liao Jianxiong	Male	50	Finance Chief, President Assistant	Incumbent	180	No
Fang Xiangjian	Male	46	Vice President	Incumbent	300	No
Total	--	--	--	--	3,408.19	--

Explanation of other situations

Applicable Not Applicable

VI. Performance of directors' duties during the report period

1. The Board of Directors during the report period

Session of Meeting	Date of Convening	Date of Disclosure	Meeting Resolutions
The 11th Meeting of the 12th Board of Directors	March 28, 2023	March 29, 2023	For details, please refer to <i>Announcement of Resolutions of the 11th Meeting of the 12th Board of Directors</i> (Announcement No.: 2023-009) on CNINFO (http://www.cninfo.com.cn/new/index)
The 12th Meeting of the 12th Board of Directors	April 28, 2023	April 29, 2023	For details, please refer to <i>Announcement of Resolutions of the 12th Meeting of the 12th Board of Directors</i> (Announcement No.: 2023-019) on CNINFO (http://www.cninfo.com.cn/new/index)
The 13th Meeting of the 12th Board of Directors	April 28, 2023	April 29, 2023	For details, please refer to <i>Announcement of Resolutions of the 13th Meeting of the 12th Board of Directors</i> (Announcement No.: 2023-023) on CNINFO (http://www.cninfo.com.cn/new/index)
The 14th Meeting of the 12th Board of Directors	August 30, 2023	August 31, 2023	For details, please refer to <i>Announcement of Resolutions of the 14th Meeting of the 12th Board of Directors</i> (Announcement No.: 2023-037) on CNINFO (http://www.cninfo.com.cn/new/index)
The 15th Meeting of the 12th Board of Directors	October 30, 2023	October 31, 2023	For details, please refer to <i>Announcement of Resolutions of</i>

			<i>the 15th Meeting of the 12th Board of Directors</i> (Announcement No.: 2023-041) on CNINFO (http://www.cninfo.com.cn/new/index)
The 16th Meeting of the 12th Board of Directors	December 19, 2023	December 20, 2023	For details, please refer to <i>Announcement of Resolutions of the 16th Meeting of the 12th Board of Directors</i> (Announcement No.: 2023-051) on CNINFO (http://www.cninfo.com.cn/new/index)

2. Attendance of directors at meetings of the Board of Directors and general meetings of shareholders

Attendance of directors at meetings of the Board of Directors and general meetings of shareholders							
Name of the Director	Number of Meetings of the Board of Directors Requiring Attendance in the Report Period	Times of On-site Attendance at the Meetings of the Board of Directors	Times of Attending Meetings of the Board of Directors via Communication Tools	Times of Attending Meetings of the Board of Directors by Entrusting	Times of Absence From Meetings of the Board of Directors	Whether Fail to Personally Attend the Meetings of the Board of Directors for Consecutively Twice?	Times of Attending the General Meetings of Shareholders
Dong Mingzhu	6	6	0	0	0	No	1
Zhang Wei	6	6	0	0	0	No	1
Guo Shuzhan	6	1	5	0	0	No	1
Zhang Jundu	6	2	4	0	0	No	1
Deng Xiaobo	6	6	0	0	0	No	1
Liu Shuwei	6	5	1	0	0	No	1
Wang Xiaohua	6	4	2	0	0	No	1
Xing Ziwen	6	4	2	0	0	No	1
Zhang Qiusheng	6	4	2	0	0	No	1

Explanation of absence from the Board of Directors for consecutively twice

3. Directors' objection to relevant matters of the Company

Whether the directors objected to relevant issues of the Company?

Yes No

The directors didn't raise any objection to relevant issues of the Company.

4. Other descriptions for performance of duties by directors

Whether the relevant suggestions on the Company by directors were adopted

Yes No

Directors' explanation on whether to adopt the suggestions

During the report period, the directors of the Company were able to take the best interests of the Company and shareholders as their code of conduct, faithfully performed their duties in accordance with the relevant regulations, attended the meetings of the Board of Directors and Meeting of Shareholders, carefully deliberated the proposals and made suggestions and comments on the management of the Company, which played a positive role in the effective decision-making of the Board of Directors, improving the management level and standardizing the operation of the Company.

VII. Specialized committees under the Board of Directors during the report period

Committee Name	Member Status	Number of Meetings Held	Date of Convening	Conference Content	Important Comments and Suggestions Proposed	Other Performance of Duties	Details of Objection (if any)
Audit Committee	Liu Shuwei, Wang Xiaohua, and Zhang Wei	4	April 28, 2023	Deliberation of the following proposals: I. 2022 <i>Financial Statements</i> II. 2022 <i>Annual Report and its Summary</i> III. <i>Proposal on the Proposed Appointment of the Company's Audit Agency in 2023</i>			
Audit Committee	Liu Shuwei, Wang Xiaohua, and Zhang Wei		April 28, 2023	Deliberation of the 2023 <i>First Quarter Report</i>			
Audit Committee	Liu Shuwei, Wang Xiaohua, and Zhang Wei		August 30, 2023	Deliberation of 2023 <i>Semi-annual Report and its Summary</i>			
Audit Committee	Liu Shuwei, Wang Xiaohua, and Zhang Wei		October 30, 2023	Deliberation of the 2023 <i>Third Quarter Report</i>			
Remuneration and Appraisal Committee	Wang Xiaohua, Liu Shuwei, and Zhang Wei	2	April 28, 2023	Deliberation of the 2022 <i>Compensation Distribution Plan for Directors, Supervisors and Senior Executives</i>			
Remuneration and Appraisal Committee	Wang Xiaohua, Liu Shuwei, and Zhang Wei		December 12, 2023	Deliberation of <i>Suggestions on the Highest Compensation for Senior Executives of the Company</i>			

VIII. Work of the Board of Supervisors

Whether the Board of Supervisors has identified any risks in the Company during its supervision activities during the report period

Yes No

The Board of Supervisors has no objection to the supervision matters during the report period.

IX. The Company's staff

1. Number of employees, their specialties and education level

Number of on-the-job employees of the parent company at the end of the report period (person)	20,259
Number of on-the-job employees of the main subsidiaries at the end of the report period (person)	52,351
Total number of on-the-job employees at the end of the report period (person)	72,610
Total number of employees receiving salaries for the current period (person)	72,610
Number of retired employees for whom the parent company and main subsidiaries need to bear expenses (person)	435
Specialties	
Category of specialties	Number (person) of employees of specialties
Manufacturing personnel	50,292
Sales personnel	2,528
Technician	15,282
Financial personnel	1,115
Administrative personnel	3,393
Total	72,610
Educational level	
Education level category	Number of employees (person)
Bachelor's degree or above	16,507
College degree	12,894
Technical secondary school and below	43,209
Total	72,610

2. Remuneration policy

Faced with the uncertainty and complexity of the macroeconomic environment, the Company attached great importance to and safeguards the vital interests of employees, optimized and adjusted compensation plans, and continuously improved the position-based and performance-oriented compensation mechanism. At the same time, the Company focused on high-quality talents and continued to implement a project-based technology talent evaluation mechanism to motivate technology personnel and R&D technology breakthroughs, deepen the reform of the salary system, build a career development channel for employees, form a reasonable, flexible, and effective salary system, optimize the construction of the talent pool, and promote the improvement of organizational efficiency.

3. Training plan

(1) Adhere to lifelong learning management and strive to build talent highland

Firstly, it is necessary to widely cultivate talents of universal applicability. Normalized company-wide open courses and routine learning sessions for grassroots management leaders were implemented. More than 100 public seminars were organized throughout the year, attracting nearly 4,000 participants, solidly promoting the inheritance of management expertise, sharing of R&D technologies, and enhancing professional competencies. The four-level training linkage

mechanism of company, department, division, and individual was systematically promoted, and learning activities at all levels were organized and carried out. About 7,400 special training sessions were organized and more than 400,000 people participated throughout the year. Second, it is necessary to strengthen key groups. The "Pioneer" talent training project was organized and carried out, training 270 grassroots management personnel; a fresh graduate training camp was carried out to provide comprehensive and multi-level training support for nearly 800 fresh graduates. After the epidemic, the resumption of the fresh graduate onboarding ceremony for the first time has received attention and praise from all levels. Third, it is necessary to train highly skilled personnel vigorously. The Company persisted in carrying out the "Foundation Consolidation Project" aimed at elevating job-specific skills. Through master-apprentice programs led by renowned mentors, assessment and certification processes, and skill competitions, a total of 79 batches of new staff orientation training and base support training were conducted, involving 4,867 individuals. Additionally, 29 skill contests were held, engaging nearly 1,000 employees, and specialized training for over 1,400 personnel was organized. This approach realized standardized job training, routine professional development, and competitive skill enhancement. The Company focused on promoting the "Strong Foundation Project" for highly skilled talents, relying on the construction of national-level highly skilled talent training bases to overcome difficulties, actively coordinate resources, closely monitor nodes, efficiently promote, and annually cultivate more than 1,500 highly skilled talents; at the same time, it took this opportunity to promote the upgrading and transformation of the employee training center, solve the long-standing common aspiration, and fully realize the maximum benefits. The Company utilized platforms such as skilled master studios and technician workstations to establish a skilled talent training system, connect the development channels of skilled talents, and focus on building a highly skilled talent team with a "reasonable structure, strong skills, sufficient quantity, and excellent quality", thereby enhancing the Company's industrial competitiveness.

(2) Adhere to the ability to empower people, cultivate people, and steadily promote the construction of talents

First, ideological and political education is vividly implemented. The Company adhered to the guidance of political ideology, actively practiced the core values of Chinese socialism, promoted advanced corporate culture, served the overall development of the enterprise, and worked hard to cultivate industrial workers with moral integrity and talent for the new era. It organized and carried out special training courses for young entrepreneurs in Zhuhai and training courses for the Company's Party members and leaders, further enhancing the ideological realm and political consciousness of "learning and implementing the 20th National Congress, being the pioneer in the industry". It organized and carried out special education on "learning from the spirit of Lei Feng, becoming a helpful person", special education on "protecting the market during the peak season", national defense education month activities, ideological education on the "Young Eagle Plan" for fresh graduates, and special education on "learning from models, striving for being advanced, creating excellent achievements, and making new achievements". Efforts were being made to implement the guiding ideology of "raising the flag, gathering people's hearts, nurturing new talents, promoting culture, and showcasing image" and achieve results. Second, Party building is efficiently promoted. The Company actively took the initiative, bravely explored and innovated, carefully designed and produced a special issue on Party building, highlighted the style of Party spirit, and created a Party building brand. The Company completed the production of Party building promotional videos and microfilms, updated and improved the Party building corridor and column in the Company's science and technology exhibition hall, established a propaganda platform, and created a demonstration window, to fully display the image and style of "National Advanced Grassroots Party Organization." Third, veteran service is actively advanced. The Company emphasized both business management and social responsibility and worked hard to solidly promote the service work for retired soldiers with dedication and emotion. The Company's Veterans Service Center was officially established to create connections, actively solve difficulties, and promote Party policies, thereby driving the development of the enterprise. It was awarded the first batch of "socialized army-supporting enterprises" in China and a member unit of the Guangdong Province "Veterans Employment and Entrepreneurship Service Alliance."

(3) Adhere to the market service after sales and actively build a talent system

First, domestic after-sales training has been fully promoted. The Company fully supported the after-sales training work of national sales companies, with the aim of "linking training and innovation mechanisms, integrating resources for targeted training". Through organizing the 9th "Journey of Best Products – Building the Future" technical training camp, the "Keeping Warning and Bearing Safety in Mind" peak season safety activities, and precise online and offline special training activities covering different product series, more than 540,000 domestic after-sales training personnel were completed, achieving hierarchical and precise levels. Second, overseas after-sales training has made a strong comeback. The Company assisted in promoting the sales of its products, meeting the needs of overseas customers, and supporting the resolution of after-sales technical problems. It adopted a model of "remote training + factory training + factory return training", and completed a total of 99 overseas customer training needs online and offline through a combination of "theoretical teaching/practical training/engineering support/market promotion". More than 700 after-sales training sessions were organized, achieving a significant increase in the number of overseas remote training, normal resumption of factory training, and breakthrough in zero factory return training, enhancing the influence of the Gree brand in overseas regions. Third, the system construction has been optimized and improved constantly. The Company gradually established a sound after-sales training system to ensure the orderly implementation of after-sales training management work. By establishing lecturer resources, 32 qualified after-sales key members were included in the lecturer library, supporting the continuous improvement of 89 after-sales first level lecturers, constructing new training platform resources, promoting the launch of customized functions for five batches, updating nearly 300 after-sales technical courses, and activating accounts exceeding 60,000; at the same time, it strengthened the management and supervision of after-sales training through the point based system.

4. Labor outsourcing

Applicable Not Applicable

X. Profit distribution and conversion of capital reserves into share capital by the Company

Profit distribution policy during the report period, especially the formulation, implementation or adjustment of the cash dividend policy

Applicable Not applicable

On June 30, 2023, the Company's 2022 annual general meeting of shareholders approved the *2022 Profit Distribution Plan*. Based on the total share capital of the Company, which was 5,631,405,741 shares, after deducting the number of shares in the repurchase account, which was 17,564,128 shares, a cash dividend of RMB10 (tax inclusive) was distributed to all shareholders for every 10 shares. No bonus shares were given, and no capital was converted from capital reserves. A total of RMB5,613,841,613 in cash dividends was distributed. The plan was completed on August 9, 2023.

The cash dividend distribution proportion of the Company since its listing is in line with the provisions of the *Articles of Association of Gree Electric Appliances, Inc. of Zhuhai* and cash dividend distribution policy of the Company is in line with the provisions of laws and regulations such as the *Articles of Association of Gree Electric Appliances, Inc. of Zhuhai* and the requirements of the resolutions of the general meeting of shareholders. The criteria for dividend distribution and the dividend distribution ratio are clear and unambiguous, the relevant decision-making procedures and mechanisms are complete, and the independent directors have performed their duties and responsibilities with due diligence and have played their roles. Minority shareholders have adequate opportunities to express their opinions and demands on profit distribution, and the legitimate rights and interests of minority shareholders are fully protected.

Special description of cash dividend policy	
Whether to comply with the provisions of the Articles of Association or the requirements of the general meeting's	Yes

resolutions:	
Whether the dividend criteria and ratio are clear and unambiguous:	Yes
Whether the relevant decision-making procedures and mechanisms are complete:	Yes
Whether the independent directors perform their duties and play their due roles:	Yes
If the Company does not distribute cash dividends, specific reasons should be disclosed, as well as the measures to be taken next to enhance investor returns:	Not applicable
Whether the minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests are adequately protected:	Yes
Whether the conditions and procedures are compliant and transparent if the cash dividend policy is adjusted or changed:	Yes

The Company is profitable during the report period and the parent company has positive profit available for distribution to shareholders but no cash dividend distribution plan has been proposed.

Applicable Not Applicable

Profit distribution and conversion of capital reserves into share capital in the report period

Applicable Not applicable

Number of dividend shares per ten shares (shares)	0
Dividends per 10 shares (yuan) (tax inclusive)	23.8
Number of shares converted per ten shares (shares)	0
Share capital base for the distribution plan (shares)	5,521,943,646
Cash dividends (yuan) (tax inclusive)	13,142,225,877.48
Amount of cash dividends by other means (e.g. share repurchase) (yuan)	2,999,997,275.61
Total cash dividends (including other methods) (yuan)	16,142,223,153.09
Distributable profits (yuan)	71,086,199,251.37
Proportion of total cash dividends (including other methods) to total profit distribution	100%
Current cash dividend	
If the Company is in a maturity stage and there are no significant capital expenditure arrangements, the cash dividends in the current profit distribution shall account for at least 80% of the profit distribution	
Detailed description of plan for profit distribution or conversion of capital reserves into share capital	
With the total share capital of 5,521,943,646 shares (deducting 109,462,095 shares in the Company's repurchase account from the total share capital of 5,631,405,741 shares) entitled to profit distribution rights at the time of disclosure of this profit distribution plan, the Company plans to distribute a cash dividend of RMB23.8 per 10 shares to all shareholders (tax inclusive), without bonus shares or conversion of capital reserves into share capital, totaling RMB13,142,225,877.48 of cash shares distributed, and the remaining undistributed profits will be carried forward for distribution in future years. If there is a change in the total share capital of the Company entitled to profit distribution from the date of disclosure of the distribution plan to the date of implementation of equity distribution registration, the Company will adjust the total dividend amount accordingly based on the principle of keeping the distribution ratio per share unchanged.	

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

Applicable Not applicable

1. Equity incentive

Not applicable

Equity incentives received by directors and senior executives of the Company

 Applicable Not Applicable

Appraisal mechanism and incentives of senior executives

Not applicable

2. Implementation of employee stock ownership plan Applicable Not applicable

All valid employee stock ownership plans during the report period

Scope of Employees	Number of Employees	Total Number of Shares Held (Shares)	Changes	Proportion to the total share capital of listed companies	Source of funding for implementation of the plan
Employee Stock Ownership Plan Phase I	4,513	46,334,473	During the report period, due to the rescission or termination of labor relations between some holders and the Company, they no longer qualified for the employee stock ownership plan, resulting in changes in the total number of holders and the shares held by some holders. On November 27, 2023, the meeting of the Employee Stock Ownership Plan Phase I was held, and the <i>Proposal on the termination of the Employee Stock Ownership Plan Phase I</i> was reviewed and approved. The Employee Stock Ownership Plan Phase I was terminated prematurely, and the holder continues to fulfill their voluntary commitment not to sell or set up pledges on their own during the lockup period.	0.82%	Legal remuneration of employees and self-financing funds obtained through other means as permitted by laws and administrative regulations
Employee Stock Ownership Plan Phase II	3,170	77,163,880	None	1.37%	Legal remuneration of employees and self-financing funds obtained through other means as permitted by laws and administrative regulations

Shareholdings of Directors, Supervisors and senior executives in the employee stock ownership plan during the report period

Name	Title	Number of Shares Held at the Beginning of the Period (Shares)	Number of Shares Held at the End of the Period (Shares)	Proportion to the total share capital of listed companies
Dong Mingzhu	Chairperson & President	10,000,000	46,310,000	0.82%
Zhang Wei	Director and Secretary of the Party Committee	183,328	300,000	0.01%
Deng Xiaobo	Director, Vice President, Secretary of the Board of Directors	107,600	300,000	0.01%
Wang Fawen	Employee representative supervisor	51,355	30,000	0.00%
Zhuang Pei	Vice President	420,253	300,000	0.01%
Tan Jianming	Vice President and Chief Engineer	488,469	200,000	0.00%
Shu Lizhi	Vice President	99,719	115,000	0.00%
Fang Xiangjian	Vice President	391,890	250,000	0.00%
Liao Jianxiong	Finance Chief, President Assistant	77,663	230,000	0.00%

Changes in asset management units during the report period

Applicable Not Applicable

Changes in equity during the report period due to disposal of shares by holders, etc.

Applicable Not applicable

1. During the report period, due to the rescission or termination of labor relations between some holders and the Company, in accordance with the provisions of the draft of the *Employee Stock Ownership Plan Phase I of Gree Electric Appliances, Inc. of Zhuhai*, their equity was sold by the management committee at the discretion of the management committee, and the original capital contribution corresponding to the disposal amount was returned to the holders. The remaining income (if any) was enjoyed by the holders of the employee stock ownership plan.

2. On February 3, 2023, the Company transferred 77,163,880 shares to the "Employee Stock Ownership Plan Phase II of Gree Electric Appliances, Inc. of Zhuhai" special account through a non-trading transfer method in the repurchase special securities account.

Exercise of shareholders' rights during the report period

During the report period, both Phase I and Phase II employee stock ownership plans of the Company participated in the voting of the 2022 annual general meeting of shareholders.

Other relevant circumstances and explanations of the employee stock ownership plan during the report period

Applicable Not Applicable

Change in members of the Employee Stock Ownership Plan Management Committee

Applicable Not applicable

The first shareholder meeting of Employee Stock Ownership Plan Phase II was held on March 8, 2023, in the Company's conference room through a combination of on-site and online voting. The meeting reviewed and approved the *Proposal on Electing Members of the Management Committee of Phase II Employee Stock Ownership Plan*, and elected Mr. Li Gangfei, Mr. Shao Ligu, and Ms. Zhao Mengmeng as members of the Employee Stock Ownership Plan Management Committee for a term of three years.

Financial impact of employee stock ownership plan on listed companies and related accounting treatment during the report period

Applicable Not applicable

In accordance with the *Accounting Standards for Enterprises No. 11 – Share-based Payments*, the total expenses recognized for equity settled share-based payments by the Company in 2023 was RMB1,413,200,011.24.

Termination of employee stock ownership plan during the report period

Applicable Not applicable

On November 27, 2023, the meeting of the Employee Stock Ownership Plan Phase I was held, and the *Proposal on the termination of the Employee Stock Ownership Plan Phase I* was reviewed and approved. The Employee Stock Ownership Plan Phase I was terminated prematurely, and the holder continues to fulfill their voluntary commitment not to sell or set up pledges on their own during the lockup period.

Other statements: None

3. Other employee incentive measures

Applicable Not Applicable

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

1. Construction and implementation of internal control

The company continued to improve the construction of internal control system and improved the management mechanism of rules and regulations. The Company regularly reviewed the internal control system and process, and improved and re-improved the system and process. At the same time, the Company strictly implemented the rules and regulations, continuously strengthened compliance management and risk management, and built a perfect internal control system and process system.

The Company continued to pay attention to and strengthen the control of high-risk areas such as financial management, asset management, capital activities, procurement business, production management, sales business and engineering projects, and effectively improved the awareness of compliance management and the ability to prevent and control major risks. During the report period, the Company updated and improved its internal control system promptly in accordance with the provisions of the *Basic Standard for Enterprise Internal Control* and its accompanying guidelines, taking into account changes in the Company's internal and external environment, internal organization and management requirements.

Based on the determination of significant defects in internal control, the Company did not have any significant defects or material defects in internal control in the financial reporting and non-financial reporting in 2023. Through the operation, analysis and evaluation of the internal control system, the Company effectively prevented the risks in operation and management and promoted the achievement of internal control objectives. In the future, the Company will continue to perfect the internal control system, standardize the implementation of the internal control system, strengthen the supervision and inspection of internal control, and promote the healthy and sustainable development of the Company.

2. Details of significant defects in internal control identified during the report period

Yes No

XIII. Management and control of the subsidiaries during the report period

Company Name	Integration Plan	Integration Progress	Problems During Integration	Solutions Taken	Resolution Progress	Subsequent Resolution Plan
None	None	None	None	None	None	None

XIV. Internal control evaluation report or internal control audit report**1. Internal control evaluation report**

Date of disclosure of the full internal control evaluation report	April 30, 2024	
Index of disclosure of the full internal control evaluation report	CNINFO (http://www.cninfo.com.cn/new/index)	
The proportion of the total assets of the units included in the scope of evaluation to the total assets of the Company's consolidated financial statements	96.00%	
The proportion of operating revenue of the units included in the scope of evaluation to the operating revenue of the Company's consolidated financial statements	97.00%	
Defect identification criteria		
Category	Financial statements	Non-financial statements
Qualitative standard	For details, please refer to the <i>2023 Annual Internal Control Self-Evaluation Report of Gree Electric Appliances, Inc. of Zhuhai</i> disclosed on www.cninfo.com.cn on April 30, 2024	For details, please refer to the <i>2023 Annual Internal Control Self-Evaluation Report of Gree Electric Appliances, Inc. of Zhuhai</i> disclosed on www.cninfo.com.cn on April 30, 2024
Quantitative standard	For details, please refer to the <i>2023 Annual Internal Control Self-Evaluation Report of Gree Electric Appliances, Inc. of Zhuhai</i> disclosed on www.cninfo.com.cn on April 30, 2024	For details, please refer to the <i>2023 Annual Internal Control Self-Evaluation Report of Gree Electric Appliances, Inc. of Zhuhai</i> disclosed on www.cninfo.com.cn on April 30, 2024
Number of significant defects in the financial statements	0	
Number of significant defects in the non-financial statements	0	
Number of material defects in the financial statements	0	
Number of material defects in the non-financial statements	0	

2. Internal control audit report

Applicable Not applicable

Deliberation opinion section in the internal control audit report

Based on the determination of significant defects in internal control in the Company's financial report, as of the benchmark date of the internal control evaluation report, there were no significant defects in internal control in the financial report. We believe that the Company has maintained effective internal control in all significant aspects of the financial report in accordance with the requirements of the enterprise's internal control standard system and relevant regulations.

Disclosure of internal control audit report	Disclosure
Date of disclosure of full internal control audit report	April 30, 2024
Index of disclosure of the full internal control audit report	CNINFO (http://www.cninfo.com.cn/new/index)
Type of internal control audit report opinions	Standard unqualified audit opinion
Is there a significant defect in the non-financial statements?	No

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

Yes No

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

Yes No

XV. Rectification of self-inspection issues in the special action on governance of listed companies

Not applicable

Section V Environmental and Social Responsibility

I. Major environmental problems

Whether the listed company and its subsidiaries are listed as key pollutant discharge units published by the environmental protection department

Yes No

Environmental protection-related policies and industry standards

During the production and operation process, the Company and its subsidiaries strictly complied with the requirements of environmental protection laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, *Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution*, *Law of the People's Republic of China on Prevention and Control of Soil Pollution*, and *Environmental Impact Assessment Law of the People's Republic of China*; strictly followed the *Discharge Limits of Water Pollutants* (DB 44/26-2001), *Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations* (DB44/814-2010), *Takeover Criteria of Hefei West Group Wastewater Treatment Plant*, *Integrated Wastewater Discharge Standards* (GB8978-1996), *Discharge Standard Water Pollutants for Electroplating* (DB 44/1597-2015), *Emission Standard of Volatile Organic Compounds for Printing Industry* (DB44/815-2010), *Emission Limits of Air Pollutants* (DB44/27-2001), *Emission Standard of Air Pollutants for Industrial Kiln and Furnace* (GB 9078-1996), *Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry* (DB44/816-2010), *Emission Standard of Pollutants for Synthetic Resin Industry* (GB 31572-2015), *Emission Standards for Odor Pollutants* (GB 14554-1993), and other national, local, and related industry environmental protection emission standards.

Administrative license for environmental protection

	Company Name	Application Date for the Pollution Discharge Permit	Valid Period
1	Gree Electric Appliances, Inc. of Zhuhai	December 22, 2022	December 21, 2027
2	Gree (Hefei) Electric Appliances Co., Ltd.	August 20, 2023	August 19, 2028
3	Zhuhai Landa Compressor Co., Ltd.	October 28, 2022	October 27, 2027

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4	Zhuhai Gree Xinyuan Electronics Co., Ltd.	December 13, 2022	December 12, 2027
5	Zhuhai Kaibang Motor Manufacturing Co., Ltd.	June 19, 2023	June 18, 2028
6	Gree (Zhong Shan) Small Home Appliances Co., Ltd.	June 4, 2020	June 3, 2025

Industry discharge standards and specific situations of pollutant discharge involved in production and business activities

Name of Company or Subsidiary	Type of Major Pollutant and Particular Pollutant	Name of Major Pollutant and Particular Pollutant	Discharge Method	Number of Discharge Ports	Distribution of Discharge Ports	Discharge Concentration/Intensity	Pollutant Discharge Standard Implemented	Total Discharge	Total Approved Discharge	Excessive Discharge
Gree Electric Appliances, Inc. of Zhuhai	Waste water	COD	Intermittent emission	3	Phase III sewage station	48.75 mg/m ³	Level III limit in Section II of the <i>Discharge Limits of Water Pollutants</i> (DB44/26-2001)	5.184 t/year	23.4 t/year	None
					Phase IV sewage station	16 mg/m ³				
					Phase VI sewage station	19.75 mg/m ³				
	Waste water	Ammonia nitrogen		3	Phase III sewage station	1.08 mg/m ³				
					Phase IV sewage station	0.12 mg/m ³				
					Phase VI sewage station	0.27 mg/m ³				
	Waste water	Total nitrogen		3	Phase III sewage station	5.34 mg/m ³				
					Phase IV sewage station	1.82 mg/m ³				
					Phase VI sewage station	1.46 mg/m ³				
	Waste gas	Total VOCs	Organized discharge	16	Waste gas vent 02	5.8 mg/m ³	Discharge limit for section II of <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations in Guangzhou</i> (DB44/814-2010)	16.8734 t/year	341.02 t/year	
					Waste gas vent 03	2.95 mg/m ³				
					Waste gas vent 04	14.925 mg/m ³				
					Waste gas vent 05	3.28 mg/m ³				
					Waste gas vent 06	4.04 mg/m ³				
					Waste gas vent 07	2.395 mg/m ³				
					Waste gas vent 08	22.05 mg/m ³				
Waste gas vent 09	5.33 mg/m ³									

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					Waste gas vent 12	9.55 mg/m ³				
					Waste gas vent 15	28.5 mg/m ³				
					Waste gas vent 16	/ (Stop production)				
					Waste gas vent 17	4.93 mg/m ³				
					Waste gas vent 18	14.89 mg/m ³				
					Waste gas vent 20	4.15 mg/m ³				
					Waste gas vent 21	12.8 mg/m ³				
					Waste gas vent 22	3.23 mg/m ³				
Gree (Hefei) Electric Appliances Co., Ltd.	Waste water	COD	Intermittent emission	2	Domestic sewage station	13 mg/L	Takeover criteria of Hefei West Group Wastewater Treatment Plant and Level III criteria of <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)	0.5153 t/year	16.9246 t/year	None
					Commercial sewage station	27 mg/L				
	Waste water	NH3-N		2	Domestic sewage station	0.05 mg/L		0.0173 t/year	1.69546 t/year	
					Commercial sewage station	9.46 mg/L				
	Waste water	TN		2	Domestic sewage station	3.85 mg/L		0.1056 t/year	2.4178 t/year	
					Commercial sewage station	10.11 mg/L				
Zhuhai Landa Compressor Co., Ltd.	Waste water	Total zinc	Continuous emission	1	Area C sewage station	0.176 mg/L	<i>Discharge Standard Water Pollutants for Electroplating</i> (DB 44/1597-2015) Table 2 Pearl River Delta Emission Limits Corresponding to 200%	0.0376 t/year	0.29 t/year	None
	Waste water	Total nickel	Intermittent emission	1	Workshop wastewater pre-treatment discharge outlet (Area C)	0.018 mg/L		0.0003 t/year	0.015 t/year	
	Waste gas	Total VOCs	Organized discharge	6	Electrophoresis drying waste gas vent 1	3.66 mg/m ³	<i>Emission Standard for Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010) <i>Emission Standard for Volatile Organic Compounds in Furniture Manufacturing Industry</i> (DB44/814-2010) <i>Emission Limits for Air Pollutants</i> (DB44/27-2001) <i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (GB 9078-1996) <i>Emission Standard of Volatile Organic</i>	1.207 t/year	2023 Pollutant Discharge Permit Approval: A total of 2.49 t/year of VOCs from electrophoresis drying waste gas, painting	
					Electrophoresis drying waste gas vent 2	6.16 mg/m ³				
					Painting waste gas vent 1	5.55 mg/m ³				
					Painting waste gas vent 2	3.26 mg/m ³				
Painting waste gas vent 3	1.24 mg/m ³									
Painting room waste gas vent	19.76 mg/m ³									

							<p><i>Compounds for Printing Industry (GB 9078-1996)</i> <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry (DB44/816-2010)</i> <i>Emission Standard of Pollutants for Electroplating (GB 21900-2008)</i></p>		waste gas, and tooling coating painting room waste gas	
			7	Screen printing waste gas vent	/ (Stop production)	0.373 t/year		The pollutant discharge permit in 2023 is not approved		
				Injection molding waste gas vent	1.79 mg/m ³					
				Hydrocarbon cleaning discharge outlet	1.8 mg/m ³					
				Cleaning drying waste gas vent 1	1.44 mg/m ³					
				Cleaning drying waste gas vent 2	1.94 mg/m ³					
				Cleaning drying waste gas vent 3	1.56 mg/m ³					
				Dip coating waste gas vent	2.67 mg/m ³					
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Waste water	pH value	Intermittent emission	1	Industrial sewage discharge outlet WS-39214A	7.65 mg/L	<p>Level I criteria of maximum allowable discharge concentration of class II pollutants (section II) in <i>Discharge Limits of Water Pollutants (DB 44/26-2001)</i> in Guangdong</p>	/	The pollutant discharge permit in 2023 is not approved	None
	Waste water	Chromaticity	Intermittent emission	1	Industrial sewage discharge outlet WS-39214A	5		/		
	Waste water	Suspended matter	Intermittent emission	1	Industrial sewage discharge outlet WS-39214A	4 mg/L		0.1032 t/year		
	Waste water	Chemical oxygen demand	Intermittent emission	1	Industrial sewage discharge outlet WS-39214A	9 mg/L		0.0212 t/year		
	Waste water	Five-day biochemical oxygen demand	Intermittent emission	1	Industrial sewage discharge outlet WS-39214A	0.6 mg/L		0.0016 t/year		
	Waste water	Phosphate	Intermittent emission	1	Industrial sewage discharge outlet WS-39214A	0.175 mg/L		0.0005 t/year		
	Waste water	Ammonia nitrogen	Intermittent emission	1	Industrial sewage discharge outlet WS-39214A	0.058 mg/L		0.0002 t/year		
	Waste water	Total nitrogen	Intermittent emission	1	Industrial sewage discharge outlet WS-	2.485 mg/L		0.0065 t/year		

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				39214A				
Waste water	Petroleum	Intermittent emission	1	Industrial sewage discharge outlet WS-39214A	0.06 mg/L		0.0002 t/year	
Waste gas	Particulate matter	Organized discharge	2	Die-casting waste gas vent FQ-39214A	<20 mg/m ³	Emission limits of atmospheric pollutants from process waste gas (Section II) in <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001) in Guangdong	/	
				Melting aluminum waste gas vent FQ-39214A1	<20 mg/m ³		/	
Waste gas	Sulfur dioxide	Organized discharge	2	Die-casting waste gas vent FQ-39214A	ND		/	
				Melting aluminum waste gas vent FQ-39214A1	ND		/	
Waste gas	Nitrogen oxide	Organized discharge	2	Die-casting waste gas vent FQ-39214A	11.5 mg/m ³		Emission limits of VOCs in <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB 44/816-2010) in Guangdong	0.1372 t/year
				Melting aluminum waste gas vent FQ-39214A1	ND			
Waste gas	Benzene	Organized discharge	1	Dip coating waste gas vent FQ-39214B	0.005 mg/m ³			0.00009 t/year
			1	Industrial products center dip coating waste gas vent FQ-39214G	ND			
Waste gas	Toluene + Xylene	Organized discharge	1	Dip coating waste gas vent FQ-39214B	0.165 mg/m ³	0.0401 t/year		
			1	Industrial products center dip coating waste gas vent FQ-39214G	11.5 mg/m ³			
Waste gas	Particulate matter	Organized discharge	1	Dip coating waste gas vent FQ-39214B	<20 mg/m ³	/		
			1	Industrial products center dip coating waste gas vent FQ-39214G	<20 mg/m ³			
Waste gas	Nitrogen oxide	Organized discharge	1	Dip coating waste gas vent FQ-39214B	ND	Emission limits of VOCs in <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB	/	
			1	Industrial products center dip coating waste gas vent	ND			

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					FQ-39214G		44/816-2010) in Guangdong				
	Waste gas	Sulfur dioxide	Organized discharge	1	Dip coating waste gas vent FQ-39214B	ND			/		
				1	Industrial products center dip coating waste gas vent FQ-39214G	ND					
	Waste gas	NMHC	Organized discharge	1	Dip coating waste gas vent FQ-39214B	1.145			0.0100 t/year		
				1	Industrial products center dip coating waste gas vent FQ-39214G	1.84					
	Waste gas	Ringelman emittance	Organized discharge	1	Dip coating waste gas vent FQ-39214B	<1 (grade)			<1 (grade)		
				1	Industrial products center dip coating waste gas vent FQ-39214G	<1 (grade)					
	Waste gas	Total VOCs	Organized discharge	1	Dip coating waste gas vent FQ-39214B	26.5 mg/m ³			0.0695 t/year		
				1	Industrial products center dip coating waste gas vent FQ-39214G	8.4 mg/m ³					
Gree (Zhong Shan) Small Home Appliances Co., Ltd.	Waste gas	Benzene	Organized discharge	4	Organized waste gas FQ-11860 after-treatment monitoring port	ND		<i>Emission Standard of Pollutants for Synthetic Resin Industry</i> (GB 31572-2015) Table 9 Enterprise boundary air pollutant concentration limits and local standards of Guangdong Province the one with stricter concentration limits for unorganized emissions monitoring in section II of the <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001);	0.5183 t/year	The pollutant discharge permit in 2023 is not approved	None
					Organized waste gas FQ-11859 after-treatment monitoring port	ND					
					Organized waste gas FQ-008199 after-treatment monitoring port of waste gas treatment equipment	ND					
					Organized waste gas FQ-008198 after-treatment monitoring port	ND					

	Waste gas	Toluene	Organized discharge	4	Organized waste gas FQ-11860 after-treatment monitoring port	9.97 mg/m ³			
					Organized waste gas FQ-11859 after-treatment monitoring port	0.03 mg/m ³			
					Organized waste gas FQ-008199 after-treatment monitoring port of waste gas treatment equipment	0.08 mg/m ³			
					Organized waste gas FQ-008198 after-treatment monitoring port	0.01 mg/m ³			
	Waste gas	Xylene	Organized discharge	4	Organized waste gas FQ-11860 after-treatment monitoring port	1.37 mg/m ³			
					Organized waste gas FQ-11859 after-treatment monitoring port	0.03 mg/m ³			
					Organized waste gas FQ-008199 after-treatment monitoring port of waste gas treatment equipment	0.12 mg/m ³			
					Organized waste gas FQ-008198 after-treatment monitoring port	ND			
	Waste gas	VOCs	Organized discharge	3	Organized waste gas FQ-11860 after-treatment monitoring port	22.8 mg/m ³			
					Organized waste gas FQ-008199 after-treatment monitoring port of waste gas treatment equipment	0.70 mg/m ³			

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					Organized waste gas FQ-008198 after-treatment monitoring port	0.16 mg/m ³				
	Waste gas	NMHC	Organized discharge	1	Organized waste gas FQ-11859 after-treatment monitoring port	0.97 mg/m ³		0.5441 t/year		
	Waste gas	Oil fume	Organized discharge	1	Monitoring port before oil fume and waste gas treatment (FQ-11865)	0.6 mg/m ³		0.0001 t/year		
Zhuhai Gree Xinyuan Electronics Co., Ltd.	Waste gas	Particulate matter	Organized discharge	3	North of 2nd floor roof: DA001	<20 mg/m ³	Table 2 Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001)	/		
					North of 2nd floor roof: DA004	<20 mg/m ³				
					North of 2nd floor roof: DA005	<20 mg/m ³				
	Waste gas	NMHC	Organized discharge	1	South of Building 2 roof: DA002	2.14 mg/m ³	Table 2 (Section II of emission limits) of the <i>Emission Standards for Volatile Organic Compounds in the Printing Industry</i> (DB44/815-2010): lithography (excluding lithography on metal, ceramics, and glass) and flexographic printing	0.0925 t/year	The pollutant discharge permit in 2023 is not approved	None
	Waste gas	Tin and its compounds	Organized discharge	2	South of Building 2 roof: DA002	0.00265 mg/m ³	Table 2 Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001)	0.0002 t/year		
					South of Building 2 roof: DA003	0.00319 mg/m ³				
	Waste gas	Lead and its compounds	Organized discharge	1	South of Building 2 roof: DA003	0.002 mg/m ³	Table 2 Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001)	0.00002 t/year		
	Waste gas	Ammonia	Organized discharge	1	Northwest of Building 1 roof: DA006	3.84 mg/m ³	<i>Emission Standards for Odor Pollutants</i> (GB 14554-1993) Table 2 Emission Standard Value of Odor Pollutants	0.1350 t/year		
	Waste gas	Sulfuric acid mist	Organized discharge	1	Northwest of Building 2 roof: DA007	0.2 mg/m ³	Table 2 Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001)	0.0073 t/year		
Waste gas	Hydrogen chloride	Organized discharge	1	Northwest of Building 2 roof: DA007	72.2 mg/m ³	Table 2 Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001)	0.2612 t/year			

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Waste gas	Nitrogen oxide	Organized discharge	1	Northwest of Building 2 roof: DA007	3 mg/m ³	Table 2 Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001)	0.0461 t/year
Waste gas	Total volatile organic compounds	Organized discharge	1	North of Building 1 roof: DA008	2.40 mg/m ³	Table 2 (Section II of emission limits) of the <i>Emission Standards for Volatile Organic Compounds in the Printing Industry</i> (DB44/815-2010): lithography (excluding lithography on metal, ceramics, and glass) and flexographic printing	0.1057 t/year
Waste gas	Toluene + Xylene	Organized discharge	1	North of Building 1 roof: DA008	0.101 mg/m ³		0.0028 t/year
Waste gas	Benzene	Organized discharge	1	North of Building 1 roof: DA008	0.004 mg/m ³		0.0042 t/year
Waste water	Total nitrogen (N)	Intermittent emission	1	Longshan No. 3 Road industrial wastewater WS-124635: DW001	0.926 mg/L		Level II Limit in Section II of <i>Discharge Limits of Water Pollutants</i> (DB44/26-2001)
Waste water	Total phosphorus (P)				0.33 mg/L	0.0023 t/year	
Waste water	Ammonia nitrogen (NH ₃ -N)				0.454 mg/L	0.0070 t/year	
Waste water	pH value				7.1	/	
Waste water	Total copper				0.006 mg/L	0.0001 t/year	
Waste water	Suspended matter				9 mg/L	0.2469 t/year	
Waste water	Petroleum				0.17 mg/L	0.0073 t/year	
Waste water	Chemical oxygen demand				80 mg/L	0.4820 t/year	

Treatment of pollutants

1. Wastewater pollution prevention and control facilities

The Company and its subsidiaries are equipped with corresponding wastewater treatment facilities and full-time environmental management, operation and monitoring personnel in accordance with the environmental protection requirements of the construction project. So far, the systems are in normal operation and have been discharged in a stable manner without over-standard discharge.

2. Waste gas pollution prevention and control facilities

The waste gas pollution prevention and control facilities of the Company's subsidiaries operated normally, and the indicators of waste gas monitoring were in compliance with national and local emission standards, without over-standard discharge.

3. Solid waste treatment and disposal facilities

The Company implements the classification and collection system of hazardous waste and entrusts the disposal to the unit with the corresponding disposal qualification. General industrial solid waste are handed over to resource recycling manufacturers for recycling and disposal after being classified in the factory, and there is no illegal disposal.

Environment self-monitoring scheme

The Company and its subsidiaries formulate self-monitoring plans in accordance with the requirements of pollutant discharge permits and environmental impact assessment, and entrust third-party qualified testing units to carry out environmental monitoring; online automatic monitoring is adopted for key discharge outlets, and data is uploaded online with local ecological and environmental authorities for real-time management.

Contingency plan for environmental emergencies

In order to implement the requirements of the national *Measures on Emergency Management of Environmental Emergencies* and related laws and regulations, and to ensure environmental emergencies to be dealt with in a timely, orderly, efficient and appropriate manner, to protect the personal safety of the employees and to reduce property losses, each subsidiary of the Company formulates an emergency plan for environmental emergencies and reported it to the environmental protection department for filing.

Investment in environmental governance and protection and payment of environmental protection taxes

Unit: RMB10,000

	Company Name	Investment in Environmental Protection and Governance	Environmental Protection Taxes Paid
1	Gree Electric Appliances, Inc. of Zhuhai	473	9.06
2	Gree (Hefei) Electric Appliances Co., Ltd.	250	0.43
3	Zhuhai Landa Compressor Co., Ltd.	350	1.89
4	Zhuhai Gree Xinyuan Electronic Co., Ltd.	70	0.15
5	Zhuhai Kaibang Motor Manufacturing Co., Ltd.	300	1.02
6	Gree (Zhong Shan) Small Home Appliances Co., Ltd.	72	0.42

Measures and effects are taken to reduce carbon emissions during the report period

Applicable Not applicable

The Company attaches great importance to energy conservation and emission reduction. With the vision of "making the sky bluer and the earth greener", it has always practiced the development concept of "lucid waters and lush mountains are invaluable assets", actively responded to the national "dual carbon (carbon peaking and carbon neutrality)" strategy, and as a domestic "photovoltaic (storage)" and "zero-carbon source" air conditioner technology leader, committed to promoting clean and low-carbon energy consumption in production and operation and creating a healthy and green quality life for consumers and society.

In recent years, the Company has continuously carried out the inventory of greenhouse gas emissions at the company level, and has continuously implemented carbon reduction measures, including vigorously developing photovoltaic power generation, continuously investing in energy-saving technological transformation, and continuously deepening resource regeneration and recycling, effectively reducing the Company's total carbon emissions. In 2023, the Company carried out 335 energy-saving technical transformation projects, saving 75.806 million kWh of electricity, 836,000 m³ of natural gas, and reducing carbon dioxide emissions by 45,042 t.

In 2023, the Company used 572 million kWh of nuclear power and 28.06 million kWh of photovoltaic power, and reduced carbon dioxide emissions by 16,003 t, an increase of 9.8% over 2022. Combined with the lithium titanate energy storage cabinet independently developed by Gree for peak shaving and valley filling, 160 MWh of energy storage was invested, and the cumulative peak shaving was 72 million kWh of electricity.

Administrative penalties for environmental problems during the report period

Name of Company or Subsidiary	Reason for Penalty	Violation	Penalty Results	Impact on the Production and Operation of Listed Companies	The Company's Corrective Measures
/	/	/	/	/	/

Other environmental information that should be disclosed

None.

Other environmental-related information

None.

II. Social responsibility

In 2023, Gree Electric Appliances actively fulfilled its responsibilities in environmental protection, social responsibility, and corporate governance, especially in intelligent manufacturing, green innovation, and safeguarding the rights and interests of stakeholders, and fulfilled the mission of promoting the sustainable development of the industry. (For details, please refer to the *2023 Environmental, Social, and Corporate Governance (ESG) Report* published by the Company on CNINFO (<http://www.cninfo.com.cn/new/index>) on April 30, 2024)

III. Consolidation and expansion of achievements in poverty alleviation and rural revitalization

None

Section VI Important Matters

I. Fulfillment of commitments

1. Commitments fulfilled by the actual controller(s), shareholders, related parties, acquirers, and the Company within the report period and commitments not yet fulfilled by the end of the report period

Applicable Not applicable

Reason for Commitment	Commitment Party	Commitment Type	Commitment Content	Committed Time	Commitment Period	Fulfillment
Commitments in the acquisition report or equity change report	Zhuhai Mingjun Investment Partnership (Limited Partnership)	Share sale restriction commitment	1. The Transferee commits to lock up all Gree shares acquired as a result of the transfer upon completion of the registration of the transfer and not to transfer them for 36 months from the date of completion of the registration of the transfer; if there are relevant laws and regulations requiring the lock-up period of the transferred shares to exceed the above lock-up period committed by the Transferee, the Transferee agrees to extend the lock-up period of the shares accordingly to comply with the prescribed	December 2, 2019	January 23, 2023	Fulfilled

			<p>period. 2. Upon completion of this share transfer, the Transferee shall comply with the above share lock-up undertaking for the shares acquired by the Transferee as a result of the share bonus and capital increase of the listed company.</p>			
<p>Commitments in the acquisition report or equity change report</p>	<p>Zhuhai Mingjun Investment Partnership (Limited Partnership); Zhuhai Xianying Equity Investment Partnership (Limited Partnership); Zhuhai Yuxiu Investment Co., Ltd.</p>	<p>Maintain independence of listed companies</p>	<p><i>Letter of Commitment on Maintaining the Independence of Listed Companies:</i> To ensure the independent operation of the listed company after this equity transfer, Zhuhai Mingjun, Zhuhai Xianying, and Zhuhai Yuxiu make the following commitments: (I) To ensure asset independence and completeness of the listed company: 1. To ensure that Gree Electric Appliances will be equipped with the relevant production system, auxiliary production system as well as supporting facilities related to its business operations, have the right to own or</p>	<p>December 2, 2019</p>	<p>Long-term effective</p>	<p>In progress</p>

			<p>use the land, workshop and machines and facilities relating to its business operations as well as the ownership or use right to its trademarks, patent technologies and know-how, and have an independent purchase system of raw materials and sales system of products. 2. To ensure that Gree Electric Appliances has independent and complete assets, and all of its assets are under the control of Gree Electric Appliances and are independently owned and operated by Gree Electric Appliances. 3. To ensure that Zhuhai Mingjun and other enterprises controlled by Zhuhai Mingjun will not illegally occupy the assets of Gree Electric Appliances in any way; and will not use the assets of Gree Electric Appliances, or provide guarantee for the debts of Zhuhai Mingjun and other enterprises under</p>			
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			<p>its control with Gree Electric Appliances' assets.</p> <p>(II) To ensure the independence of the personnel of the listed company: 1. To ensure that the labor, personnel and remuneration management of Gree Electric Appliances is completely independent from its affiliated enterprises. 2. The recommendation of directors, supervisors and senior executives by the enterprise to Gree Electric Appliances is made through legal procedures and does not surpass the decisions on personnel appointment and removal made by the Board of Directors and the General Meeting of Shareholders of Gree Electric Appliances.</p> <p>(III) To ensure the financial independence of the listed company: 1. To ensure that Gree Electric Appliances will establish an independent financial department and an independent financial accounting system, and</p>			
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			<p>will have a standardized and independent financial accounting system. 2. To ensure that Gree Electric Appliances will open bank accounts independently and will not share bank accounts with its affiliated enterprises. 3. To ensure that the financial personnel of Gree Electric Appliances will not work part-time in its affiliated companies. 4. To ensure that Gree Electric Appliances pays taxes independently in accordance with the law. 5. To ensure that Gree Electric Appliances can make independent financial decisions and that the intended Transferee will not illegally interfere with Gree Electric Appliances's fund utilization and scheduling.</p> <p>(IV) To ensure the independence of units of the listed company: 1. To ensure that Gree Electric Appliances will establish a sound</p>			
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			<p>corporate governance structure and will have an independent and complete organizational structure. 2. To ensure that the internal management bodies of Gree Electric Appliances will exercise their powers and functions independently in accordance with laws, regulations and the Articles of Association of the Company.</p> <p>(V) To ensure the business independence of the listed company: 1. To ensure that Gree Electric Appliances will have the assets, personnel, qualification and ability to carry out business activities independently and will have the ability to operate independently and continuously in the market. 2. To ensure not to interfere with the business activities of Gree Electric Appliances except through the exercise of shareholders' rights. 3. To ensure the enterprise and other enterprises</p>			
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			<p>under its control shall avoid horizontal competition with Gree Electric Appliances. 4. To ensure that, when the enterprise and other enterprises under its control conduct necessary and unavoidable affiliate transactions with Gree Electric Appliances, the enterprise will conduct fair operation in accordance with the marketization principle and at fair prices, and perform transaction procedures and information disclosure obligations in accordance with relevant laws and regulations and regulatory documents. If any one of the above commitments is violated, the enterprise will be willing to bear all the liabilities arising therefrom, and fully compensate or reimburse all direct or indirect losses caused to Gree Electric Appliances.</p>			
Commitments in the acquisition report or	Zhuhai Mingjun Investment Partnership	Commitment on avoiding horizontal	<i>Letter of Commitment on Avoiding Horizontal</i>	December 2, 2019	Long-term effective	In progress

<p>equity change report</p>	<p>(Limited Partnership); Zhuhai Xianying Equity Investment Partnership (Limited Partnership); Zhuhai Yuxiu Investment Co., Ltd.</p>	<p>competition</p>	<p><i>Competition:</i> To avoid horizontal competition with listed company, Zhuhai Mingjun, Zhuhai Xianying, and Zhuhai Yuxiu make the following commitments: 1. The enterprise and other enterprises under its control, the controlling shareholder and actual controller of the enterprise will not engage in the same or similar business with Gree Electric Appliances and its subsidiaries directly or indirectly in the future, so as to avoid possible direct or indirect business competition with Gree Electric Appliances and its subsidiaries. 2. If other enterprises under the control of the enterprise further expand their business scope, the other enterprises under the control of the enterprise will take all possible measures to avoid horizontal competition with Gree Electric Appliances and its</p>			
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			<p>subsidiaries on the principle of giving priority to safeguarding the rights and interests of Gree Electric Appliances.</p> <p>3. If Gree Electric Appliances and its subsidiaries or related regulatory authorities determine that the enterprise and other enterprises under its control are engaging in or will engage in any business which constitutes horizontal competition with Gree Electric Appliances and its subsidiaries, the enterprise will give up or urge the enterprise's direct or indirect holding company to give up any business or business opportunities that may result in horizontal competition, or urge such business or business opportunities to be provided with a priority to Gree Electric Appliances or its wholly-owned and holding subsidiaries on a fair and reasonable basis or to be transferred to</p>			
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			<p>other unrelated third parties.</p> <p>4. If any one of the above commitments is violated, the enterprise will be willing to bear all the liabilities arising therefrom, and fully compensate or reimburse all direct or indirect losses caused to Gree Electric Appliances.</p>			
<p>Commitments in the acquisition report or equity change report</p>	<p>Zhuhai Mingjun Investment Partnership (Limited Partnership); Zhuhai Xianying Equity Investment Partnership (Limited Partnership); Zhuhai Yuxiu Investment Co., Ltd.</p>	<p>Commitment on standardizing the affiliated transactions</p>	<p><i>Letter of Commitment on Standardizing the Affiliated Transactions:</i> In order to safeguard the interests of public shareholders and maintain the sustainable and healthy development of the listed company, Zhuhai Mingjun, Zhuhai Xianying, and Zhuhai Yuxiu make the following commitments:</p> <p>1. To ensure that the future affiliated transactions between the enterprise and other enterprises under its control and Gree Electric Appliances will be fair and conducted in accordance with the normal code of business</p>	<p>December 2, 2019</p>	<p>Long-term effective</p>	<p>In progress</p>

			<p>conduct; and the enterprise commits to further regulate affiliated transactions with Gree Electric Appliances and its subsidiaries.</p> <p>2. The enterprise will perform its obligations as a shareholder of Gree Electric Appliances in good faith and goodwill, and for affiliated transactions that cannot be avoided or exist on reasonable grounds, it will sign a standard affiliated transaction agreement with Gree Electric Appliances in accordance with the law, and fulfill the approval procedures in accordance with relevant laws, regulations, rules, other regulatory documents and the Articles of Association; the price of affiliated transactions will be determined in accordance with fair and reasonable market prices, and the price of affiliate transactions will be fair; it will perform the information</p>			
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			<p>disclosure obligations of affiliated transactions in accordance with relevant laws, regulations and the Articles of Association; it will not use affiliated transactions to illegally transfer the funds and profits of Gree Electric Appliances or damage the interests of Gree Electric Appliances and affiliated shareholders.</p> <p>3. To ensure that the enterprise and other enterprises under its control will, in accordance with the provisions of laws, regulations and the Articles of Association, when deliberating affiliated transactions involving the enterprise and other enterprises under its control, effectively abide by the avoidance procedure during the voting on affiliated transactions at the meeting of the board of shareholders or the general meeting of shareholders of Gree Electric Appliances.</p>			
Commitments in the acquisition report or	Dong Mingzhu	Maintain independence of listed companies	<i>Letter of Commitment on Maintaining the</i>	December 2, 2019	Long-term effective	In progress

equity change report			<p><i>Independence of the Listed Company:</i> To ensure the independent operation of the listed company after this equity transfer, I make the following commitments: (I) To ensure asset independence and completeness of the listed company: 1. To ensure that Gree Electric Appliances will be equipped with the relevant production system, auxiliary production system as well as supporting facilities related to its business operations, have the right to own or use the land, workshop and machines and facilities relating to its business operations as well as the ownership or use right to its trademarks, patent technologies and know-how, and have an independent purchase system of raw materials and sales system of products. 2. To ensure that Gree Electric Appliances has</p>			
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			<p>independent and complete assets, and all of its assets are under the control of Gree Electric Appliances and are independently owned and operated by Gree Electric Appliances. 3. To ensure that Zhuhai Mingjun and other enterprises controlled by Zhuhai Mingjun will not illegally occupy the assets of Gree Electric Appliances in any way; and will not use the assets of Gree Electric Appliances, or provide guarantee for the debts of Zhuhai Mingjun and other enterprises under its control with Gree Electric Appliances' assets.</p> <p>(II) To ensure the independence of the personnel of the listed company: 1. To ensure that the labor, personnel and remuneration management of Gree Electric Appliances is completely independent from its affiliated enterprises. 2. The recommendation of</p>			
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			<p>senior executives by me to Gree Electric Appliances is conducted in accordance with legal procedures.</p> <p>(III) To ensure the financial independence of the listed company: 1. To ensure that Gree Electric Appliances will establish an independent financial department and an independent financial accounting system, and will have a standardized and independent financial accounting system. 2. To ensure that Gree Electric Appliances will open bank accounts independently and will not share bank accounts with its affiliated enterprises. 3. To ensure that the financial personnel of Gree Electric Appliances will not work part-time in its affiliated companies. 4. To ensure that Gree Electric Appliances pays taxes independently in accordance with the law. 5. To ensure that Gree Electric Appliances can make independent</p>			
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			<p>financial decisions and that the intended Transferee will not illegally interfere with Gree Electric Appliances's fund utilization and scheduling.</p> <p>(IV) To ensure the independence of units of the listed company: 1. To ensure that Gree Electric Appliances will establish a sound corporate governance structure and will have an independent and complete organizational structure. 2. To ensure that the internal management bodies of Gree Electric Appliances will exercise their powers and functions independently in accordance with laws, regulations and the Articles of Association of the Company.</p> <p>(V) To ensure the business independence of the listed company: 1. To ensure that Gree Electric Appliances will have the assets, personnel, qualification and ability to carry out</p>			
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			<p>business activities independently and will have the ability to operate independently and continuously in the market. 2. To ensure that, except through the exercise of shareholders' rights and the performance of functions and duties of Chairman/senior executive of the listed company, I will not interfere in the business activities of Gree Electric Appliances. 3. To ensure that I and other enterprises under my control will avoid substantial horizontal competition with Gree Electric Appliances. 4. To ensure that, when conducting necessary and unavoidable affiliated transactions with Gree Electric Appliances, I and other enterprises under my control will conduct fair operation in accordance with the marketization principle and at fair prices, and perform transaction procedures and information</p>			
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			<p>disclosure obligations in accordance with relevant laws and regulations and regulatory documents. If any one of the above commitments is violated, I will be willing to bear all the liabilities arising therefrom, and fully compensate or reimburse all direct or indirect losses caused to Gree Electric Appliances.</p>			
<p>Commitments in the acquisition report or equity change report</p>	<p>Dong Mingzhu</p>	<p>Avoiding horizontal competition</p>	<p><i>Letter of Commitment on Avoiding Horizontal Competition:</i> I make the following commitments: 1. I and other enterprises under my control will not engage in the same or similar business with Gree Electric Appliances and its subsidiaries in a direct or indirect manner in the future, so as to avoid possible direct or indirect business competition with Gree Electric Appliances and its subsidiaries. 2. If other enterprises under my control further expand their business scope, the other</p>	<p>December 2, 2019</p>	<p>Long-term effective</p>	<p>In progress</p>

			<p>enterprises under my control will take all possible measures to avoid horizontal competition with Gree Electric Appliances and its subsidiaries on the principle of giving priority to safeguarding the rights and interests of Gree Electric Appliances. 3. If Gree Electric Appliances and its subsidiaries or related regulatory authorities determine that I and other enterprises under by control are engaging in or will engage in any business which constitutes horizontal competition with Gree Electric Appliances and its subsidiaries, I will give up or urge my direct or indirect holding company to give up any business or business opportunities that may result in horizontal competition, or urge such business or business opportunities to be provided with a priority to Gree Electric Appliances or its wholly-owned and</p>			
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			holding subsidiaries on a fair and reasonable basis or to be transferred to other unrelated third parties. 4. If any one of the above commitments is violated, I will be willing to bear all the liabilities arising therefrom, and fully compensate or reimburse all direct or indirect losses caused to Gree Electric Appliances.			
Commitments in the acquisition report or equity change report	Dong Mingzhu	Standardizing affiliated transactions	<p><i>Letter of Commitment on Standardizing the Affiliated Transactions:</i></p> <p>I make the following commitments: 1. To ensure that the future affiliated transactions between me and other enterprises under my control and Gree Electric Appliances will be fair and conducted in accordance with the normal code of business conduct; and that I commit to further standardize affiliated transactions with Gree Electric Appliances and its subsidiaries. 2. I will perform my obligations as a shareholder of Gree</p>	December 2, 2019	Long-term effective	In progress

			<p>Electric Appliances in good faith and in goodwill, and for affiliated transactions that cannot be avoided or exist on reasonable grounds, I will sign a standard affiliated transaction agreement with Gree Electric Appliances in accordance with the law, and fulfill the approval procedures in accordance with relevant laws, regulations, rules, other regulatory documents and the Articles of Association; the price of affiliated transactions will be determined in accordance with fair and reasonable market prices, and the price of affiliate transactions will be fair; I will perform the information disclosure obligations of affiliated transactions in accordance with relevant laws, regulations and the Articles of Association; I will not use affiliated transactions to illegally transfer the funds and profits of Gree Electric</p>			
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			<p>Appliances or damage the interests of Gree Electric Appliances and affiliated shareholders.</p> <p>3. To ensure that I and other enterprises under my control will, in accordance with the provisions of laws, regulations and the Articles of Association, when deliberating affiliated transactions involving me and other enterprises under my control, effectively abide by the avoidance procedure during the voting on affiliated transactions at the meeting of the board of shareholders or the general meeting of shareholders of Gree Electric Appliances.</p>			
<p>Commitments in the acquisition report or equity change report</p>	<p>Zhuhai Mingjun Investment Partnership (Limited Partnership)</p>	<p>Other commitments</p>	<p>1. The Transferee commits that it will maintain the overall stability of the management team of Gree Electric Appliances within the scope of its authority upon completion of the transfer and that there will be no significant changes in the</p>	<p>December 2, 2019</p>	<p>Long-term effective</p>	<p>In progress</p>

			<p>governance structure of Gree Electric Appliances.</p> <p>2. The Transferee commits not to initiate any suggestion or proposal to relocate the headquarters and registered office of Gree Electric Appliances from Zhuhai during the period of direct or indirect shareholding of Gree Electric Appliances, and to actively urge all parties to ensure that the headquarters and registered office of Gree Electric Appliances will not be relocated from Zhuhai; if any shareholder proposes any suggestion or proposal to relocate the headquarters and registered office of Gree Electric Appliances from Zhuhai, the Transferee commits to attend the shareholders' meeting and to vote against such proposal.</p> <p>3. The Transferee commits to make its best effort and ability to make effective industrial</p>			
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2023 Annual Report of Gree Electric Appliances, Inc. of Zhuhai

			<p>investment and strategic resource introduction for the economic development of Zhuhai, and to promote Gree to make new contributions to the sustainable and healthy economic development of Zhuhai.</p> <p>4. Zhuhai Mingjun commits to actively exercise the shareholders' voting right at the shareholders' meeting of the listed company involving dividend payment and to urge its nominated directors to vote in favor of the resolution of the Board of Directors on the dividend payment ratio of not less than 50% of the annual net profit of the listed company.</p>			
Other commitments	Zhuhai Gree Group Co., Ltd.	Other commitments	<p>During the period of holding shares of Gree Electric Appliances, the Company will fully assume all reasonable expenses and economic losses (if any) incurred by Gree Electric Appliance due to the Company's termination of the Residual Equity</p>	June 14, 2019	<p>During the period of being a shareholder of Gree Electric Appliances</p>	In progress

			Incentive Plan.			
Whether commitments are fulfilled on time	Yes					
If commitments are not fulfilled within the deadline, detail the specific reason for fulfillment failure and the work plan for the next step	Not applicable					

2. The Company's assets or projects involve earnings forecast and the report period is still in the earnings forecast period and the Company explains the assets or projects that achieve the original earnings forecast and the relevant reasons

Applicable Not Applicable

II. The listed company's non-operating funds occupied by the controlling shareholders and their affiliated parties

Applicable Not Applicable

No controlling shareholder or its affiliated party occupied non-operating funds of the listed company in the report period of the Company.

III. Violation of external guarantees

Applicable Not Applicable

The Company has no violation of external guarantees during the report period.

IV. Statement by the Board of Directors on the latest "Non-standard Audit Report"

Applicable Not Applicable

V. Statement by the Board of Directors, Board of Supervisors and independent directors (if any) on the "Non-standard Audit Report" of the accounting firm in the report period

Applicable Not Applicable

VI. Description of changes in accounting policies, accounting estimates or corrections of significant accounting errors compared to the previous year's financial statement

Applicable Not applicable

1. Changes in major accounting policies and accounting estimate

(1). Changes of major accounting policies

On December 13, 2022, the Ministry of Finance issued the *Accounting Standards for Enterprises Interpretation No.16* (hereinafter referred to as "Interpretation No.16"). According to the requirements of the Ministry of Finance, the content of "deferred income tax related to assets and liabilities arising from a single transaction is not applicable to the accounting treatment of initial recognition exemption" came into effect on January 1, 2023. According to the relevant requirements, the Company made corresponding changes to the accounting policies, and this change in accounting policies not had a significant impact on the Company's financial indicators such as total assets, total liabilities, net assets, and net profit.

The following shows adjustments to the financial statements at the beginning of the year of the first implementation of the new accounting standard for the first time starting from 2023:

Unit: RMB

Statement Item	Amount as at December 31, 2022 (before change)		Amount as at January 1, 2023 (after change)	
	Consolidated Statements	Company's statement	Consolidated Statements	Company's statement
Non-current assets:				
Deferred income tax assets	14,598,866,870.23	11,399,848,879.09	14,644,877,571.11	11,399,848,879.09
Total non-current assets	99,884,719,906.36	68,573,037,866.58	99,930,730,607.24	68,573,037,866.58

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Total assets	355,024,758,878.82	286,630,030,242.19	355,070,769,579.70	286,630,030,242.19
Non-current liabilities:				
Deferred income tax liabilities	2,225,127,743.74	710,194,350.26	2,271,138,444.62	710,194,350.26
Total non-current liabilities	36,776,774,049.04	28,240,257,442.77	36,822,784,749.92	28,240,257,442.77
Total liabilities	253,148,710,864.63	229,227,597,889.80	253,194,721,565.51	229,227,597,889.80
Total liabilities and shareholders' equity	355,024,758,878.82	286,630,030,242.19	355,070,769,579.70	286,630,030,242.19

(2). Changes in major accounting estimates

None.

VII. Description of changes in the consolidated statement scope in comparison with the financial statements of last year

Applicable Not applicable

1. Business combinations not under common control

① Business combination not under common control in the current period

Unit: RMB

Name of the Acquiree	Time Point of Equity Acquisition	Equity Acquisition Cost	Equity Acquisition Proportion	Equity Acquisition Method	Acquisition Date
Ganzhou Qianjin Real Estate Co., Ltd.	2023/10/31	239,485,900.00	90.00%	Purchase by cash	2023/10/31

(Continued)

Unit: RMB

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Name of the Acquiree	Basis for Determining the Acquisition Date	Operating Income of the Acquiree from the Acquisition Date to the End of the Period	Net Profit of the Acquiree from the Acquisition Date to the End of the Period	Cash Flow of the Acquiree from the Acquisition Date to the End of the Period
Ganzhou Qianjin Real Estate Co., Ltd.	Acquisition of control		-804,692.79	3,947,533.56

② Cost and goodwill of business combination

Unit: RMB

Cost of business combination	Amount
Total cost of business combination	239,485,900.00
Including: Cash	239,485,900.00
Less: Fair value of the identifiable net assets acquired	239,485,903.54
Combination cost less than the share of fair value of identifiable net asset acquired	-3.54

③ Identifiable assets and liabilities of the acquiree on the acquisition date

Unit: RMB

Item	Ganzhou Qianjin Real Estate Co., Ltd.	
	Fair value on the acquisition date	Book value on the acquisition date
Assets:		
Monetary funds	143,501.61	143,501.61
Other receivables	19,819,308.24	19,819,308.24

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Inventory	226,354,123.01	226,354,123.01
Other current assets	19,778,515.52	19,778,515.52
Subtotal of assets	266,095,448.38	266,095,448.38
Liabilities:		
Subtotal of liabilities		
Net Assets	266,095,448.38	266,095,448.38
Less: Minority shareholders' equity	26,609,544.84	26,609,544.84
Net assets acquired	239,485,903.54	239,485,903.54

④ Gains or losses arising from the remeasurement of equity held before the acquisition date at fair value

None.

2. Business combination under the same control

None.

3. Reverse purchase

None.

4. Disposal of subsidiaries

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Name of Subsidiary	Time Point of Losing Control	Disposal Price of the Time Point of Losing Control	Disposal Ratio of the Time Point of Losing Control (%)	Disposal Methods of the Time Point of Losing Control	Basis for Determining the Time Point of Losing Control	The Difference Between the Disposal Price and the Share of the Subsidiaries' Net Assets at the Level of Consolidated Statements Corresponding to the Disposal Investment	Proportion of Remaining Equity on the Date of Losing Control (%)	Book Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Fair Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Gains or Losses Arising from Remeasurement of Remaining Equity at Fair Value	Determination Methods and Main Assumptions of the Fair Value of the Remaining Equity on the Date of Losing Control at the Consolidated Financial Statement Level	Amount of Other Comprehensive Income Related to Equity Investment of the Original Subsidiary Transferred into Investment Profits and Losses or Retained Earnings
Tianjin Gree Xinhui Medical Equipment Co., Ltd.	2023-10-30		100.00	Cancelled	Business registration							None
SL Group Jingu Grain Depot Co., Ltd.	2023-8-25		100.00	Cancelled	Business registration							None
SL Group Songlin Grain Depot Co., Ltd.	2023-9-22		100.00	Cancelled	Business registration							None
DunAn Sensing Technology Co., Ltd.	2023-6-5		66.58	Cancelled	Business registration							None
Jilin Songliang Modern Logistics Development	2023-5-6		100.00	Cancelled	Business registration							None

t Co., Ltd.												
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5. Change of combination scope for other reasons

Newly established entity in the current period:

Unit: RMB

Company Name	Date of Establishment	Net Assets at the End of the Period	Net Profit from the Combination Date to the End of the Period
Hunan DunAn Refrigeration Equipment Co., Ltd.	2023-2-7	22,486,643.44	2,486,643.44
Luoyang Herun Real Estate Co., Ltd.	2023-9-28	-51,151.68	-51,151.68
Gree Zero Carbon Source (Shanghai) Technology Co., Ltd.	2023-10-20		

VIII. Engagement and disengagement of accounting firms

Accounting firm currently employed

Name of domestic accounting firm	Union Power Certified Public Accountants (Special General Partnership)
Remuneration for the domestic accounting firm (RMB10,000)	396
Consecutive years for the domestic accounting firm to render audit service	9 years
Name of Certified Public Accountants of the domestic accounting firm	Wu Zihao and Qiu Yiwu
Consecutive years for the Certified Public Accountants of domestic accounting firm to render audit service	2 years and 3 years

Whether a new accounting firm was hired for the current period

Yes No

Engagement of an accounting firm for internal control auditing, financial adviser or sponsor

Applicable Not applicable

During the year, the Company hired Union Power CPAs Co., Ltd. (Special General Partnership) as the accounting firm for internal control audit of the Company.

IX. Delisting after disclosure of the Annual Report

Applicable Not Applicable

X. Matters related to bankruptcy reorganization

Applicable Not Applicable

The Company was not involved in any matter related to bankruptcy reorganization in the report period.

XI. Major legal action or arbitration

Applicable Not Applicable

The Company was not involved in any major legal action or arbitration for the report period.

XII. Punishment and rectification

Applicable Not Applicable

The Company was not involved in any punishment or rectification during the report period.

XIII. Integrity status of the Company and its controlling shareholder(s) and actual controller(s)

Applicable Not Applicable

XIV. Significant affiliated transactions

1. Affiliated transactions associated with day-to-day operation

Applicable Not applicable

Parties to Affiliated Transactions	Association	Type of Affiliated Transactions	Content of Affiliated Transactions	Pricing Principles for Affiliated Transactions	Price of Affiliated Transactions	Amount of Affiliated Transactions (RMB10,000)	Proportion to Amount of Similar Transactions	Approved Transaction Amount (RMB10,000)	Whether it Exceeds the Approved Limit	Settlement Method of Affiliated Transactions	Available Market Price of Similar Transactions	Date of Disclosure	Disclosure Index
Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	Companies where directors of the Company act as executive directors and general managers	Sale of goods	Sale of products	Based on the market price, to be determined subject to the negotiation between the two parties	Market price	588,512.94	3.37%	659,000	No	Payment before delivery	Market price	April 29, 2023	Disclosed on CNINFO (http://www.cninfo.com.cn/new/index) on April 29, 2023, announcement number: 2023-012
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Companies where directors of the Company act as executive directors	Sale of goods	Sale of products	Based on the market price, to be determined subject to the negotiation between the two parties	Market price	467,338.10	2.68%	400,000		Payment before delivery	Market price	April 29, 2023	Disclosed on CNINFO (http://www.cninfo.com.cn/new/index) on April 29, 2023, announcement number: 2023-012
Total				--	--	1,055,851.04	--	1,059,000	--	--	--	--	--
Details of large-amount sales return				Not applicable									
Actual fulfillment (if any) in the report period when the total amount is estimated by category				In fiscal year 2023, the Company expected that the total amount of daily related transactions with the above-mentioned associated parties would not exceed RMB10.59 billion, and the actual amount was RMB10.559 billion, which did not exceed the expected amount.									

for the daily affiliated transaction that will incur in the current period	
Cause for the large difference between the transaction price and market reference price (if applicable)	Not applicable

2. Affiliated transactions of acquisition or sales of assets or equity

Applicable Not Applicable

The Company was not involved in any affiliated transaction of acquisition or sales of assets or equity in the report period.

3. Affiliated transactions of common foreign investment

Applicable Not Applicable

The Company was not involved in any affiliated transaction of common foreign investment during the report period.

4. Affiliated credits and liabilities

Applicable Not Applicable

The Company was not involved in any affiliated credit or liability in the report period.

5. Transactions with finance companies with which the Company with association

Applicable Not Applicable

There is no deposit, loan, credit or other financial business between the Company and its affiliated financial companies and the affiliated parties

6. Transactions between the financial company under the Company's control and the affiliated parties

Applicable Not Applicable

There is no deposit, loan, credit or other financial business between the finance company under the Company's control and the affiliated parties.

VII. Other significant affiliated transactions

Applicable Not Applicable

The Company was not involved in other significant affiliated transactions during the report period.

XV. Significant contracts and their fulfillment

1. Information about trusteeship, contracting and lease

(1) Trusteeship

Applicable Not Applicable

The Company was not involved in any trusteeship during the report period.

(2) Contracting

Applicable Not Applicable

The Company was not involved in any contracting matter during the report period.

(3) Lease

Applicable Not Applicable

The Company was not involved in any lease during the report period.

2. Significant guarantee

Applicable Not applicable

Unit: RMB10,000

External guarantees by the Company and its subsidiaries (excluding guarantees to subsidiaries)										
Object of	Disclosure	Guarantee	Actual Date	Actual	Guarantee	Collateral (if	Counter-	Guarantee	Whether the	Is it a

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Guarantee	Date of the Announcement Related to the Guarantee Amount	Amount	of Incurring	Guarantee Amount	Type	any)	guarantee (if any)	Period	Fulfillment is Completed	Guarantee for Affiliated Parties
None										
Total amount of external guarantees approved during the report period (A1)				Total actual amount of external guarantees incurred during the report period (A2)						
Total amount of external guarantees approved at the end of the report period (A3)				Total actual external guarantee balance at the end of the report period (A4)						
Guarantee of the Company to its subsidiaries										
Object of Guarantee	Disclosure Date of the Announcement Related to the Guarantee Amount	Guarantee Amount	Actual Date of Incurring	Actual Guarantee Amount	Guarantee Type	Collateral (if any)	Counter-guarantee (if any)	Guarantee Period	Whether the Fulfillment is Completed	Is it a Guarantee for Affiliated Parties
Nanjing Walsin Metal Co., Ltd.	April 29, 2023	1,900,000		30,491.14	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Zhuhai Gree Green Control Technology Co., Ltd.	April 29, 2023			2,735.46	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Gree (Nanjing) Electric Appliances Co., Ltd.	April 29, 2023			461.06	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Zhuhai Gree Energy Environment Technology Co., Ltd.	April 29, 2023			13,180.66	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No

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Gree (Hangzhou) Electric Appliances Co., Ltd.	April 29, 2023		801.73	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Gree Changsha HVAC Equipment Co., Ltd.	April 29, 2023		781.11	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Zhuhai Gree Mechanical and Electrical Engineering Co., Ltd.	April 29, 2023		8,257.28	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Gree TOSOT (Suqian) Home Appliances Co., Ltd.	April 29, 2023		2,948.57	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Gree (Anji) Precision Mould Co., Ltd.	April 29, 2023		98.3	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Gree (Wuhu) Electric Appliances Co., Ltd.	April 29, 2023		734.43	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Zhuhai Gree Intelligent Equipment Co., Ltd.	April 29, 2023		27,445.02	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Zhuhai Gree I Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.	April 29, 2023		14,698.51	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Gree (Wuhan) Electric	April 29, 2023		3,022.57	Pledged	Note pool	None	From the actual date of		No

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Appliances Co., Ltd.								guarantee to June 7, 2024		
Gree (WuAn) Precision Equipment Manufacturing Co., Ltd.	April 29, 2023		6,206.91	Pledged	Note pool	None		From the actual date of guarantee to June 7, 2024		No
Zhuhai Gree Electric Appliances Intelligent Manufacturing Co., Ltd	April 29, 2023		1,426.44	Pledged	Note pool	None		From the actual date of guarantee to June 7, 2024		No
Gree (Chengdu) Electric Appliances Co., Ltd.	April 29, 2023		56,354.33	Pledged	Note pool	None		From the actual date of guarantee to June 7, 2024		No
Zhuhai Gree Precision Mold Co., Ltd.	April 29, 2023		22,988.46	Pledged	Note pool	None		From the actual date of guarantee to June 7, 2024		No
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	April 29, 2023		77.59	Pledged	Note pool	None		From the actual date of guarantee to June 7, 2024		No
Zhuhai Gree New Material Co., Ltd.	April 29, 2023		4,052.92	Pledged	Note pool	None		From the actual date of guarantee to June 7, 2024		No
Gree (Wuhan) Precision Mould Co., Ltd.	April 29, 2023		1,348.87	Pledged	Note pool	None		From the actual date of guarantee to June 7, 2024		No
Gree (Wuhan) Intelligent Equipment Co., Ltd.	April 29, 2023		3,241.67	Pledged	Note pool	None		From the actual date of guarantee to June 7, 2024		No

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Gree (Linyi) Electric Appliances Co., Ltd.	April 29, 2023			6,328.01	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Zhuhai Edgeless Integrated Circuit Co., Ltd.	April 29, 2023			200	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Changsha Kinghome Electric Appliances Co., Ltd	April 29, 2023			560.3	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Gree (Meishan) Electric Enterprises Ltd.	April 29, 2023			345.93	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Gedianxincai (Ma'anshan) Technology Co., Ltd.	April 29, 2023			1,906.26	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Zhuhai Gree Electronic Components Co., Ltd.	April 29, 2023			49,730.54	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2024		No
Total amount of guarantees to subsidiaries approved during the report period (B1)			1,900,000	Total amount incurred of guarantees to subsidiaries during the report period (B2)						260,424.07
Total amount of guarantees to subsidiaries approved at the end of the report period (B3)			1,900,000	Total actual guarantee balance to subsidiaries at the end of the report period (B4)						260,424.07
Guarantee of subsidiaries to subsidiaries										
Object of Guarantee	Disclosure Date of the Announcement Related to the	Guarantee Amount	Actual Date of Incurring	Actual Guarantee Amount	Guarantee Type	Collateral (if any)	Counter-guarantee (if any)	Guarantee Period	Whether the Fulfillment is Completed	Is it a Guarantee for Affiliated Parties

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	Guarantee Amount									
Zhejiang DunAn Hetian Metals Co., Ltd.	May 18, 2023	50,000	June 29, 2023	10,090	Joint liability guarantee			3 years	No	No
Zhejiang DunAn International Trade Co., Ltd.	April 29, 2023	20,000			Joint liability guarantee					
Zhejiang DunAn Artificial Environment Co., Ltd.	October 27, 2023	30,000	November 20, 2023	30,000	Joint liability guarantee			3 years	No	No
Zhejiang DunAn Artificial Environment Co., Ltd.		30,000	January 3, 2023	30,000	Joint liability guarantee			3 years	No	No
Zhejiang DunAn Artificial Environment Co., Ltd.	May 18, 2023	20,000	June 29, 2023	20,000	Joint liability guarantee			3 years	No	No
Zhuhai Gree Altairnano Electric Appliance Co., Ltd.	December 29, 2022	435,500	January 5, 2023	5,600	Joint liability guarantee	None	None	From the effective date of the guarantee contract to three years after the date of expiration of the performance period of the debt under the main contract	No	No
Zhuhai Guangtong Automobile Co., Ltd., Chengdu	December 29, 2022		March 12, 2023	30,000	Joint liability guarantee	None	None	The guarantee period is two years from the effective date	No	No

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Guangtong Automobile Co., Ltd., and Tianjin Gree Altairnano New Energy Co., Ltd.								of the independent contract to the date of the performance period of the last installment of the debt under the main contract.		
Gree Altairnano New Energy Inc.	December 29, 2022		March 14, 2023	31,900	Joint liability guarantee	Yes	None	If the main contract is a loan contract, the guarantee period under this contract is three years from the day after the expiration of the loan term under the main contract; if the creditor announces the early due of the loan according to the provisions of the main contract, the guarantee period shall be three years from the day after the early due date of the	No	No

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								loan.		
Zhuhai Gree Altairnano Electric Appliance Co., Ltd.	December 29, 2022		July 18, 2023	1,000	Joint liability guarantee	Yes	None	The creditor's rights guaranteed by the mortgagor are during the period from July 21, 2023, to January 21, 2027 (including the start date and expiration date)	No	No
Gree Altairnano New Energy Inc.	December 29, 2022		January 18, 2023	50,000	Joint liability guarantee	Yes	None	From January 13, 2023, to January 12, 2028, the creditor's rights were formed by the mortgagee and the debtor's handling of various business agreements. This period is the period for determining the maximum amount of secured debt.	No	No
Gree Altairnano New Energy Inc.	December 29, 2022		October 11, 2023	27,000	Joint liability guarantee	Yes	None	It is a series of debts under the financing business	No	No

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								initiated by the debtor through the bank network supply chain "E Xintong" from September 26, 2023, to September 25, 2028.		
Tianjin Guangtong Automobile Co., Ltd.	December 29, 2022		January 5, 2023	35,000	Joint liability guarantee	None	None	From the effective date of the guarantee contract to three years after the date of expiration of the performance period of the debt under the main contract	Yes	No
Gree Altairnano New Energy Inc.	December 29, 2022		January 5, 2023	55,000	Joint liability guarantee	None	None	From the effective date of the guarantee contract to three years after the date of expiration of the performance period of the debt under the main contract.	Yes	No
Gree Altairnano	December 29,		July 16, 2023	10,000	Joint liability	Yes	None	Mortgage right	Yes	No

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New Energy Inc.	2022				guarantee			and mortgage guarantee debt exist at the same time, and the mortgage right is eliminated after the creditor's rights are paid off.		
Total amount of guarantees to subsidiaries approved during the report period (C1)		455,500	Total amount incurred of guarantees to subsidiaries during the report period (C2)		335,590					
Total amount of guarantees to subsidiaries approved at the end of the report period (C3)		455,500	Total actual guarantee balance to subsidiaries at the end of the report period (C4)		235,590					
Total amount of company guarantee (i.e. total of the first three major items)										
Total amount of guarantee approved during the report period (A1+B1+C1)		2,355,500	Total amount of guarantees incurred during the report period (A2+B2+C2)		596,014.07					
Total amount of approved guarantees at the end of the report period (A3+B3+C3)		2,355,500	Total actual guarantee balance at the end of the report period (A4+B4+C4)		496,014.07					
Proportion of actual total guarantees (i.e. A4+B4+C4) to the Company's net assets			4.25%							
Including:										
Balance of guarantees provided to shareholders, effective controllers and their affiliated parties (D)			0							
Debt guarantee balance provided directly or indirectly for guaranteed parties with an debt ratio exceeding 70% (E)										
Amount of the total guarantee exceeding 50% of net assets (F)										
Total amount of the three guarantees mentioned above (D+E+F)										
Explanation (if any) where a guarantee liability or evidence is			Not applicable							

indicating the possibility of assuming joint and several liabilities for unexpired guarantee contracts during the report period	
Explanation of external guarantees provided in violation of prescribed procedures (if any)	Not applicable

Explanation of the specific situation of using composite guarantee

None

3. Entrusting others to execute any cash asset management

(1) Entrusted financial management

Applicable Not applicable

Overview of entrusted financial management during the report period

Unit: RMB10,000

Specific type	Source of funds for entrusted financial management	Amount incurred by entrusted financial management	Undue balance	Overdue uncollected amount	Impaired amount for overdue uncollected amount
Bank financial products	Own funds	414,355.10	414,355.10		
Trust financial products	Own funds	432,943.41	388,211.06		
Securities traders' financial products	Own funds	386,687.68	190,889.05		
Total		1,233,986.19	993,455.21		

Specific situation of high-risk entrusted financial management with large individual amounts or low security and poor liquidity

Applicable Not Applicable

Expected inability to recover principal or other situations that may lead to impairment in entrusted financial management

Applicable Not Applicable

(2) Entrusted loan

Applicable Not Applicable

The Company was not involved in any entrusted loan during the report period.

4. Other significant contracts

Applicable Not Applicable

The Company did not enter into any other significant contract during the report period.

XVI. Description of other significant matters

Applicable Not Applicable

There were no other significant matters that needed to be explained during the report period.

XVII. Significant matters of the Company's subsidiaries

Applicable Not Applicable

Section VII. Changes in Shares and Shareholders

I. Changes in shares

1. Changes in share capital

Unit: share

	Before this change		Increase and decrease of this change (+, -)					After this change	
	Quantity	Percentage	New issue	Bonus issue	Shares converted from reserved funds	Others	Subtotal	Quantity	Percentage
I. Shares with trading restriction conditions	39,266,939	0.70%				8,989,182	8,989,182	48,256,121	0.86%
1. Shares held by the State									
2. Shares held by state-owned legal person									
3. Shares held by other domestic capital	39,266,939	0.70%				8,989,182	8,989,182	48,256,121	0.86%
Including: Shares held by domestic legal person									
Shares held by domestic natural person	39,266,939	0.70%				8,989,182	8,989,182	48,256,121	0.86%

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4. Shares held by foreign capital									
Including: Shares held by foreign legal person									
Shares held by foreign natural person									
II. Shares without trading restriction conditions	5,592,138,802	99.30%				-8,989,182	-8,989,182	5,583,149,620	99.14%
1. RMB common share	5,592,138,802	99.30%				-8,989,182	-8,989,182	5,583,149,620	99.14%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total number of shares	5,631,405,741	100.00%				0	0	5,631,405,741	100.00%

Causes for changes in share capital

Applicable Not Applicable

Approval of share changes

Applicable Not Applicable

Transfer of share changes

Applicable Not Applicable

Effect of share changes on financial indicators such as basic earnings per share, diluted earnings per share and net assets per share attributable to common shareholders of the Company for the latest year and the latest period

Applicable Not Applicable

Other contents deemed necessary by the Company or required to be disclosed by the securities regulatory authority

Applicable Not Applicable

2. Changes in restricted shares

Applicable Not applicable

Unit: share

Name of Shareholder	Number of Restricted Shares at the Beginning of the Period	Number of Restricted Shares Increased in the Current Period	Number of Restricted Shares Lifted in the Current Period	Number of Restricted Shares at the End of the Period	Reasons for Restriction	Date of Lifting
Dong Mingzhu	33,366,369	7,500,000		40,866,369	Senior executive share lockup	-
Zhang Wei		137,496		137,496	Senior executive share lockup	-
Deng Xiaobo		87,450		87,450	Senior executive share lockup	-
Duan Xiufeng	335,644	117,225		452,869	Senior executive share lockup	-
Wang Fawen		38,516		38,516	Senior executive share lockup	-
Zhuang Pei	4,466,401	315,190		4,781,591	Senior executive share lockup	-
Tan Jianming	972,975	366,352		1,339,327	Senior executive share lockup	-
Shu Lizhi		74,789		74,789	Senior executive share lockup	-
Liao Jianxiong		58,247		58,247	Senior executive share lockup	-
Fang Xiangjian	125,550	293,917		419,467	Senior executive share lockup	-

Total	39,266,939	8,989,182	0	48,256,121	--	--
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II. Securities issuance and listing

1. Securities issuance (excluding preferred shares) during the report period

Applicable Not Applicable

2. Description of changes in the Company's total number of shares and shareholder structure, and asset and liability structure

Applicable Not Applicable

3. Existing internal employee share

Applicable Not Applicable

III. Shareholders and actual controller(s)

1. Number of shareholders and their shareholding status

Unit: share

Total number of common shareholders at the end of the report period	613,839	Total number of common shareholders as of the end of the previous month before the disclosure date of the Annual Report	507,379	Total number of preferred shareholders with restored voting rights (if any) at the end of the report period (See Note 8)	0	Total number of preferred shareholders with restored voting rights (if any) at the end of the previous month before the disclosure date of the Annual Report (See Note 8)	0	
Shareholdings of shareholders holding more than 5% of the shares or the top 10 shareholders (excluding shares lent through refinancing)								
Name of Shareholder	Nature of Shareholder	Shareholding Proportion	Number of Shares Held at the End of the Report Period	Increase/Decrease During the Report Period	Number of Shares With Trading Restriction Conditions Held	Number of Shares Without Trading Restriction Conditions Held	Pledge, Tag or Freezing	
							Share status	Quantity
Zhuhai Mingjun Investment Partnership (Limited Partnership)	Domestic non-state-owned legal person	16.02%	902,359,632	0	0	902,359,632	Pledged	902,359,632
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	10.95%	616,582,994	-29,948,233	0	616,582,994		0
Jinghai Internet Technology Development Co., Ltd.	Domestic non-state-owned legal person	6.86%	386,043,038	3,121,800	0	386,043,038		0
Zhuhai Gree Group Co., Ltd.	State-owned legal person	3.44%	193,895,992	15,430,000	0	193,895,992		0
China Securities Finance	Domestic non-state-owned legal	3.19%	179,870,800	0	0	179,870,800		0

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Corporation Limited	person							
Gree Electric Appliances, Inc. of Zhuhai - Employee Stock Ownership Plan Phase II	Others	1.37%	77,163,880	77,163,880	0	77,163,880		0
Dong Mingzhu	Domestic natural person	0.97%	54,488,492	10,000,000	40,866,369	13,622,123		0
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Trading Open-end Index Securities Investment Fund	Others	0.60%	33,568,621	15,005,100	0	33,568,621		0
Central Huijin Asset Management Co., Ltd	State-owned legal person	0.47%	26,291,256	0	0	26,291,256		0
Basic Pension Insurance Fund 15012 Portfolio	Others	0.40%	22,465,556	Unknown	0	22,465,556		0
Situation (if any) where a strategic investor or general legal person becomes one of top 10 shareholders due to placement of new shares (see Note 3)	None							
Description of association or concerted action of the above shareholders	Zhuhai Mingjun Investment Partnership (Limited Partnership) and Dong Mingzhu are the persons acting in concert. Except for that, the Company does not know whether there is an association between the above shareholders or whether they are persons acting in concert.							
Description of above-mentioned shareholders' involvement in entrusting/being entrusted with and waiving voting rights	None							
Special note on the existence of	Gree Electric Appliances, Inc. of Zhuhai held 109,462,095 shares in the repurchase special securities account at the end of the report period, with a							

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repurchase accounts among the top 10 shareholders (if any) (see Note 10)	shareholding ratio of 1.94%.		
Shareholding of the top 10 shareholders of shares without trading restriction conditions			
Name of Shareholder	Number of shares without trading restriction conditions held at the end of the report period	Type of shares	
		Type of shares	Quantity
Zhuhai Mingjun Investment Partnership (Limited Partnership)	902,359,632	RMB common share	902,359,632
Hong Kong Securities Clearing Company Ltd.	616,582,994	RMB common share	616,582,994
Jinghai Internet Technology Development Co., Ltd.	386,043,038	RMB common share	386,043,038
Zhuhai Gree Group Co., Ltd.	193,895,992	RMB common share	193,895,992
China Securities Finance Corporation Limited	179,870,800	RMB common share	179,870,800
Gree Electric Appliances, Inc. of Zhuhai - Employee Stock Ownership Plan Phase II	77,163,880	RMB common share	77,163,880
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Trading Open-end Index Securities Investment Fund	33,568,621	RMB common share	33,568,621
Central Huijin Asset Management Co., Ltd	26,291,256	RMB common share	26,291,256
Basic Pension Insurance Fund 15012 Portfolio	22,465,556	RMB common share	22,465,556
Agricultural Bank of China Co., Ltd.- Dacheng High-tech Industry Equity Securities Investment Fund	20,641,701	RMB common share	20,641,701
Description of the association or concerted action between the top 10 shareholders of circulating shares without trading restriction conditions, as well as between the top 10 shareholders of circulating shares without trading restriction conditions and the top 10	Zhuhai Mingjun Investment Partnership (Limited Partnership) and Dong Mingzhu are the persons acting in concert. Except for that, the Company does not know whether there is an association between the above shareholders or whether they are persons acting in concert.		

2023 Annual Report of Gree Electric Appliances, Inc. of Zhuhai

shareholders	
Description of the participation of the top 10 common shareholders in margin trading and securities lending business (if any) (see Note 4)	None

Lending shares of the top 10 shareholders participating in refinancing business

Applicable Not applicable

Unit: share

Lending shares of the top 10 shareholders participating in refinancing								
Name of Shareholder (Full Name)	Ordinary Account and Credit Account Holdings at the Beginning of the Period		Shares Lent Through Refinancing at the Beginning of the Period and Not Yet Repaid		Ordinary Account and Credit Account Holdings at the End of the Period		Shares Lent Through Refinancing at the End of the Period and Not Yet Repaid	
	Total Quantity	Proportion to Total Share Capital	Total Quantity	Proportion to Total Share Capital	Total Quantity	Proportion to Total Share Capital	Total Quantity	Proportion to Total Share Capital
Zhuhai Gree Group Co., Ltd.	178,465,992	3.17%	15,430,000	0.27%	193,895,992	3.44%	0	0.00%
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Trading Open-end Index Securities Investment Fund	18,563,521	0.33%	0	0.00%	33,568,621	0.60%	20,300	0.00%

Changes in the top 10 shareholders compared with the previous period

Applicable Not applicable

Unit: share

Changes in the top ten shareholders from the end of the previous period			
Name of Shareholder (Full Name)	Additions/Exits During the Report Period	Number of Shares Lent Through Refinancing at the End of the Period and Not Yet Repaid	Number of Shares Held by Shareholders in Ordinary Accounts and Credit Accounts and Shares Lent by

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		Refinancing and Not Yet Returned at the End of the Period			
		Total Quantity	Proportion to Total Share Capital	Total Quantity	Proportion to Total Share Capital
Gree Electric Appliances, Inc. of Zhuhai - Employee Stock Ownership Plan Phase II	Addition	0	0.00%	77,163,880	1.37%
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Trading Open-end Index Securities Investment Fund	Addition	20,300	0.00%	33,588,921	0.60%
Central Huijin Asset Management Co., Ltd	Addition	0	0.00%	26,291,256	0.47%
Basic Pension Insurance Fund 15012 Portfolio	Addition	0	0.00%	22,465,556	0.40%
Foresea Life Insurance Co., Ltd. - Hai Li Nian Nian	Exit	0	0.00%	Unknown	Unknown
Gree Electric Appliances, Inc. of Zhuhai - Employee Stock Ownership Plan Phase I	Exit	0	0.00%	0	0.00%
HHLR Management Pte. Ltd. - HHLR China Fund	Exit	0	0.00%	15,445,807	0.27%
Abu Dhabi Investment Authority	Exit	0	0.00%	3,363,222	0.06%

Note: Foresea Life Insurance Co., Ltd. - Hai Li Nian Nian's ordinary account and credit account holdings are not among the top 200 of the Company at the end of the year

Whether the top 10 common shareholders and top 10 common shareholders without trading restriction conditions of the Company conducted agreed repurchase transactions in the report period

Yes No

The top 10 common shareholders and top 10 common shareholders without trading restriction conditions of the Company didn't conduct agreed repurchase transactions in the report period.

2. The Company's controlling shareholder

Nature of controlling shareholder: No controlling entity

Type of controlling shareholder: No controlling shareholder

Description of the situation that the Company has no controlling shareholder

On December 2, 2019, Gree Group signed the *Share Transfer Agreement Between Zhuhai Gree Group Co., Ltd. and Zhuhai Mingjun Investment Partnership (Limited Partnership) on 15% of the Shares of Gree Electric Appliances, Inc. of Zhuhai*, with Zhuhai Mingjun to transfer 902,359,632 shares of the listed company held by Zhuhai Mingjun. After the transaction was completed, the single largest shareholder Zhuhai Mingjun and its concerted action person Dong Mingzhu could not pass specific resolutions based on their actual voting rights of the listed company's shares, which was not enough to have a significant impact on the resolutions of the shareholders' meeting of the listed company, nor could they decide the election of more than half of the members of the board of directors of the listed company. Therefore, the listed company had no controlling shareholders and actual controllers. For more details, please refer to the Reply to the Inquiry Letter from Shenzhen Stock Exchange disclosed by the Company on CNINFO (<http://www.cninfo.com.cn/new/index>) on January 18, 2020.

Change in controlling shareholder during the report period

Applicable Not Applicable

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

3. Actual controller of the Company and its person acting in concert

Nature of the actual controller: No actual controller

Type of the actual controller: No actual controller

Description of the situation that the Company has no actual controller

On December 2, 2019, Gree Group signed the *Share Transfer Agreement Between Zhuhai Gree Group Co., Ltd. and Zhuhai Mingjun Investment Partnership (Limited Partnership) on 15% of the Shares of Gree Electric Appliances, Inc. of Zhuhai*, with Zhuhai Mingjun to transfer 902,359,632 shares of the listed company held by Zhuhai Mingjun. After the transaction was completed, the single largest shareholder Zhuhai Mingjun and its concerted action person Dong Mingzhu could not pass specific resolutions based on their actual voting rights of the listed company's shares, which was not enough to have a significant impact on the resolutions of the shareholders' meeting of the listed company, nor could they decide the election of more than half of the members of the board of directors of the listed company. Therefore, the listed company had no controlling shareholders and actual controllers. For more details, please refer to the Reply to the Inquiry Letter from Shenzhen Stock Exchange disclosed by the Company on CNINFO (<http://www.cninfo.com.cn/new/index>) on January 18, 2020.

Whether there are shareholders with a shareholding ratio of more than 10% at the ultimate control level of the Company

Yes No

Legal person Natural person

Shareholding at the ultimate control level

Name of Shareholder at the Ultimate Control Level	Legal Representative/Person in Charge	Date of Establishment	Organization Code	Main Business
Zhuhai Mingjun	Zhuhai Xianying	May 11, 2017	91440400MA4WJBCR	Business scope

Investment Partnership (Limited Partnership)	Equity Investment Partnership (Limited Partnership)		4W	recorded in the agreement: Equity investment. (Items that need to be approved in accordance with law can only be operated after approval by relevant departments)
Equity of other domestic and overseas listed companies controlled by the shareholder at the ultimate control level during the report period	None			

Change in the actual controller in the report period

Applicable Not Applicable

There has been no change in the actual controller of the Company during the report period.

Block diagram of the property rights and control relationship between the Company and the actual controller

The Company has no actual controller.

The actual controller controls the Company through a trust or other asset management methods

Applicable Not Applicable

4. The cumulative number of shares pledged by the controlling shareholder or the largest shareholder of the Company and its persons acting in concert reached 80% of the number of shares held by them in the Company.

Applicable Not applicable

Company Name	Type of Shareholder	Total Amount of Stock Pledge Financing (RMB10,000)	Specific Purpose	Repayment Period	Source of Repayment Funds	Is There a Risk of Debt Repayment or Liquidation	Whether it Affects the Stability of the Control of the Company
Zhuhai Mingjun Investment Partnership (Limited Partnership)	The largest shareholder	1,620,400	Repayment of original loan	April 30, 2027	Own funds and self-financing	No	No

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

Applicable Not Applicable

6. Restrictions on shareholding reduction by controlling shareholder(s), actual controller(s), restructuring parties and other committed entities

Applicable Not Applicable

IV. Specific implementation of share repurchase during the report period

Progress of implementation of share repurchase

Applicable Not applicable

Program Disclosure Time	Number of Shares to be Repurchased (shares)	Proportion to Total Share Capital	Proposed Repurchase Amount (RMB10,000)	Proposed Repurchase Period	Repurchase Purpose	Number of Shares Repurchased (shares)	Proportion of Repurchased Shares to the Underlying Stocks Involved in the Equity Incentive Plan (if any)
October 31, 2023	Calculated based on a repurchase price limit of RMB50 per share, not less than 30,000,000 shares and not more than 60,000,000 shares	Not less than 0.53% and not more than 1.07%	Not less than RMB1.5 billion (inclusive) and not more than RMB3 billion (inclusive)	Not more than 12 months from October 30, 2023	Equity incentive or employee stock ownership plan	91,897,967	

Implementation progress of reducing holdings of repurchased shares through centralized bidding

Applicable Not Applicable

Section VIII Preferred Share Related Information

Applicable Not Applicable

The Company did not have any preferred shares during the report period.

Section IX Bond Related Information

Applicable Not Applicable

Section X Financial Statements

I. Audit report

Type of audit opinion	Standard unqualified opinion
Signing date of audit report	April 29, 2024
Name of audit agency	Union Power Certified Public Accountants (Special General Partnership)
Document number of audit report	ZHS ZI (2024) No. 0500139
Name of certified public accountant	Wu Zihao and Qiu Yiwu

Audit report text

Audit Report

ZHS ZI (2024) No. 0500139

All shareholders of Gree Electric Appliances, Inc. of Zhuhai:

I. Audit opinion

We have audited the financial statements of Gree Electric Appliances, Inc. of Zhuhai (hereinafter referred to as "your company"), including the Consolidated and Company's Balance Sheets as of December 31, 2023, and 2023 Consolidated and Company's Income Statements, 2023 Consolidated and Company's Cash Flow Statements and 2023 Consolidated and Company's Statements of Changes in Shareholders' Equity and Notes to Financial Statements.

In our opinion, the attached financial statements have been prepared in all material aspects in accordance with the Accounting Standards for Business Enterprises and fairly reflected the consolidated and your company's financial position of your company as of December 31, 2023, and the consolidated and Company's operating results and cash flows in 2023.

II. Basis for forming audit opinions

We have conducted our audit work according to the provisions of the Audit Standards for Certified Public Accountants of China. The part related to "CPA's responsibility for the audit of financial statements" in the audit report further elaborates our responsibilities under these standards. In accordance with the Code of Ethics for Certified Public Accountants of China, we are independent of your company and perform other responsibilities in respect of professional ethics. We believe that the audit evidence obtained by us is

sufficient and appropriate, providing a basis for expressing our audit opinion.

III. Key audit matters

The key audit matters are the matters that are deemed to be the most important ones in the current financial statement audit according to our professional judgment. The response to these matters is based on the overall audit of the financial statements and the formation of audit opinions. We do not give separate opinions on these matters.

(I) Accrual of inventory falling price reserves

Key audit matters	Coping methods
<p>Refer to "Note III. 14," "Note V. 11," and "Note V. 66" in the financial statements.</p> <p>As of December 31, 2023, the book value of inventory in your company's consolidated balance sheet was RMB32,579,140,000, wherein the book balance of inventory was RMB37,063,809,400 and the inventory falling price reserves was RMB4,484,669,300.</p> <p>Recognition of the inventory falling price reserves depends on the estimation of the net realizable value of the inventory. For recognition of the net realizable value of the inventory, the management should estimate the future selling price of inventory, the costs (if related) to be incurred until completion, the sales expenses, and the related taxes and fees.</p> <p>In consideration of the importance of recognition of the inventory and inventory falling price reserves to the consolidated financial statements and the complicated calculation process of inventory falling price reserves, and significant judgments, assumptions and estimates of the management involved when the net realizable value of the inventory is determined, there may be error or potential management bias. Therefore, we</p>	<ol style="list-style-type: none"> 1. Understand, evaluate, and test the effectiveness of the design and execution of internal controls related to the recognition of inventory falling price reserves; 2. Evaluate the significant judgments, assumptions and estimates involved in management's calculation of net realizable value, and review the basis and documents on which management determines the future selling price of the inventory and the costs incurred until completion (if related), the sales expenses and the related taxes and fees; 3. Carry out audit procedures such as inspection and recalculation, especially for the determination of the net realizable value of the inventory, we carried out recalculation according to relevant data; 4. Analyze and review the inventory aging to determine whether the corresponding inventory falling price reserves are sufficient; 5. Supervise the inventory-taking, and during the supervising process, in addition to paying attention to the authenticity and accuracy of the inventory, the focus was also on the usage status of the inventory, whether there was inventory in a stagnant or defective condition, to evaluate the adequacy of the accrual of inventory falling price reserves; 6. Review the adequacy of the disclosure of information

Key audit matters	Coping methods
identified it as a key audit matter for your company.	related to inventory falling price reserves in "Note III. 14", "Note V. 11", and "Note V. 66" in the financial statements.

(II) Revenue recognition

Key audit matters	Coping methods
<p>Please refer to "Note III. 32" and "Note V. 55" in the financial statements.</p> <p>In 2023 and 2022 Consolidated Financial Statements of your company, the revenue from selling goods was RMB203,979,266,400 and RMB188,988,382,700 respectively, an increase of 7.93% year-on-year.</p> <p>Since the amount is significant and revenue is one of the key business indicators of your company, and whether it is based on real transactions and whether it is included in the appropriate accounting period has a significant impact on the financial statements, we consider revenue recognition as a key audit matter.</p>	<ol style="list-style-type: none"> 1. Understand, evaluate, and test the effectiveness of internal control design and operation related to revenue recognition; 2. Review sales contract samples, understand the delivery terms of the transaction, evaluate whether the business model is consistent with revenue recognition, evaluate whether the sales contract terms comply with industry practices, and whether the revenue recognition accounting policies comply with the requirements of Accounting Standards for Business Enterprises; 3. Check the original supporting documents related to revenue recognition, such as orders, delivery notes, and arrival receipts based on audit sampling, to evaluate whether revenue has truly incurred and whether it has been recognized in accordance with accounting policies; 4. Implement the letter verification procedure and check the original documents and payment status for discrepancies in the response letter to evaluate the accuracy and authenticity of the revenue amount incurred; 5. Carry out an analysis program to analyze from different dimensions such as monthly fluctuations, sales regions, product categories, and product profit margins to verify the reasonableness of the transaction; 6. Carry out cut-off test program and post-test program to check for any revenue intertemporal or sales return to

Key audit matters	Coping methods
	address revenue intertemporal; 7. Review the adequacy of the disclosure of information related to revenue recognition in "Note III. 32" and "Note V. 55" in the financial statements.

IV. Other information

The management of your company is responsible for other information. Other information includes the information covered in the 2023 Annual Report of your company, excluding the financial statements and our audit reports.

Our audit opinions published on financial statements do not cover any other information, and we will not publish any form of forensic conclusion on other information.

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

Based on the work we have performed, if we determine that there is a material misstatement in other information, we should report that fact. We have nothing to report in this regard.

V. Responsibilities of management and governance for financial statements

The management of your company (hereinafter referred to as the "management") is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

When preparing financial statements, the management is responsible for evaluating your company's ability to continue as a going concern, disclosing matters related to going concern (if applicable), and applying the assumption of going concern, unless the management plans to liquidate your company, cease operations, or has no other realistic choice.

The governance is responsible for overseeing your company's financial reporting process.

VI. CPA's responsibilities for the audit of the financial statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free

from material misstatements caused by fraud or error, and to issue an audit report containing an audit opinion. Reasonable assurance is a high-level assurance, but is not a guarantee that an audit conducted in accordance with the audit standards will always detect a material misstatement when it exists. Misstatements may be caused by fraud or error and are generally considered material if they are reasonably expected, individually or collectively, to affect the economic decisions made by users of the financial statements.

We exercised professional judgment and maintained professional skepticism when conducting the audit in accordance with the auditing standards. We also:

(I) Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that was sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, omissions, misrepresentations, or the override of internal control.

(II) Obtained an understanding of internal control related to the audit in order to design appropriate audit procedures.

(III) Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management of your company.

(IV) Concluded on the appropriateness of using the going concern assumption by the management of your company, and concluded, based on the audit evidence obtained, whether a material uncertainty existed related to events or conditions that might cast significant doubt on our company's ability to continue as a going concern. If we concluded that there was a significant uncertainty, we were required by audit standards to draw the attention of report users to the relevant disclosures in the financial statements in the audit report; if such disclosures were inadequate, we should express a non-unqualified opinion. Our conclusions were based on the information available as of the audit report date. However, future events or conditions may result in your company ceasing to continue as a going concern.

(V) Evaluated the overall presentation, structure and content of the financial statements, and evaluate whether the financial statements fairly reflect relevant transactions and events.

(VI) Obtained sufficient and appropriate audit evidence for the financial information of your company's entity or business activities to express an opinion on the financial statements. We were responsible for guiding, supervising and implementing group audits. We assume full responsibility for the audit opinions.

We communicated with the governance regarding, among other matters, the planned audit scope, schedule,

and major audit findings, including any significant defects in internal control that we identified during our audit.

We also provided a statement to the governance regarding the observed professional moral requirements related to independence, and communicated with the governance about all the relationships and other matters that might be reasonably considered to affect our independence, as well as the related countermeasures (if applicable).

From the matters discussed with the governance, we have determined which are the most important for the audit of the current financial statements and therefore constitute key audit matters. We described these matters in the audit report, unless laws and regulations prohibit public disclosure of these matters, or in rare cases, we determined that the matter should not be communicated in the audit report if it was reasonably anticipated that the negative consequence caused by communicating a matter in the audit report exceeds the benefit generated in terms of public interests.

Union Power Certified Public Accountants (Special General Partnership) Certified Public Accountant of China:
(engagement partner):

Wu Zihao

Certified Public Accountant of China:

Qiu Yiwu

Wuhan, China

April 29, 2024

Consolidated Balance Sheet

December 31, 2023

Prepared by: Gree Electric Appliances, Inc.
of Zhuhai

Unit: yuan (RMB)

Item	Note	December 31, 2023	January 1, 2023
Current assets:			
Monetary funds	V. 1	124,104,987,289.62	157,484,332,251.39
Lending funds			
Trading financial assets	V. 2	9,614,423,403.40	3,867,203,363.52
Derivative financial assets	V. 3	108,919,513.22	
Notes receivable	V. 4	87,340,130.52	6,818,428.95
Accounts receivable	V. 5	16,099,477,117.56	14,824,742,623.45
Receivables financing	V. 7	10,176,089,668.41	28,427,310,345.20
Advance payments	V. 8	2,492,647,395.31	2,344,668,845.48
Other receivables	V. 9	826,558,622.42	804,277,958.80
Including: Interests receivable			
Dividends receivable		19,936,649.83	1,260,498.66
Buying back the sale of financial assets	V. 10	3,932,338,954.49	
Inventory	V. 11	32,579,140,028.70	38,314,176,763.90
Contract assets	V. 6	838,812,133.65	1,047,739,817.94
Assets held for sale			
Non-current assets due within one year	V. 12	2,411,633,459.29	3,314,191,633.19
Other current assets	V. 13	24,868,941,754.15	4,704,576,940.64
Total current assets		228,141,309,470.74	255,140,038,972.46
Non-current assets:			
Disbursement of loans and advances	V. 14	543,726,609.23	719,799,280.27
Debt investment	V. 15	1,150,744,482.05	150,351,500.00
Other debt investments	V. 16	16,363,841,665.96	14,340,348,882.97
Long-term receivables	V. 17	62,185,327.12	116,084,973.52
Long-term equity investments	V. 18	4,488,967,031.20	5,892,290,568.81
Other equity instrument investments	V. 19	3,864,865,509.37	4,669,455,797.90
Other non-current financial assets	V. 20		4,428,003,204.49
Investment real estate	V. 21	633,262,161.10	634,689,201.98
Fixed assets	V. 22	34,034,829,116.47	33,817,019,391.36
Construction in progress	V. 23	6,563,911,378.94	5,966,678,892.16
Usufruct assets	V. 24	842,250,508.12	207,344,779.05
Intangible assets	V. 25	10,827,694,521.82	11,621,853,071.43
Development expenditures			
Goodwill	V. 26	1,452,496,852.11	1,659,358,399.03
Long-term unamortized expenses	V. 27	24,275,474.94	22,862,393.90
Deferred income tax assets	V. 28	16,561,437,021.81	14,644,877,571.11
Other non-current assets	V. 29	42,498,105,445.39	1,039,712,699.26
Total non-current assets		139,912,593,105.63	99,930,730,607.24
Total assets		368,053,902,576.37	355,070,769,579.70

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting agency:

2023 Annual Report of Gree Electric Appliances, Inc. of Zhuhai
Consolidated Balance Sheet (Continued)
December 31, 2023

Prepared by: Gree Electric Appliances, Inc.
of Zhuhai

Unit: yuan (RMB)

Item	Note	December 31, 2023	January 1, 2023
Current liabilities:			
Short-term borrowings	V. 31	26,443,476,388.52	52,895,851,287.92
Borrowings from the central bank			
Loans from other banks			
Transaction financial liabilities			
Derivative financial liabilities	V. 32	4,079,919.91	184,811,894.98
Notes payable	V. 33	23,741,128,400.12	38,609,900,819.74
Accounts payable	V. 34	41,147,359,221.95	32,856,071,488.87
Advance receipts			
Contract liabilities	V. 35	13,588,771,210.88	14,972,336,715.45
Financial assets sold for repurchase			
Deposits from customers and interbank	V. 36	254,616,899.35	219,111,069.61
Payroll payable	V. 37	4,288,611,386.29	3,897,862,091.84
Taxes and dues payable	V. 38	4,337,631,560.28	3,819,424,639.48
Other payables	V. 39	5,513,266,516.82	10,912,406,666.89
Including: Interests payable			
Dividends payable		5,572,388.92	5,620,664,762.67
Liabilities held for sale			
Non-current liabilities due within one year	V. 40	20,605,521,073.03	255,342,537.57
Other current liabilities	V. 41	61,058,837,178.77	57,748,817,603.24
Total current liabilities		200,983,299,755.92	216,371,936,815.59
Non-current liabilities:			
Long-term borrowings	V. 42	39,035,742,535.09	30,784,241,211.21
Bonds payable			
Including: Preferred share			
Perpetual bond			
Lease liabilities	V. 43	767,007,951.92	146,836,620.66
Long-term payables	V. 44	27,028,498.30	104,644,415.20
Long-term payroll payable	V. 45	195,057,663.00	175,712,728.00
Estimated liabilities			
Deferred income	V. 46	3,527,855,598.12	3,340,211,330.23
Deferred income tax liabilities	V. 28	2,871,757,157.58	2,271,138,444.62
Other non-current liabilities			
Total non-current liabilities		46,424,449,404.01	36,822,784,749.92
Total liabilities		247,407,749,159.93	253,194,721,565.51
Shareholders' equity:			
Share capital	V. 47	5,631,405,741.00	5,631,405,741.00
Other equity instruments			
Including: Preferred share			
Perpetual bond			
Capital reserves	V. 48	1,352,522,393.67	496,102,011.66
Less: Treasury share	V. 49	4,942,723,911.44	5,643,935,587.86
Other comprehensive income	V. 50	275,538,293.30	2,042,901,605.04
Special reserves	V. 51	26,969,643.44	25,845,351.28
Surplus reserves	V. 52	1,731,130,024.40	2,241,118,692.92
General risk provisions	V. 53	507,223,117.40	507,223,117.40
Undistributed profits	V. 54	112,211,650,801.62	91,458,073,960.81
Total equity attributable to shareholders of the parent company		116,793,716,103.39	96,758,734,892.25
Minority equity		3,852,437,313.05	5,117,313,121.94
Total equity		120,646,153,416.44	101,876,048,014.19
Total liabilities and shareholders' equity		368,053,902,576.37	355,070,769,579.70

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting agency:

Consolidated Income Statement

January to December, 2023

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan (RMB)

Item	Note	2023	2022
I. Total operating revenue		205,018,123,834.21	190,150,672,542.13
Including: Operating revenue	V. 55	203,979,266,387.09	188,988,382,706.68
Interest income	V. 56	1,038,856,837.77	1,162,289,741.08
Fee and commission income		609.35	94.37
II. Total operating costs		170,774,052,191.66	162,107,253,847.61
Including: Operating costs	V. 55	141,625,549,746.95	139,784,387,882.78
Interest expense	V. 56	126,399,291.44	82,118,835.96
Fee and commission expenses		503,529.63	423,034.83
Taxes and surcharges	V. 57	2,114,184,492.83	1,612,243,409.40
Sales expenses	V. 58	17,129,639,682.51	11,285,451,112.27
Administrative expenses	V. 59	6,542,161,037.82	5,267,999,733.62
R&D expenses	V. 60	6,762,136,262.23	6,281,394,430.40
Financial expenses	V. 61	-3,526,521,851.75	-2,206,764,591.65
Including: Interest expenses		2,962,205,439.75	2,836,743,431.08
Interest income		6,189,969,897.82	4,646,747,718.69
Add: Other income	V. 62	900,669,135.95	879,809,512.05
Income from investments (losses expressed with "-")	V. 63	217,156,605.23	86,883,941.74
Including: Investment income from joint ventures or associates		93,222,443.16	-3,324,287.24
Income from the derecognition of financial assets measured at amortization costs			
Income from net exposure hedging (losses expressed with "-")			
Income from changes in fair value (losses expressed with "-")	V. 64	437,583,988.72	-343,575,705.11
Credit impairment losses (losses expressed with "-")	V. 65	-824,045,112.30	-416,368,773.22
Asset impairment losses (losses expressed with "-")	V. 66	-2,493,579,694.08	-966,679,009.51
Income from disposal of assets (losses expressed with "-")	V. 67	382,923,791.69	608,425.71
III. Operating profits (losses expressed with "-")		32,864,780,357.76	27,284,097,086.18
Add: Non-operating revenue	V. 68	128,371,808.52	59,810,331.36
Less: Non-operating expenses	V. 69	177,448,328.09	126,522,574.93
IV. Total profits (total losses expressed with "-")		32,815,703,838.19	27,217,384,842.61
Less: Income tax expenses	V. 70	5,096,680,924.60	4,206,040,489.50
IV. Net profit (net losses expressed with "-")		27,719,022,913.59	23,011,344,353.11
(I) Classification by business continuity:			
1. Net profits from continuing operations (net losses expressed with "-")		27,719,217,635.33	23,011,552,161.18
2. Net profits from discontinuing operations (net losses expressed with "-")		-194,721.74	-207,808.07
(II) Classification by ownership:			
1. Net profits attributable to shareholders of the parent company (net losses expressed with "-")		29,017,387,604.18	24,506,623,782.46
2. Minority profits and losses (net losses expressed with "-")		-1,298,364,690.59	-1,495,279,429.35
VI. Net of tax of other comprehensive income	V. 50	-1,335,306,322.73	-9,157,870,577.73
(I) Net of tax of other comprehensive income attributable to shareholders of the parent company		-1,353,437,738.42	-9,161,102,750.23
1. Other comprehensive income that cannot be reclassified into profits and losses		-1,419,870,672.10	-9,426,072,167.28
(1) Changes arising from remeasurement of the defined benefit plan		-15,837,466.00	-8,601,949.00
(2) Other comprehensive income that cannot be transferred to profits and losses under the equity method		-852,472,209.72	-4,749,379,513.24
(3) Changes in fair value of other equity instrument investments		-551,560,996.38	-4,668,090,705.04
(4) Changes in fair value of the Company's own credit risk			
(5) Others			
2. Other comprehensive income to be reclassified into profits and losses		66,432,933.68	264,969,417.05
(1) Other comprehensive income that can be transferred to profits and losses under the equity method		160,652.18	
(2) Changes in fair value of other debt investments		5,646,351.69	51,928,741.98
(3) Amount of financial assets reclassified into and included in other comprehensive income			
(4) Provision for credit impairment of other debt investments		2,753,149.69	-3,667,360.51
(5) Cash flow hedging reserves		1,650,685.72	-24,846,643.18
(6) Difference arising from translation of financial statements in foreign currency		56,222,094.40	241,554,678.76
(7) Others			
(II) Net of tax of other comprehensive income attributable to minority shareholders		18,131,415.69	3,232,172.50
VII. Total comprehensive income		26,383,716,590.86	13,853,473,775.38
(I) Total comprehensive income attributable to shareholders of the parent company		27,663,949,865.76	15,345,521,032.23
(II) Total comprehensive income attributable to minority shareholders		-1,280,233,274.90	-1,492,047,256.85
VIII. Earnings per share:			
(I) Basic earnings per share (yuan/share)		5.22	4.43
(II) Diluted earnings per share (yuan/share)		5.22	4.43

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting agency:

Consolidated Cash Flow Statement

January to December, 2023

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan (RMB)

Item	Note	2023	2022
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		222,450,716,185.76	191,722,692,750.88
Net increase in deposits from customers and interbank		35,681,305.16	36,042,751.33
Net increase in borrowings from the central bank			
Net increase in loans from other banks			-300,000,000.00
Cash received for interests, fees and commissions		404,330,867.02	316,385,822.75
Net increase in loans from other banks			
Net increase in repurchase business capital			-746,500,000.00
Refund of taxes and levies		3,267,420,421.11	3,671,277,018.74
Other cash received related to operating activities	V. 71 (1)	2,838,768,145.79	3,887,782,462.69
Subtotal of cash inflows from operating activities		228,996,916,924.84	198,587,680,806.39
Cash payments for goods acquired and services received		122,277,671,203.25	140,307,498,966.97
Net increase in customer loans and advances		3,751,715,000.00	-3,541,760,000.00
Net increase in deposits with central bank and interbank funds		121,006,301.94	-142,968,622.64
Net increase in lending funds			
Cash paid for interests, fees and commissions		126,487,510.44	72,151,067.99
Cash paid to and on behalf of employees		11,191,368,139.74	10,236,422,672.26
Payments of all types of taxes		17,572,921,744.39	12,501,020,989.21
Other cash paid related to operating activities	V. 71 (1)	17,557,320,670.91	10,486,879,811.33
Subtotal of cash outflows from operating activities		172,598,490,570.67	169,919,244,885.12
Net cash flows from operating activities		56,398,426,354.17	28,668,435,921.27
II. Cash flows from investment activities:			
Cash received from the recovery of investment	V. 71 (2)	21,852,693,438.10	6,897,604,278.47
Cash received from return on investment		688,434,561.28	96,017,802.71
Net cash received from the disposal of fixed assets, intangible assets		1,931,290,335.02	22,767,686.65
Net cash received from the disposal of subsidiaries and other business		35,000,000.00	67,258,353.52
Other cash received related to investment activities	V. 71 (2)	24,715,882,326.50	3,443,556,899.78
Subtotal of cash inflows from investment activities		49,223,300,660.90	10,527,205,021.13
Cash paid for the purchase and construction of fixed assets, intangible		5,425,734,302.92	6,036,136,315.75
Cash paid for investments	V. 71 (2)	84,267,244,633.47	13,467,910,481.50
Net cash paid for acquisition of subsidiaries and other business units		239,342,398.39	2,031,361,368.42
Other cash paid related to investment activities	V. 71 (2)	308,198,670.53	26,048,629,646.87
Subtotal of cash outflows from investment activities		90,240,520,005.31	47,584,037,812.54
Net cash flows from investment activities		-41,017,219,344.41	-37,056,832,791.41
III. Cash flows from financing activities:			
Cash received from absorbing investment			32,000,000.00
Including: Cash received from subsidiaries absorbing minority			32,000,000.00
Cash received from borrowings	V. 71 (3)	68,622,584,547.14	102,926,746,831.03
Other cash received related to financing activities	V. 71 (3)	20,203,186,178.80	20,000,000.00
Subtotal of cash inflows from financing activities		88,825,770,725.94	102,978,746,831.03
Cash repayments of amounts borrowed	V. 71 (3)	87,009,692,089.60	60,908,105,526.39
Cash paid for dividend and profit distribution or interest payment		13,811,350,664.09	18,469,103,441.58
Including: Dividends and profits paid to minority shareholders by		111,193,450.56	49,000,000.00
Other cash paid related to financing activities	V. 71 (3)	4,362,544,531.09	13,678,745,549.95
Subtotal of cash outflows from financing activities		105,183,587,284.78	93,055,954,517.92
Net cash flows from financing activities		-16,357,816,558.84	9,922,792,313.11
IV. Effect of foreign exchange rate changes on cash and cash		136,149,039.88	268,517,494.64
V. Net increase in cash and cash equivalents		-840,460,509.20	1,802,912,937.61
Add: Beginning balance of cash and cash equivalents		31,754,656,695.61	29,951,743,758.00
VI. Ending balance of cash and cash equivalents		30,914,196,186.41	31,754,656,695.61

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting agency:

2023 Annual Report of Gree Electric Appliances, Inc. of Zhuhai
Consolidated Statement of Changes in Shareholders' Equity
 January to December, 2023

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan (RMB)

Item	2023													Minority equity	Total equity
	Equity attributable to shareholders of the parent company														
	Share capital	Other equity instruments			Capital reserves	Less: Treasury share	Other comprehensive income	Special reserves	Surplus reserves	General risk provisions	Undistributed profits	Others	Subtotal		
	Preferred share	Perpetual bond	Others												
I. Ending balance of the previous year	5,631,405,741.00				496,102,011.66	5,643,935,587.86	2,042,901,605.04	25,845,351.28	2,241,118,692.92	507,223,117.40	91,458,073,960.81		96,758,734,892.25	5,117,313,121.94	101,876,048,014.19
Add: Changes in accounting policies															
Early error correction															
Business combination under common control															
Others															
II. Beginning balance of the current year	5,631,405,741.00				496,102,011.66	5,643,935,587.86	2,042,901,605.04	25,845,351.28	2,241,118,692.92	507,223,117.40	91,458,073,960.81		96,758,734,892.25	5,117,313,121.94	101,876,048,014.19
III. Increase or decrease in the current year (decrease expressed with "-")					856,420,382.01	-701,211,676.42	-1,767,363,311.74	1,124,292.16	-509,988,668.52		20,753,576,840.81		20,034,981,211.14	-1,264,875,808.89	18,770,105,402.25
(I) Total comprehensive income							-1,353,437,738.42				29,017,387,604.18		27,663,949,865.76	-1,280,233,274.90	26,383,716,590.86
(II) Capital invested and reduced by shareholders					856,420,382.01	-701,211,676.42			-3,255,546,661.73		-313,591,772.67		-2,011,506,375.97	120,317,891.30	-1,891,188,484.67
1. Ordinary shares invested by shareholders														49,000.00	49,000.00
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payments recognized in shareholders' equity					1,411,326,160.71								1,411,326,160.71	1,873,850.53	1,413,200,011.24
4. Others					-554,905,778.70	-701,211,676.42			-3,255,546,661.73		-313,591,772.67		-3,422,832,536.68	118,395,040.77	-3,304,437,495.91
(III) Profit distribution									2,704,897,285.76		-8,318,738,898.76		-5,613,841,613.00	-111,193,450.56	-5,725,035,063.56
1. Withdrawal of surplus reserves									2,704,897,285.76		-2,704,897,285.76				
2. Withdrawal of general risk provisions															
3. Distribution to shareholders											-5,613,841,613.00		-5,613,841,613.00	-111,193,450.56	-5,725,035,063.56
4. Others															
(IV) Internal carry-over of shareholders' equity							-413,925,573.32		40,660,707.45		368,519,908.06		-4,744,957.81		-4,744,957.81
1. Transfer of capital reserves into capital (or share capital)															
2. Transfer of surplus reserves into capital (or share capital)															
3. Surplus reserves for making up losses															
4. Changes in defined benefit plan carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings							-413,925,573.32		40,660,707.45		368,519,908.06		-4,744,957.81		-4,744,957.81
6. Others															
(V) Special reserves								1,124,292.16					1,124,292.16	6,233,025.27	7,357,317.43
1. Withdrawal in the current period									5,017,397.69				5,017,397.69	6,563,685.31	11,581,083.00
2. Amount used in the current period													3,893,105.53	330,660.04	4,223,765.57
(VI) Others															
IV. Ending balance of this year	5,631,405,741.00				1,352,522,393.67	4,942,723,911.44	275,538,293.30	26,969,643.44	1,731,130,024.40	507,223,117.40	112,211,650,801.62		116,793,716,103.39	3,852,437,313.05	120,646,153,416.44

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting agency:

Consolidated Statement of Changes in Shareholders' Equity (Continued)

January to December, 2023

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan (RMB)

Item	2022												Minority equity	Total equity	
	Equity attributable to shareholders of the parent company														
	Share capital	Other instruments	Perpetual bond	Others	Capital reserves	Less: Treasury share	Other comprehensive income	Special reserves	Surplus reserves	General risk provisions	Undistributed profits	Others			Subtotal
I. Ending balance of the previous year	5,914,469,040.00				125,874,127.56	19,579,646,233.43	11,204,004,355.27	22,403,846.26	1,983,727,107.74	505,599,356.30	103,475,223,000.17		103,651,654,599.87	4,273,796,566.64	107,925,451,166.51
Add: Changes in accounting policies															
Early error correction															
Business combination under common control															
Others															
II. Beginning balance of the current year	5,914,469,040.00				125,874,127.56	19,579,646,233.43	11,204,004,355.27	22,403,846.26	1,983,727,107.74	505,599,356.30	103,475,223,000.17		103,651,654,599.87	4,273,796,566.64	107,925,451,166.51
III. Increase or decrease in the current year (decrease expressed with "-")	-283,063,299.00				370,227,884.10	-13,935,710,645.57	-9,161,102,750.23	3,441,505.02	257,391,585.18	1,623,761.10	-12,017,149,039.36		-6,892,919,707.62	843,516,555.30	-6,049,403,152.32
(I) Total comprehensive income							-9,118,287,340.45				24,506,623,782.46		15,388,336,442.01	-1,488,212,820.78	13,900,123,621.23
(II) Capital invested and reduced by shareholders	-283,063,299.00				370,227,884.10	-13,935,710,645.57		-1,983,727,107.74			-12,097,640,969.32		-58,492,846.39	2,387,192,801.09	2,328,699,954.70
1. Ordinary shares invested by shareholders														32,000,000.00	32,000,000.00
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payments recognized in shareholders' equity					370,227,884.10								370,227,884.10	352,740.48	370,580,624.58
4. Others	-283,063,299.00					-13,935,710,645.57		-1,983,727,107.74			-12,097,640,969.32		-428,720,730.49	2,354,840,060.61	1,926,119,330.12
(III) Profit distribution								2,237,070,151.57	1,623,761.10	-24,462,568,724.67			-22,223,874,812.00	-61,203,558.59	-22,285,078,370.59
1. Withdrawal of surplus reserves								2,237,070,151.57					-2,237,070,151.57		
2. Withdrawal of general risk provisions									1,623,761.10				-1,623,761.10		
3. Distribution to shareholders													-22,223,874,812.00	-61,203,558.59	-22,285,078,370.59
4. Others															
(IV) Internal carry-over of shareholders' equity							-42,815,409.78	4,048,541.35			36,436,872.17		-2,329,996.26		-2,329,996.26
1. Transfer of capital reserves into capital (or share capital)															
2. Transfer of surplus reserves into capital (or share capital)															
3. Surplus reserves for making up losses															
4. Changes in defined benefit plan carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings							-42,815,409.78	4,048,541.35			36,436,872.17		-2,329,996.26		-2,329,996.26
6. Others															
(V) Special reserves							3,441,505.02						3,441,505.02	5,740,133.58	9,181,638.60
1. Withdrawal in the current period								6,207,315.33					6,207,315.33	6,367,313.24	12,574,628.57
2. Amount used in the current period								2,765,810.31					2,765,810.31	627,179.66	3,392,989.97
(VI) Others															
IV. Ending balance of this year	5,631,405,741.00				496,102,011.66	5,643,935,587.86	2,042,901,605.04	25,845,351.28	2,241,118,692.92	507,223,117.40	91,458,073,960.81		96,758,734,892.25	5,117,313,121.94	101,876,048,014.19

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting agency:

Balance Sheet of Company

December 31, 2023

Prepared by: Gree Electric Appliances, Inc.
of Zhuhai

Unit: yuan (RMB)

Item	Note	December 31, 2023	January 1, 2023
Current assets:			
Monetary funds		108,942,922,385.17	138,498,302,123.84
Trading financial assets		9,239,143,613.00	3,826,643,235.64
Derivative financial assets		95,917,736.67	
Notes receivable			
Accounts receivable	XVI. 1	5,005,378,177.86	2,811,623,322.77
Receivables financing		7,524,899,223.47	24,888,338,026.70
Advance payments		30,848,777,000.48	28,967,607,814.23
Other receivables	XVI. 2	4,860,219,830.31	3,602,220,649.55
Including: Interests receivable			
Dividends receivable			
Inventory		6,554,892,982.74	9,662,044,202.39
Contract assets			
Assets held for sale			
Non-current assets due within one year		2,275,251,779.59	3,275,847,602.74
Other current assets		21,109,801,963.63	2,524,365,397.75
Total current assets		196,457,204,692.92	218,056,992,375.61
Non-current assets:			
Debt investment		1,150,744,482.05	150,351,500.00
Other debt investments		15,167,794,246.58	13,312,747,743.53
Long-term receivables			
Long-term equity investments	XVI. 3	29,745,489,074.58	29,292,448,754.90
Other equity instrument investments		3,720,140,478.30	4,498,529,086.64
Other non-current financial assets			4,428,003,204.49
Investment real estate		15,267,230.92	17,569,355.86
Fixed assets		1,920,285,695.06	3,291,354,893.44
Construction in progress		827,683,995.65	460,979,229.34
Usufruct assets			
Intangible assets		538,236,487.90	823,495,905.07
Development expenditures			
Goodwill			
Long-term unamortized expenses			
Deferred income tax assets		12,918,181,096.41	11,399,848,879.09
Other non-current assets		39,079,582,229.05	897,709,314.22
Total non-current assets		105,083,405,016.50	68,573,037,866.58
Total assets		301,540,609,709.42	286,630,030,242.19

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting agency:

Balance Sheet of Company (Continued)

December 31, 2023

Prepared by: Gree Electric Appliances, Inc.
of Zhuhai

Unit: yuan (RMB)

Item	Note	December 31, 2023	January 1, 2023
Current liabilities:			
Short-term borrowings		14,746,805,059.21	39,282,170,543.24
Transaction financial liabilities			
Derivative financial liabilities		4,079,919.91	36,789,650.89
Notes payable		20,930,759,577.37	35,967,986,466.43
Accounts payable		56,619,857,856.76	49,009,643,905.62
Advance receipts			
Contract liabilities		8,477,695,446.71	9,160,537,495.63
Payroll payable		1,538,244,958.36	1,584,146,109.11
Taxes and dues payable		2,617,451,988.73	2,053,684,659.63
Other payables		3,127,041,358.88	8,044,168,532.69
Including: Interests payable			
Dividends payable		602,881.87	5,614,444,494.87
Liabilities held for sale			
Non-current liabilities due within one year		19,446,383,711.42	
Other current liabilities		59,082,715,501.14	55,848,213,083.79
Total current liabilities		186,591,035,378.49	200,987,340,447.03
Non-current liabilities:			
Long-term borrowings		36,308,065,111.81	27,272,830,327.56
Bonds payable			
Including: Preferred share			
Perpetual bond			
Lease liabilities			
Long-term payables			
Long-term payroll payable		195,057,663.00	175,712,728.00
Estimated liabilities			
Deferred income		143,416,179.21	81,520,036.95
Deferred income tax liabilities		1,306,743,893.80	710,194,350.26
Other non-current liabilities			
Total non-current liabilities		37,953,282,847.82	28,240,257,442.77
Total liabilities		224,544,318,226.31	229,227,597,889.80
Shareholders' equity:			
Share capital		5,631,405,741.00	5,631,405,741.00
Other equity instruments			
Including: Preferred share			
Perpetual bond			
Capital reserves		1,893,049,118.18	479,849,106.94
Less: Treasury share		4,942,723,911.44	5,643,935,587.86
Other comprehensive income		585,972,104.35	2,390,383,701.31
Special reserves			
Surplus reserves		2,742,389,179.65	2,240,943,653.27
Undistributed profits		71,086,199,251.37	52,303,785,737.73
Total equity		76,996,291,483.11	57,402,432,352.39
Total liabilities and shareholders' equity		301,540,609,709.42	286,630,030,242.19

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting agency:

Income Statement of Company

January to December, 2023

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan (RMB)

Item	Note	2023	2022
I. Operating revenue	XVI. 4	134,653,638,564.88	119,790,450,591.45
Less: Operating costs	XVI. 4	87,964,474,582.78	84,193,036,470.44
Taxes and surcharges		859,092,997.83	612,252,827.55
Sales expenses		15,103,736,810.10	10,387,387,452.52
Administrative expenses		1,821,653,380.75	1,052,070,843.18
R&D expenses		5,011,334,301.81	4,858,805,454.26
Financial expenses		-3,106,751,273.76	-2,676,657,645.12
Including: Interest expenses		2,614,299,954.46	2,088,897,062.24
Interest income		6,174,406,252.36	4,994,497,152.18
Add: Other income		51,153,924.37	197,947,953.08
Income from investments (losses expressed with "-")	XVI. 5	4,277,964,743.44	3,978,824,626.50
Including: Investment income from joint ventures or associates		-6,685,965.10	-13,564,461.54
Income from the derecognition of financial assets measured at amortization costs			
Income from net exposure hedging (losses expressed with "-")			
Income from changes in fair value (losses expressed with "-")		225,560,468.94	-21,732,079.44
Credit impairment losses (losses expressed with "-")		-143,073,661.64	29,008,430.71
Asset impairment losses (losses expressed with "-")		-1,011,653,917.67	-116,830,227.19
Income from disposal of assets (losses expressed with "-")		385,145,031.19	-12,890.45
II. Operating profits (losses expressed with "-")		30,785,194,354.00	25,430,761,001.83
Add: Non-operating revenue		69,675,985.99	9,279,405.22
Less: Non-operating expenses		2,865,046.70	2,780,548.68
III. Total profits (total losses expressed with "-")		30,852,005,293.29	25,437,259,858.37
Less: Income tax expenses		3,803,032,435.67	3,066,558,342.67
IV. Net profit ("-" for net loss)		27,048,972,857.62	22,370,701,515.70
1. Net profits from continuing operations (net losses expressed with "-")		27,048,972,857.62	22,370,701,515.70
2. Net profits from discontinuing operations (net losses expressed with "-")			
V. Net of tax of other comprehensive income		-1,393,059,564.60	-9,272,631,892.47
1. Other comprehensive income that cannot be reclassified into profits and losses		-1,385,556,900.05	-9,308,453,566.04
(1) Changes arising from remeasurement of the defined benefit plan		-15,837,466.00	-8,601,949.00
(2) Other comprehensive income that cannot be transferred to profits and losses under the equity method		-855,045,750.68	-4,747,875,029.30
(3) Changes in fair value of other equity instrument investments		-514,673,683.37	-4,551,976,587.74
(4) Changes in fair value of the Company's own credit risk			
(5) Others			
2. Other comprehensive income to be reclassified into profits and losses		-7,502,664.55	35,821,673.57
(1) Other comprehensive income that can be transferred to profits and losses under the equity method			
(2) Changes in fair value of other debt investments		-9,130,605.80	60,670,722.32
(3) Amount of financial assets reclassified into and included in other comprehensive income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedging reserves		1,627,941.25	-24,849,048.75
(6) Difference arising from translation of financial statements in foreign currency			
(7) Others			
VI. Total comprehensive income		25,655,913,293.02	13,098,069,623.23

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting agency:

Cash Flow Statement of Company

January to December, 2023

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan (RMB)

Item	Note	2023	2022
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		144,179,376,788.30	109,450,181,009.15
Refund of taxes and levies		2,331,542,341.22	1,435,352,776.76
Other cash received related to operating activities		42,036,996,855.66	46,980,196,866.35
Subtotal of cash inflows from operating activities		188,547,915,985.18	157,865,730,652.26
Cash payments for goods acquired and services received		118,570,609,203.77	116,205,098,866.43
Cash paid to and on behalf of employees		3,156,268,049.00	3,092,307,818.11
Payments of all types of taxes		11,257,710,858.48	7,430,521,751.61
Other cash paid related to operating activities		10,627,695,536.89	8,763,205,023.74
Subtotal of cash outflows from operating activities		143,612,283,648.14	135,491,133,459.89
Net cash flows from operating activities		44,935,632,337.04	22,374,597,192.37
II. Cash flows from investment activities:			
Cash received from the recovery of investment		21,792,641,532.16	6,392,709,278.47
Cash received from return on investment		761,944,706.94	100,686,978.57
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		1,518,775,880.59	6,678.00
Net cash received from the disposal of subsidiaries and other business units			
Other cash received related to investment activities		17,579,810,310.30	3,859,149,215.21
Subtotal of cash inflows from investment activities		41,653,172,429.99	10,352,552,150.25
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		535,255,593.94	1,310,618,056.46
Cash paid for investments		81,994,120,506.79	13,307,412,872.29
Net cash paid for acquisition of subsidiaries and other business units			2,423,031,350.00
Other cash paid related to investment activities		4,190,445,611.95	27,971,602,744.39
Subtotal of cash outflows from investment activities		86,719,821,712.68	45,012,665,023.14
Net cash flows from investment activities		-45,066,649,282.69	-34,660,112,872.89
III. Cash flows from financing activities:			
Cash received from absorbing investment			
Cash received from borrowings		53,605,339,999.39	72,179,295,627.37
Other cash received related to financing activities		9,273,478,862.85	2,320,913,943.00
Subtotal of cash inflows from financing activities		62,878,818,862.24	74,500,209,570.37
Cash repayments of amounts borrowed		55,186,410,550.58	29,745,813,719.56
Cash paid for dividend and profit distribution or interest payment		13,409,157,688.67	18,022,950,452.52
Other cash paid related to financing activities		3,390,981,384.42	15,019,655,898.35
Subtotal of cash outflows from financing activities		71,986,549,623.67	62,788,420,070.43
Net cash flows from financing activities		-9,107,730,761.43	11,711,789,499.94
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-137,818,393.05	161,480,573.74
V. Net increase in cash and cash equivalents		-9,376,566,100.13	-412,245,606.84
Add: Beginning balance of cash and cash equivalents		19,554,231,293.07	19,966,476,899.91
VI. Ending balance of cash and cash equivalents		10,177,665,192.94	19,554,231,293.07

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting agency:

Statement of Changes in Shareholders' Equity of Company

January to December, 2023

Prepared by: Gree Electric Appliances, Inc. of Zhuhai Unit: RMB

Item	2023										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total equity
		Preferred share	Perpetual bond	Others							
I. Ending balance of the previous year	5,631,405,741.00				479,849,106.94	5,643,935,587.86	2,390,383,701.31		2,240,943,653.27	52,303,785,737.73	57,402,432,352.39
Add: Changes in accounting policies											
Early error correction											
Others											
II. Beginning balance of the current year	5,631,405,741.00				479,849,106.94	5,643,935,587.86	2,390,383,701.31		2,240,943,653.27	52,303,785,737.73	57,402,432,352.39
III. Increase or decrease in the current year (decrease expressed with "-")					1,413,200,011.24	-701,211,676.42	-1,804,411,596.96		501,445,526.38	18,782,413,513.64	19,593,859,130.72
(I) Total comprehensive income							-1,393,059,564.60			27,048,972,857.62	25,655,913,293.02
(II) Capital invested and reduced by shareholders					1,413,200,011.24	-701,211,676.42			2,244,112,466.83	-313,766,812.32	-443,467,591.49
1. Ordinary shares invested by shareholders											
2. Capital invested by holders of other equity instruments											
3. Amount of share-based payments recognized in shareholders' equity					1,413,200,011.24						1,413,200,011.24
4. Others						-701,211,676.42			-	-313,766,812.32	-1,856,667,602.73
(III) Profit distribution									2,244,112,466.83	-8,318,738,898.76	-5,613,841,613.00
1. Withdrawal of surplus reserves									2,704,897,285.76	-2,704,897,285.76	
2. Distribution to shareholders										-5,613,841,613.00	-5,613,841,613.00
3. Others											
(IV) Internal carry-over of shareholders' equity							-411,352,032.36		40,660,707.45	365,946,367.10	-4,744,957.81
1. Transfer of capital reserves into capital (or share capital)											
2. Transfer of surplus reserves into capital (or share capital)											
3. Surplus reserves for making up losses											
4. Changes in defined benefit plan carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings							-411,352,032.36		40,660,707.45	365,946,367.10	-4,744,957.81
6. Others											
(V) Special reserves											
1. Withdrawal in the current period											
2. Amount used in the current period											
(VI) Others											
IV. Ending balance of this year	5,631,405,741.00				1,893,049,118.18	4,942,723,911.44	585,972,104.35		2,742,389,179.65	71,086,199,251.37	76,996,291,483.11

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Statement of Changes in Shareholders' Equity of Company (Continued)

January to December, 2023

Prepared by: Gree Electric Appliances, Inc. of Zhuhai Unit: RMB

Item	2022										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total equity
		Preferred share	Perpetual bond	Others							
I. Ending balance of the previous year	5,914,469,040.00				109,621,222.84	19,579,646,233.43	11,663,015,593.78		1,983,727,107.74	66,028,087,909.15	66,119,274,640.08
Add: Changes in accounting policies											
Early error correction											
Others											
II. Beginning balance of the current year	5,914,469,040.00				109,621,222.84	19,579,646,233.43	11,663,015,593.78		1,983,727,107.74	66,028,087,909.15	66,119,274,640.08
III. Increase or decrease in the current year (decrease expressed with "-")	-283,063,299.00				370,227,884.10	-13,935,710,645.57	-9,272,631,892.47		257,216,545.53	-13,724,302,171.42	-8,716,842,287.69
(I) Total comprehensive income							-9,231,566,879.24			22,370,701,515.70	13,139,134,636.46
(II) Capital invested and reduced by shareholders	-283,063,299.00				370,227,884.10	-13,935,710,645.57			1,983,727,107.74	-11,668,920,238.83	370,227,884.10
1. Ordinary shares invested by shareholders											
2. Capital invested by holders of other equity instruments											
3. Amount of share-based payments recognized in shareholders' equity					370,227,884.10						370,227,884.10
4. Others	-283,063,299.00					-13,935,710,645.57			1,983,727,107.74	-11,668,920,238.83	
(III) Profit distribution									2,237,070,151.57	-24,460,944,963.57	22,223,874,812.00
1. Withdrawal of surplus reserves									2,237,070,151.57	-2,237,070,151.57	
2. Distribution to shareholders										-22,223,874,812.00	22,223,874,812.00
3. Others											
(IV) Internal carry-over of shareholders' equity							-41,065,013.23		3,873,501.70	34,861,515.28	-2,329,996.25
1. Transfer of capital reserves into capital (or share capital)											
2. Transfer of surplus reserves into capital (or share capital)											
3. Surplus reserves for making up losses											
4. Changes in defined benefit plan carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings							-41,065,013.23		3,873,501.70	34,861,515.28	-2,329,996.25
6. Others											
(V) Special reserves											
1. Withdrawal in the current period											
2. Amount used in the current period											
(VI) Others											
IV. Ending balance of this year	5,631,405,741.00				479,849,106.94	5,643,935,587.86	2,390,383,701.31		2,240,943,653.27	52,303,785,737.73	57,402,432,352.39

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Gree Electric Appliances, Inc. of Zhuhai

Notes to 2023 Financial Statements

I. Basic information of the Company

Gree Electric Appliances, Inc. of Zhuhai (hereinafter referred to as "the Company") was founded in December 1989, with the unified social credit code of 91440400192548256N.

As of December 31, 2023, the registered capital and share capital of the Company was RMB5,631,405,741.00. Please refer to Note "V. 47. Share" capital for details of the share capital.

Registered address, organizational form and address of the Company

The organizational form of the Company: a company limited by shares

The Company's registered address and headquarters address: Room 608, No. 108 Huitong Third Road, Hengqin New Area, Zhuhai

Nature of business and main business activities of the Company

The Company is a manufacturing enterprise mainly engaged in the production and sales of air-conditioners and their accessories, as well as home appliances and their accessories.

Names of the parent company and the ultimate parent company

As of December 31, 2023, the Company had no parent company and no actual controller.

Approved submitter and approved submission date of the financial statements

This financial report was submitted under approval by the Board of Directors of the Company as of April 29, 2024.

II. Preparation basis of financial statements

Preparation basis

The Company prepares the financial statements on the basis of a going concern and according to the transactions and events actually incurred and the disclosure provisions in the *Accounting Standards for Business Enterprises – Basic Standards* (promulgated by the Ministry of Finance Order No. 33, revised by the Ministry of Finance Order No.76) and the specific accounting standards, the Implementation Guide for the Accounting Standards for Business Enterprises, the Interpretations of the Accounting Standards for Business Enterprises and other applicable regulations promulgated and revised by the Ministry of Finance on and after February 15, 2006 (collectively referred to as the "Accounting Standards for Business Enterprises"), as well as the *Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports (Revised in 2023)* promulgated by China Securities Regulatory Commission ("CSRC").

According to the relevant provisions of the Accounting Standards for Business Enterprises, the Company's accounting is based on an accrual basis. Except for certain financial instruments, the financial statements are measured on the basis of historical cost. If an asset is impaired, the corresponding impairment provision shall be made in accordance with relevant regulations.

Going concern

The financial statements were presented on a going-concern basis. The management carefully evaluated factors of the Company in the future 12 months since December 31, 2023 such as the macro policy risk, market operation risk, current and long-term profitability and solvency of the enterprise, financial flexibility, and the management's intention of changing the operation policy, and held that no event can generate significant influence on the Company's ability to continue as a going concern.

III. Major accounting policies and accounting estimates

Specific accounting policies and accounting estimate suggestions:

The Company and its subsidiaries are mainly engaged in the production and sales of air-conditioners and their accessories, as well as home appliances and their accessories. The Company has prepared several specific accounting policies and accounting estimates for transactions and events such as revenue recognition based on the actual production management characteristics and in accordance with provisions of the related Accounting Standards for Business Enterprises. For details, see the detailed description in Note III herein.

Statements regarding observance of the Accounting Standards for Business Enterprises

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for Business Enterprises and give a true and complete view of the financial position of the Company on December 31, 2023, and the related information such as operating results and cash flows in 2023. Besides, the financial statements prepared by the Company, in all the major aspects, also conform to the disclosure requirements of financial statements and their notes in the *Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 revised by the China Securities Regulatory Commission*, as revised in 2023.

Accounting period

The accounting period of the Company includes one year and interim periods. An interim period covers six-month, a quarter and a month. The accounting year of the Company commences on January 1 and ends on December 31 of each year.

Operating cycle

The normal operating cycle refers to the period from the Company's purchase of assets used for processing to achieving of cash or cash equivalent. The Company regards 12 months as one operating cycle and uses it as the liquidity classification standard for assets and liabilities.

Functional currency

RMB is the functional currency used by the Company. Some subsidiaries of the Company adopt currencies other than RMB as the functional currency.

Determination method and selection basis of importance criteria

Item	Importance Criteria
Important receivables with bad debt reserves accrued by individual item	The amount of accrual by individual item accounts for more than 5% of the ending balance of various receivables and the amount is greater than RMB100 million
Recovery or reversal of important receivables bad debt reserves	The single recovery or reversal amount accounts for more than 5% of the ending balance of various receivables and the amount is greater than RMB100 million
Actual write-off of important receivables	The wrote-off amount accounts for more than 5% of the ending balance of various receivables and the amount is greater than RMB100 million
Important advance payments aged over one year	Advance payments aged over one-year account for more than 10% of the ending balance of advance payments and the amount is greater than RMB100 million
Important construction in progress	The ending balance of a single project is greater than RMB100 million
Important accounts payable and other payables aged over one year	Accounts payable/other payables aged over 1 year account for more than 10% of the ending balance of accounts payable/other payables and the amount is greater than RMB100 million
Important contractual liabilities aged over one year	Contractual liabilities aged over 1 year account for more than 10% of the ending balance of contractual liabilities and the amount is greater than RMB100 million
Important non-wholly-owned subsidiaries	Subsidiary's ending net assets/total ending assets/total current profit account for more than 10% of the Company's ending net assets/total ending assets/total current profit
Important joint ventures or associates	The ending book value of long-term equity investments in a single investee accounts for more than 5% of the Company's ending net assets, or the current investment profit and loss under the equity method accounts for more than 10% of the Company's consolidated net profit for the current period
Important investment activities	Individual investment activities account for more than 10% of the total cash inflows or outflows related to received or paid investment activities

Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

Business combination refers to the transaction or event of combining two or more independent enterprises to form a reporting entity. Business combination is classified into business combination involving enterprises under common control and business combination not involving enterprises under common control.

(1) Business combination under common control

A business combination under common control is a business combination in which the enterprises participating in the combination are ultimately controlled by the same party or parties before and after the combination, and the control is not temporary. For business combinations involving enterprises under common control, the party that obtains the right to control other enterprises participating in the combination on the combination date is the combined party, and other enterprises participating in the combination are the combined party. The combination date refers to the date on which the combining party actually obtains the right to control the combined party.

Where business combination involving enterprises under common control arises from one transaction or equities of investees under common control are obtained step by step through multiple transactions and these transactions belong to a package deal, the Company will recognize the cost of combination according to the share of carrying amount of net assets obtained for the combined party in the ultimate controlling party's consolidated financial statements on the combination date. The difference between the carrying amount of the consideration paid for the combination (or total par value of the issued shares) and the combination cost is adjusted to capital reserve; if the capital reserve is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

Costs incurred that are attributable to the business combination made by the Company, including intermediary costs such as the audit fee, legal service charge appraisal and consultation costs, and other related overhead expenses are charged to profits and losses in the period in which they are incurred; the transaction expenses directly attributable to the consideration paid for the combination through the issuance of equity instruments are credited against the capital reserve; if the capital reserve is not sufficient, any excess is adjusted against retained earnings; the transaction expenses directly attributable to the consideration paid for the combination through the issuance of debt instruments are recorded into the initially recognized amount of debt instruments. Where the equities of investees under common control are obtained step by step through multiple transactions to achieve a business combination, but these transactions do not belong to a package deal, the Company will recognize the cost of the combination according to the share of carrying amount of net assets to be enjoyed by the combined party after the combination in the ultimate controlling party's consolidated financial statements on the combination date. The difference between the combination cost and the sum of the carrying amount of long-term equity investments prior to the combination plus the carrying amount of the consideration newly paid for further acquisition of shares on the date of combination is adjusted to capital reserve (capital premium or share capital premium); if the capital reserve is not sufficient to absorb the difference, any excess is adjusted

against retained earnings. For the equity investment held before the date of combination, accounting treatment is not performed temporarily for other comprehensive incomes that are accounted for using the equity method or recognized using financial instruments and accounted according to the measurement standard for recognition. When this investment is disposed of, accounting treatment is conducted using the basis the same as that used by the investee to directly dispose of relevant assets or liabilities directly. For other changes in owners' equities other than the net profits and losses, other comprehensive income and profit distribution in net assets of the investee that are recognized because of accounting using the equity method, accounting treatment is not conducted temporarily; they shall be transferred to the profits and losses of the current period at the time of disposing of this investment.

(2) Business combinations not under common control

A business combination not involving enterprises under common control is a business combination in which all combining enterprises are not ultimately controlled by the same party or parties both before and after the combination. For business combinations not involving enterprises under common control, the party that obtains the right to control other enterprises participating in the combination on the date of combination is the acquiring party, and other enterprises participating in the combination are the acquired party. The date of acquisition refers to the date on which the acquiring party actually obtains the right to control the acquired party.

For the business combination implemented through one transaction, the cost of business combination refers to the fair value of assets paid, liabilities incurred or assumed, and equity securities issued by the Company on the date of acquisition for obtaining the right to control the acquired party. On the date of acquisition, the assets, liabilities and contingent liabilities obtained by the Company from the acquired party are recognized at fair value.

For a business combination realized by two or more transactions of exchange, the accounting treatment for the combination costs shall be made by distinguishing individual financial statements and consolidated financial statements:

In the individual financial statements, where the held shares are accounted using the equity method prior to the date of acquisition, the cost of the combination of the investment is the aggregate of the carrying amount of the equity investment of the acquired party held before the date of acquisition and the investment cost newly increased on the date of acquisition. For other related comprehensive income, accounting treatment is performed during the disposal of the investment using the basis the same as that used by the investee to dispose of relevant assets or liabilities directly; the owner's equity that is recognized due to other changes in owner's equities other than the net profits and losses, other comprehensive income and profit distribution of the investee is accordingly transferred to the profits and losses of the current period at the time of disposing of this investment. Where the equity investment held before the date of acquisition is recognized using financial instruments and undergoes accounting treatment according to the measurement standard, the cost of the combination of the investment is the aggregate of the fair value of the equity investment recognized according to this standard and the newly increased investment cost. The difference between the fair value of the originally held shares and the carrying amount and all the cumulative fair

value changes originally recorded into other comprehensive income are transferred to the investment income of the current period.

In the consolidated financial statements, the shares of the acquired party held before the date of acquisition shall be remeasured based on the fair value of such shares on the date of acquisition, and the difference between their fair value and the carrying amount shall be charged to the investment income of the current period; where the shares of the acquired party held before the date of acquisition involve other comprehensive income under the accounting of the equity method and other changes in owners' equities other than the net profits and losses, other comprehensive income and profit distribution, other comprehensive income and other changes in owners' equities concerned with them shall be transferred to the investment income in the period in which the date of acquisition is included (excluding other comprehensive income arising from changes in the net assets or net liabilities of the benefit plan remeasured and redefined by the investee). The summation of the fair value of the shares of the acquired party held before the date of acquisition on the date of acquisition and newly increased investment costs on the date of acquisition shall be the combination cost of the investment.

Costs incurred that are attributable to the business combination made by the Company, including intermediary costs such as the audit fee, legal service charge, appraisal and consultation costs, and other related overhead expenses are charged to profits and losses in the period in which they are incurred. The transaction expenses directly attributable to the consideration paid for the combination through the issuance of equity instruments are credited against the capital reserve; if the capital reserve is not sufficient, any excess is adjusted against retained earnings; the transaction expenses directly attributable to the consideration paid for the combination through the issuance of debt instruments are recorded into the initially recognized amount of debt instruments.

In the Company, the positive balance between the business combination cost and the fair value of the identifiable net assets obtained by the Company from the acquired party shall be recognized as goodwill and subsequently measured after the accumulated provision for impairment is deducted from the cost; the negative balance between the business combination cost and the fair value of the identifiable net assets obtained by the Company from the acquired party shall be charged to profits and losses of the current period after being checked.

(3) Principle of judging whether multiple transactions are "a package deal"

When the terms and conditions of multiple transactions and the economic impact thereof accord with one or more of the following cases, usually it indicates that these transactions shall undergo accounting treatment as "a package deal":

- 1) These transactions are concluded at the same time or concluded in consideration of mutual influence;
- 2) Only the whole of these transactions can achieve a complete business result;
- 3) The occurrence of one transaction depends on the occurrence of at least one of the other transactions;
- 4) One transaction is not economical when considered separately but economical when taken into account together with other transactions.

Preparation of consolidated financial statements

(1) Principles for determining the scope of consolidated financial statements

The consolidation scope of consolidated financial statements shall be determined on the basis of control. Control means that the Company owns the power to the investee, enjoys variable return by participating relevant activities of the investee, and has the capacity of using the power to the investee to affect its return amount.

(2) Preparation of consolidated financial statements

The Company prepares the consolidated financial statements of the Company are prepared by the Company based on individual financial statements of the Company and subsidiaries and according to other relevant data. During the preparation of consolidated financial statements, the accounting policy and accounting period of the Company shall be consistent with those of subsidiaries, and the inter-company major transactions and balances shall be offset.

For the subsidiary added due to a business combination involving enterprises under common control in the Report Period, the Company adjusts the amount at the beginning of the period in the consolidated balance sheet, incorporates the revenue, expense, and profit of this subsidiary from the beginning of the period for consolidation to the end of the report period into the consolidated profit statement, includes its cash flow into the consolidated cash flow statement, and adjusts relevant items in the comparative statements; for the subsidiary added due to business combination not involving enterprises under common control, the Company does not adjust the amount at the beginning of the period in the consolidated balance sheet, but only incorporates the revenue, expense and profit of this subsidiary from the date of acquisition to the end of the report period into the consolidated profit statement and its cash flow into the consolidated cash flow statement.

The portion of owners' equity of the subsidiaries that isn't attributable to the Company shall be separately presented as the minority equity under the owners' equity in the Consolidated Balance Sheet. The portion of the subsidiary's current net profits and losses attributable to minority equity is presented as the "Minority profits and losses" item in the Consolidated Income Statement. The share of comprehensive income of the subsidiaries in the current period that is attributable to the minority equity shall be presented as the item of "Total comprehensive income attributable to minority shareholders" under the total comprehensive income in the Consolidated Profit Statement. Where the losses of a subsidiary undertaken by minority shareholders exceed the share enjoyed by minority shareholders in the owners' equities of this subsidiary at the beginning of the period, the balance shall still be adjusted against the minority shareholders' equity.

For the acquisition of the subsidiary's shares owned by minority shareholders thereof, in the consolidated financial statements, the difference between the long-term equity investment newly obtained because of the acquisition of minority shareholders' shares and the share of net assets of the subsidiary to be enjoyed and continuously calculated according to the proportion of newly added shares from the acquisition date or consolidation date is adjusted to capital reserve; if the capital reserve is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

For the transaction for which a part of equity investment is **disposed of but** the right to control this subsidiary is not lost, in the consolidated financial statements, the difference between the disposal price and

the share of net assets of the subsidiary to be enjoyed accordingly for disposal of the long-term equity investment and continuously calculated from the acquisition date or consolidation date is adjusted to capital reserve (capital premium or share capital premium); if the capital reserve is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

Where the right to control the original subsidiary is lost due to disposal of a part of equity investment or other reasons, the residual shareholding shall be remeasured at fair value on the date of losing the control right; the result of the sum of the consideration obtained from the equity disposal plus the fair value of residual shareholding, minus the share of net assets of the original subsidiary that should be enjoyed and is continuously calculated according to the original proportion of held shares from the acquisition date, shall be charged to the investment income in the period when the control right is lost, and adjusted against the goodwill at the same time; other comprehensive income related to the original subsidiary's equity investment shall be transferred to the investment income of the current period when the control right is lost.

Where the equity investment for a subsidiary is disposed of step by step through multiple transactions till the control right is lost and all the transactions belong to a package deal, accounting treatment shall be performed for the transactions by deeming all the transactions as one item for disposing of the subsidiary and losing the control right; however, prior to loss of the control right, the difference between every disposal price and the share of net assets of this subsidiary to be enjoyed accordingly for investment disposal shall be recognized as other comprehensive income in the consolidated financial statements and, at the time of losing the control right, be jointly transferred to the profits and losses in the period when the control right is lost.

Where the equity investment for a subsidiary is disposed of step by step through multiple transactions till the control right is lost, and the transactions do not belong to a package deal, all the transactions before the loss of the right to control the subsidiary shall be handled according to the regulations of the Company on partial disposal of the subsidiary's long-term equity investment provided that the Company does not lose the right to control the subsidiary.

This report period does not involve buying-in and selling-out of the same subsidiary's equity or selling-out and buying-in turn.

Classification of joint arrangements and accounting treatment of co-management

Joint arrangement refers to the arrangement for joint control by two or more participants.

(1) Joint arrangement classification

A joint arrangement is classified into co-management and joint venture. Co-management refers to the joint arrangement where the parties to the venture enjoy relevant assets of this arrangement and assume relevant liabilities of this arrangement. A joint venture refers to a joint arrangement where the parties to the venture only enjoy rights to the net assets of this arrangement.

(2) Accounting treatment of co-management

1) The Company recognizes the following items related to the quantum of interest in co-management and performs accounting treatment in accordance with provisions of the corresponding Accounting Standards for Business Enterprises:

- a. Independently held assets, as well as the jointly held assets to be recognized according to the share of the Company;
 - b. Independently undertaken liabilities, as well as the jointly undertaken liabilities to be recognized according to the share of the Company;
 - c. Revenue generated by selling the output share of co-management that is enjoyed by the Company enjoys;
 - d. Revenue that is generated by selling the output during co-management and recognized according to the share of the Company;
 - e. Independently incurred expense, as well as the expense incurred by co-management and recognized according to the share of the Company.
- 2) Where the Company puts assets into or sells assets to the parties to co-management (except that the assets constitute business), before the said assets are sold to a third party by the parties to co-management, the Company recognizes only the part in the profits and losses arising from this transaction that is attributable to other participants in the co-management. In case the put or sold assets involve the asset impairment losses complying with provisions in the *Accounting Standards for Business Enterprises No. 8 – Impairment of Assets*, the Company shall recognize the said loss in full.

Where the Company purchases assets from the parties to co-management (except that the assets constitute business), before said assets are sold to a third party, the Company recognizes only the part in the profits and losses arising from this transaction that is attributable to other participants in the co-management. In case the purchased assets involve asset impairment losses complying with provisions in the *Accounting Standards for Business Enterprises No. 8 – Impairment of Assets*, the Company shall recognize this part of loss according to the share to undertake.

Determination criteria for cash and cash equivalents

The cash refers to the enterprise's money on hand and deposits for payment at any time. Cash equivalents refer to investments held by the enterprise that are short in term (generally referring to those expiring within not more than 3 months from the date of acquisition), high in liquidity, convertible to the known amount of cash and insignificant in risk of change of value.

Foreign currency transactions and translation of financial statements in foreign currency

(1) Method of translation for foreign currency transactions

At the time of initial recognition of a foreign currency transaction of the Company, the amount in the foreign currency shall be translated into the amount in RMB currency at the spot exchange rate of the transaction date (generally referring to the medial rate of foreign exchange quotation published by the People's Bank of China at the date of transaction, the same below).

(2) Treatment of monetary items of foreign currencies and non-monetary items of foreign currencies on the balance sheet date

For the monetary items of foreign currencies, the translation is done according to the spot rate of the balance sheet date. The exchange difference generated from the difference between the spot rate of the current balance sheet date and the time of initial recognition of a foreign currency or the previous balance

sheet date is charged to the profits and losses of the current period except that the exchange difference generated from foreign currency borrowings relating to assets of which the acquisition or production satisfies the capitalization conditions is capitalized in accordance with the Accounting Standards for Business Enterprises No. 17 – Borrowing Costs. For the non-monetary items of foreign currencies measured by historical cost, translation is done according to the spot rate of the transaction date without change in their amount in functional currency. Non-monetary items of foreign currencies such as shares and funds measured at fair value are translated as per the spot rate on the date when their fair value is confirmed. The differences between the translated amounts in functional currency and the original amounts in functional currency are recorded into current profits and losses as fluctuations in fair value (including fluctuation in exchange rates).

(3) Translation of foreign currency financial statements

The Company translates the financial statements expressed in foreign currency into ones expressed in RMB currency according to the following provisions.

The assets and liabilities in the balance sheet shall be converted at the spot exchange rate on the balance sheet date, except for the "undistributed profits" item. Other items of owners' equity are converted at the spot exchange rate at the time of occurrence. The asset and liability items in the balance sheets shall be translated at an average exchange rate. The difference arising from the translation of financial statements in foreign currency generated by the above method shall be separately presented under the owner's equity item in the balance sheet. The foreign currency cash flow statement shall be translated at the average exchange rate on the cash flow date. The amount of influence of the exchange rate change on cash shall be presented separately under the adjusted item in the cash flow statement.

Financial instruments

A financial asset or financial liability can be recognized when the Company becomes one party of financial instrument contract.

(1) Classification, recognition, and measurement of financial assets

According to the business mode for management of the financial assets and the characteristics of the contractual cash flows of the financial assets, the Company classifies the financial assets as financial assets measured at amortized cost; financial assets measured at fair value with changes included in other comprehensive income; financial assets measured at fair value with changes included in the current profits and losses.

The financial assets initially recognized by the Company shall be measured at fair value. For the financial assets measured at fair value with changes included in the current profits and losses, the transaction expenses thereof are directly included in the current profits and losses; for other categories of financial assets, the transaction expenses thereof are included in the initially recognized amount. For the accounts receivable or notes receivable arising from the sale of products or the provision of services, which do not include or consider significant financing components, the initial recognition amount is based on the expected amount of consideration that the Company is entitled to receive.

1) Financial assets measured at amortization costs

The Company's business model for managing financial assets measured at amortization cost is to collect contractual cash flows, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing arrangements, that is, cash flows generated on a specific date, are for the payment of principal and interest based on the outstanding principal amount. The Company adopts the effective interest rate method for such financial assets and performs subsequent measurement based on amortization cost. The gains or losses arising from their amortization or impairment are included in the current profits and losses.

2) Financial assets measured at fair value with changes included in other comprehensive income

The Company's business model for managing such financial assets aims at the collection of contractual cash flows and sales, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements. The company measures such financial assets at fair value and their changes are recognized in other comprehensive income, but impairment losses or gains, exchange profits and losses, and interest income calculated using the effective interest rate method are recognized in the current profits and losses.

In addition, the Company designates some non-transaction equity instrument investments as financial assets measured at fair value with changes included in other comprehensive income. The Company includes the relevant dividend income of such financial assets in the current profits and losses with changes in fair value included in other comprehensive income. When the financial assets are derecognized, the cumulative gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained income but will not be included in the current profits and losses.

3) Financial assets measured at fair value with changes included in other comprehensive income

The Company classifies financial assets other than those measured at amortized cost and those measured at fair value with changes included in other comprehensive income as financial assets measured at fair value with changes included in the current profits and losses. In addition, in the initial recognition, in order to eliminate or significantly reduce the accounting mismatch, the Company designated some financial assets as financial assets measured at fair value with changes included in the current profits and losses. For such financial assets, the Company uses fair value for subsequent measurement, and the changes in fair value are included in the current profits and losses.

(2) Classification, recognition, and measurement of financial liabilities

Financial liabilities are initially classified as financial liabilities measured at fair value with changes included in the current profits and losses and other financial liabilities. For the financial liabilities measured at fair value with changes included in the current profits and losses, the transaction expenses thereof are directly included in the current profits and losses; for other financial liabilities, the transaction expenses thereof are included in the initially recognized amount.

1) Financial liabilities are measured at fair value with changes included in the current profits and losses

Financial liabilities are measured at fair value with changes included in the current profits and losses, including transaction financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated at initial recognition as measured at fair value with changes included in the current

profits and losses.

Transaction financial liabilities (including derivatives that are financial liabilities) are subsequently measured at fair value with changes included in the current profits and losses, except for those related to hedge accounting.

For financial liabilities designated as those measured at fair value at the initial recognition with changes included in the current profits and losses, the changes of fair value caused by changes in the Company's own credit risk are included in other comprehensive income, and when the liabilities are derecognized, the cumulative changes in fair value caused by changes in own credit risk included in other comprehensive income are transferred to retained earnings. Other changes in fair value are included in current profits and losses. Suppose the accounting mismatch in profits and losses may be caused or expanded as the effects of changes in the own credit risk of such financial liabilities are processed in the above manner. In that case, the Company will include all gains or losses of such financial liabilities (including the amount affected by changes in the Company's own credit risk) included in the current profit and loss.

2) Other financial liabilities

Except for financial liabilities and financial guarantee contracts formed by the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost and are subsequently measured at amortized cost. Gains or losses arising from derecognition or amortization are included in the current profits and losses.

(3) Basis for the recognition and method for the measurement of financial assets

Financial assets that meet one of the following conditions shall be derecognized:

- 1) The contract right to receive the cash flow of the financial assets is terminated;
- 2) The financial assets have been transferred, and almost all the risks and rewards of ownership of the financial assets are transferred to the transferring party;
- 3) The financial assets have been transferred. Although the enterprise has neither transferred nor retained almost all the risks and rewards of the ownership of the financial assets, it has given up control over the financial assets.

Suppose the enterprise has neither transferred nor retained almost all the risks and rewards of the ownership of the financial assets, and has not given up control over the financial assets. In that case, the relevant financial assets shall be recognized according to the extent of continued involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly. The degree of continued participation involvement in the transferred financial assets refers to the level of risk faced by the enterprise due to changes in the value of the financial assets.

Suppose the overall transfer of financial assets meets the conditions for derecognition. In that case, the difference between the book value of the transferred financial assets and the sum of the consideration received due to the transfer and the cumulative amount of changes in fair value originally included in other comprehensive income is included in the current profits and losses.

Suppose the partial transfer of financial assets satisfies the conditions for derecognition. In that case, the

book value of the transferred financial assets will be apportioned between the portion derecognized, and the portion not derecognized according to their relative fair values, and the difference between the sum of the consideration received for the transfer and the amount of cumulative changes in the fair value which was previously directly recognized in owner's equity and which should be apportioned to the portion derecognized. The above book amount apportioned will be included in the current profits and losses.

The Company must determine whether almost all the risks and rewards of ownership of the financial assets have been transferred before endorsing the transfer of financial assets sold by means of recourse and financial assets held. If almost all the risks and rewards of ownership of the financial asset have been transferred to the transferee, the financial asset will be derecognized; if the risks and rewards of the ownership of the financial asset have been retained, the financial asset will not be derecognized; if almost all the risks and rewards of ownership of the financial asset have not been transferred or retained, the enterprise needs to continue to determine whether it retains control over the asset and performs accounting treatment in accordance with the principles described in the preceding paragraphs.

(4) Derecognition of financial liabilities

If the present obligation for a financial liability has been fully or partially discharged, the financial liability or the relevant portion thereof will be derecognized. Suppose the Company (borrower) signs an agreement with the lender to replace the original financial liability by assuming a new financial liability, and the contract terms of the new financial liability and the original financial liability are substantially different. In that case, original financial liability will be derecognized, and the new financial liability will be recognized at the same time. Suppose a material amendment is made to the contractual terms for the original financial liability or the relevant portion thereof. In that case, the original financial liability will be derecognized, and the new financial liability will be recognized according to the amended terms at the same time.

If the financial liability or the relevant portion thereof is derecognized, the difference between the book value of the financial liability derecognized, and the consideration paid for it (including the non-cash asset transferred or the liability assumed) will be included in the current profits and losses.

(5) Offsetting financial assets with financial liabilities

When the Company has the legal right to offset the financial asset and the financial liability with the recognized amount, and such legal rights are currently enforceable, and the Company plans to settle in the net or simultaneously realize the financial asset and liquidate the financial liability, the financial asset and the financial liability will be presented in the balance sheet in net amounts after mutual offset. In addition, financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other.

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

Fair value refers to the price that a market participant can receive for the sale of an asset or need to pay for the transfer of a liability in the orderly transaction that occurs on the measurement date. For financial instruments for which there is an active market, the fair value thereof will be determined by the Company based on the quotation in the active market. Quotation in the active market refers to the price that is easily obtained from exchanges, brokers, industry associations, pricing service agencies, etc., on a regular basis,

and represents the price of market transactions that actually occur in fair trading. For financial instruments for which there is no active market, the fair value thereof will be determined by the Company using valuation techniques. The value appraisal techniques include the prices adopted by the parties, who are familiar with the condition in the latest market transaction of their own free will, the current fair value obtained by referring to other financial instruments of the same essential nature, the cash flow capitalization method and the option pricing model, etc. At the time of valuation, the Company adopts a valuation technique that is applicable in the current circumstances and that there is sufficient available data and other information to support, selects the input values consistent with the asset or liability characteristics considered by the market participants in the transaction of the underlying asset or liability, and as far as possible uses relevant observable input values. Unobservable input values are used where the relevant observable input values are not available or are not practicable.

(7) Equity instruments

Equity instruments refer to contracts that can prove ownership of the residual equity in assets of the Company after deduction of all the liabilities. The Company treats issues (including refinancing), repurchases, sale or cancellation of equity instruments as changes in equity, and transaction expenses related to equity transactions are deducted from equity. The Company does not recognize changes in the fair value of equity instruments.

If the Company's equity instruments distribute dividends (including "interest" generated by instruments classified as equity instruments) during the existence period, such dividends will be treated as profit distribution.

Impairment of financial assets

Financial assets of which the Company needs to recognize impairment losses include financial assets measured at amortization cost and debt instrument investments measured at fair value with changes included in other comprehensive income, mainly including notes receivable, receivables financing, accounts receivable, contract assets, other receivables, loans and advances, debt investment, other debt investment, long-term receivables, etc.

(1) Recognition methods of provision for impairment

Based on the expected credit loss, the Company makes an impairment provision. It recognizes credit impairment loss according to the applicable expected credit loss measurement method (general method or simplified method) for the above items.

Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Among them, for purchased or originated credit-impaired financial assets, the Company discounts the difference at the credit-adjusted effective interest rate of the financial assets.

The general method for measuring expected credit losses is that the Company assesses on each balance sheet date whether the credit risk of financial assets has increased significantly since initial recognition. If the credit risk has increased significantly since initial recognition, the Company measures the loss

provisions according to the amount equal to lifetime expected credit losses. If the credit risk has not increased significantly since initial recognition, the Company measures the loss provisions according to the amount equal to 12-month expected credit losses. The Company considers all reasonable and valid information, including forward-looking information, when assessing expected credit losses.

For financial instruments with lower credit risk on the balance sheet date, the Company assumes that their credit risk has not increased significantly since initial recognition.

(2) Judgment standards for whether the credit risks have increased significantly since the initial recognition

Suppose the probability of default of a financial asset in the expected lifetime determined on the balance sheet date is significantly higher than the probability of default in the expected lifetime determined at the time of initial recognition. In that case, it indicates that the credit risk of the financial asset has increased significantly. Except for special circumstances, the Company uses the change in default risk that occurs within the next 12 months as a reasonable estimate of the change in default risk that occurs throughout the lifetime to determine whether the credit risk has increased significantly since initial recognition.

(3) Assessment methods of the expected credit risks based on combinations

The Company assesses the credit risks of the financial assets with significantly different credit risks respectively, such as accounts receivable from disputes with the other party or litigation and arbitration and receivables with obvious signs indicating that the debtor is likely to be unable to fulfill the repayment obligation, etc.

In addition to the financial assets whose credit risks are assessed respectively, the Company divides the financial assets into different combinations based on their common risk characteristics. It assesses the credit risks on the basis of combinations.

(4) Accounting treatment methods for financial assets impairment

At the end of the period, the Company calculates the estimated credit losses of various financial assets. If the estimated credit losses are greater than the book value of the current impairment provisions, the difference is recognized as an impairment loss; if the estimated credit losses are smaller than the book value of the current impairment provisions, the difference is recognized as an impairment gain.

(5) Recognition methods of the credit losses of all kinds of financial assets

1) Notes receivable and receivables financing – notes receivable

For notes receivable and receivables financing – notes receivable, the Company measures the loss reserves according to the amount of the expected credit losses during the whole duration. Based on the credit risk characteristics of notes receivable and receivables financing – notes receivable, financial assets are divided into different combinations:

Item	Basis for recognition of combinations
Banker's acceptance bill	The acceptor is a banking institution
Financial company acceptance bill	The acceptor is a financial company

Item	Basis for recognition of combinations
Trade acceptance draft	The acceptor is a company other than a bank institution or financial company

2) Accounts receivable, receivables financing – accounts receivable and contract assets

For accounts receivable that do not contain significant financing components, accounts receivable that contain significant financing components, receivables financing – accounts receivable, and contract assets, the Company measures loss reserves based on an expected credit loss amount equivalent to the entire duration. Expected credit losses related to contract assets are included in asset impairment losses.

In addition to accounts receivable of which credit risk is individually assessed, the Company divides accounts receivable into different combinations based on their credit risk characteristics:

Item	Basis for recognition of combinations
Combination 1: Account age combination	The combination takes the account age of accounts receivable as the basis for the combination
Combination 2: Low risk combination	The combination takes the dismantling subsidy of waste electrical and electronic products receivable from government departments and new energy vehicle subsidies as the basis for the combination
Combination 3: No risk combination	The combination takes the receivables from related units within the scope of consolidation as the basis for the combination

3) Disbursement of loans and advances

The Company measures impairment losses using an amount equivalent to 12-month or lifetime expected credit losses, based on whether the credit risk of disbursement of loans and advances has increased significantly since initial recognition.

4) Other receivables

The Company measures impairment losses using an amount equivalent to 12-month or lifetime expected credit losses based on whether the credit risk of other receivables has increased significantly since initial recognition. In addition to other receivables of which credit risk is individually assessed, the Company divides other receivables into different combinations based on their credit risk characteristics:

Item	Basis for recognition of combinations
Combination 1: Account age combination	The combination takes the account age of other receivables as the basis for the combination
Combination 2: Low risk combination	The combination takes the receivable government grain deposits as the basis for the combination
Combination 3: No risk combination	The combination takes the receivables from related units within the scope of consolidation as the basis for the combination

5) Debt investment

Debt investment mainly accounts for bond investment measured at amortization cost. The Company measures impairment losses using an amount equivalent to 12-month or lifetime expected credit losses based on whether the credit risk of other debt investments has increased significantly since initial recognition.

6) Other debt investments

Other debt investments mainly account for the debt instrument investments measured at fair value with changes included in other comprehensive income. The Company measures impairment losses using an

amount equivalent to 12-month or lifetime expected credit losses based on whether the credit risk of other debt investments has increased significantly since initial recognition.

7) Long-term receivables

The Company's long-term receivables are incomes from the sales of goods collected in installments. The Company measures the loss reserves according to the amount of the expected credit losses during the whole duration.

Receivables financing

For notes receivable and accounts receivable classified as measured at fair value and of which changes are included in other comprehensive income, the portion within one year (including one year) from the date of acquisition is presented as receivables financing, while the portion beyond one year is presented as other debt investment. For related accounting policies, please refer to Note "III. 11. Financial instruments" and Note "III. 12. Impairment of financial assets".

Inventory

(1) Inventory classification

The Company's inventories mainly include raw materials, work in progress and contract performance costs, finished products, development costs, and development products.

Development cost refers to the property that has not been completed and is for sale; the Company accounts for the land use rights purchased and used for commercial housing development as the development cost.

Development product refers to the property that has been completed and is to be sold.

(2) Valuation method for delivered inventories

The Company mainly adopts the planned cost method for inventory accounting, while some subsidiaries adopt the actual cost method for inventory accounting.

Inventories accounted for with the planned cost method are valued at planned cost upon shipment, and at the end of the month, the planned cost is adjusted to the actual cost based on the cost difference of the current month; inventories accounted for using the actual cost method mainly use the weighted average method at the end of each month to value the issued inventory.

Development cost and product development costs include land transfer fees, infrastructure expenditures, construction and installation engineering expenditures, borrowing costs incurred before the development project is completed, and other related costs incurred in development. When carrying forward the cost for product development, the total cost is allocated between the sold and unsold properties in proportion to the construction area.

(3) Basis for determining the net realizable value of inventory and accrual method for inventory depreciation reserves

At the balance sheet date, inventories are measured at the lower cost and net realizable value. If the cost of inventories is higher than the net realizable value, a provision for the decline in the value of inventories shall be made and shall be recorded in the profits and losses of the current period, whereas a provision for the decline in the value of inventories has been made, if the value of the said inventories is resumed later,

the said value shall be transferred back from the provision for the decline in value of the inventories. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes.

(4) Inventory system

The Company's inventory adopts the perpetual inventory system.

(5) Amortization methods of low-value consumables and packing materials

Low-value consumables and packing materials are written off in full when issued for use.

Contract assets

The Company presented the right to collect payments from customers which the customers have not yet paid the contract consideration. While the Company has fulfilled its performance obligations in accordance with the contract, and which is not unconditional (that is, only depending on the passage of time) as contract assets in the balance sheet. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

For the determination and accounting treatment of expected credit losses of contract assets, please refer to Note "III. 12. Impairment of financial assets".

Contract costs

(1) Determination of asset amount related to contract costs

The Company's asset related to contract costs includes contract acquisition cost and contract obtain cost.

If the incremental cost incurred by the Company to obtain the contract is expected to be recovered, it will be recognized as an asset as the contract acquisition cost. However, if the amortization period of the asset does not exceed one year, it will be included in current profits and losses when it is incurred.

If the cost incurred by the Company for the performance of the contract does not fall within the scope specified in the accounting standards for business enterprises other than the *Accounting Standards for Business Enterprises No. 14 – Revenues (Revised in 2017)*, it shall be recognized as an asset as the contract performance cost when the following conditions are met simultaneously: ① the cost is directly related to a current or expected contract, including direct labor cost, direct material cost, manufacturing expense (or similar expense), cost clearly borne by the customer, and other costs incurred only due to the contract; ② the cost increases the Company's future resources for fulfilling its performance obligations; and ③ the cost is expected to be recovered.

(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 goods income related to the asset and included in the current profits and losses.

(3) Impairment of assets related to contract costs

When recognizing the impairment loss of assets related to the contract cost, the Company shall first recognize the impairment loss of other assets related to the contract and recognized in accordance with other relevant corporate accounting standards; then, based on the fact that the book value is higher than the difference between the residual consideration expected to be obtained by the Company due to the transfer

of the goods related to the asset and the estimated cost to be incurred for the transfer of the relevant goods, the excess part shall be withdrawn for impairment provision and recognized as asset impairment losses.

If the depreciation factors in the previous period change later, causing the aforementioned difference above to be higher than the book value of the asset, the Company will transfer back the previously-made provision for impairment and include it in the current profits and losses. While the book value of the asset after transferring back can not exceed the book value of the asset at the date of transferring back under the assumption that no provision is made for the impairment.

Assets held for sale

(1) Recognition standard

Where the Company recovers its book value by selling (including the non-monetary asset exchange with commercial substance; it is the same below), not continuously using a non-current asset or disposal group, it shall be classified into the category of assets held for sale. The non-current asset or disposal group to be classified into the category of assets held for sale shall meet the following conditions at the same time:

According to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under the current circumstances;

Selling is extremely likely to happen. That is to say that the Company has made the decision to a selling plan and has obtained recognized purchase commitment and selling is expected to be completed within one year. If it can be sold only after being approved by the relevant authority organization or supervision department of the Company according to relevant requirements, it should have been approved. Recognized purchase commitment refers to a purchase agreement with a legally binding force that the Company concludes with other parties, which includes important clauses of the transaction price, time and enough strict default punishment, etc., with which the possibility to lead to major adjustment or cancellation of agreement is tiny.

The non-current asset or disposal group acquired by the Company for resale shall be classified as the held for sale on the acquisition date if it meets the requirements of “expected to be sold within one year” on the acquisition date, and it is likely to meet the other classification conditions for holding for sale in the short term (usually three months).

The disposal group refers to a group of assets that are disposed of as a whole in a transaction through sale or other means, and the liabilities that are directly related to these assets and transferred in the transaction. Where the goodwill obtained in the merger of enterprises is apportioned for the asset group or asset group combination to which the disposal group belongs according to *Accounting Standards for Enterprises No.8 – Impairment of Assets*, this disposal group should contain the goodwill apportioned to the disposal group.

(2) Accounting treatment

For the non-current asset and disposal group that is classified as the category held for sale, the Company carries out initial measurement or re-measurement according to the smaller result of the net value of the book value and the fair value minus the net amount of the disposal expense. Where the net value of the fair value minus the disposal cost is lower than the original book value, the difference is confirmed as assets impairment losses and included in the current profits and losses, and the provision for impairment of the

assets held for sale is made at the same time; for the amount of assets impairment losses confirmed by the disposal group held for sale, the book value of the goodwill in the disposal group is deducted first, and then its book value is deducted in proportion according to the ratios of the book values of various non-current assets applicable to the measurement of the category held for sales in the disposal group.

Where the net value of the fair value of non-current assets held for sale on the balance sheet date minus the selling expense increases subsequently, the previous write-down amount is restored and will be transferred back in the amount of assets impairment loss after classification as the category held for sales is confirmed, and the amount transferred back shall be included in the current profits and losses. Asset impairment losses recognized before the classification are not transferred back.

Where the net value of the fair value of the disposal group held for sale on the balance sheet date minus the selling expense increases subsequently, the previous write-down amount is restored and will be transferred back in the amount of asset impairment losses confirmed for non-current assets applicable to the measurement provisions of the category held for sale after classification as the category held for sales, and the amount transferred back shall be included in the current profits and losses.

For the deducted book value of goodwill and the non-current assets applicable to the measurement provisions of the category held for sale, the asset impairment losses confirmed before classification as the category held for sales shall not be transferred back. For the amount subsequently transferred back for asset impairment losses recognized in the disposal group held for sale, its book value is increased in proportion according to the ratios of the book values of various non-current assets applicable to measurement provisions of the category held for sales in the disposal group excluding the goodwill. The non-current assets held for sale or non-current assets in the disposal group are not made for provision for impairment or amortized, and the interests on debts and other expenses in the disposal group held for sale will be confirmed continuously.

The measurement methods of the category held for sale do not apply to the deferred income tax assets, financial assets complying with the specifications of *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments*, investment real estate and biological assets measured at fair value, contract rights produced in the insurance contract, and the assets produced in the welfare of the workers, and they are measured according to the relevant criteria or corresponding accounting policies formulated by the Company. Where the disposal group contains the non-current assets applicable to the measurement method of the category held for sale, the measurement method of the category held for sale is applicable to the whole disposal group. The related accounting standards apply to the measurement of liabilities in the disposal group.

When the non-current assets or disposal group is removed from the disposal group held for sale because it does not meet the classification condition of the category held for sale anymore and will not be classified as the category held for sale or non-current assets, it shall be measured according to the smaller one of the following two:

- 1) In the case of the book value before being classified into the held for sale category, the amount adjusted according to the depreciation, amortization or impairment that should have been recognized under the

assumption that it is not classified as held for sale category;

2) Recoverable amount.

Long-term equity investments

The long-term equity investments mainly include the equity investment held by the Company that can take control over the investee and have a significant impact, as well as the equity investment in its joint venture.

(1) Judgment standards of control and significant influence

Judgment standards of control:

- 1) The Company owns the power to the investee;
- 2) The Company enjoys variable returns by participating in relevant activities of the investee;
- 3) The Company is able to use the power over the investee to influence the Company's return amount;
- 4) The Company acknowledges the control force for the investee that meets the above three conditions.

Judgment standards of significant influence:

- 1) The Company has the power to participate in the decision-making of the investee's financial and operating policies, but does not control, or jointly control the formulation of these policies with other parties;
- 2) Where the Company is able to exert a significant impact on the investee, it is the associated enterprise of the Company;
- 3) The investee under common control by the Company and other participants is a joint venture of the Company. Common control means that any participant cannot independently control this arrangement, and any participant with the right to common control of this arrangement can prevent other participants or the combination of participants from independently controlling this arrangement.

(2) Determination of the investment cost of the long-term equity investment

The long-term equity investment of the Company is measured at the investment cost at the time of acquisition. Typically, the investment cost refers to the assets paid, liabilities incurred or undertaken, and the fair value of equity securities issued for the acquisition of this investment, including the costs directly attributable to the acquisition. However, for the long-term equity investment formed by a business combination involving enterprises under common control, the investment cost is the share of the carrying amount of the combined party's net assets acquired on the combination date in the ultimate controlling party's consolidated financial statements.

(3) Subsequent measurement of long-term equity investments and methods of profits and losses recognition

The Company adopts the cost method to calculate the long-term equity investment that can control the investee and the equity method to calculate the investment of associated enterprise and joint venture.

The price of a long-term equity investment accounted for by employing the cost method shall be included in its initial investment cost. If there are additional investments or disinvestments, the cost of the long-term equity investment shall be adjusted. The cash dividends or profits declared to be distributed by the investee shall be recognized as investment income and charged to profits and losses of the current period.

When the Company employs the equity method for accounting for the long-term equity investment, if the

investment cost of a long-term equity investment is more than the investing enterprise's attributable share of the fair value of the investee's identifiable net assets for the investment, the investment cost of the long-term equity investment may not be adjusted; if the investment cost of a long-term equity investment is less than the investing enterprise's attributable share of the fair value of the investee's identifiable net assets for the investment, the carrying amount of the long-term equity investment shall be adjusted. The difference shall be recorded in the profits and losses of the current period.

When the Company employs the equity method for accounting for the long-term equity investment, the Company first adjusts the investee's net profits and losses and other comprehensive income in aspects such as the fair value of the investee's identifiable net assets at the time of investment acquisition, accounting policy and accounting period. Then it recognizes the current-period investment profits and losses and other comprehensive income based on the net profits and losses and other comprehensive income shares of the investee that should be enjoyed or shared. For other changes in owners' equities other than the net profits and losses, other comprehensive income, and profit distribution, the carrying amount of the long-term equity investment shall be adjusted and recorded into the owners' equities.

For the unrealized internal transaction profits and losses that arise between the Company and the associates and joint ventures, the part attributable to the Company shall be calculated according to the shareholding proportion, and the investment profits and losses shall be recognized on the basis of offsetting.

For the long-term equity investments held already prior to January 1, 2007 for the associates and joint ventures, if there is any equity investment difference on the debit side, the investment profits and losses shall be recognized after deduction of the equity investment difference on the debit side amortized by the straight-line method according to the original residual maturity.

(4) Recognition of common control and significant influences on the investee

Common control is recognized as the control that does not exist unless the investing parties unanimously agree on sharing the control power over the relevant important financial and operating decisions of the investee according to the provisions of the contract.

Significant influences will be recognized where there is power to participate in making decisions on the financial and operating policies of the investee but not to control or do joint control together with other parties over the formulation of these policies. When the Company holds more than 20.00% (inclusive) but less than 50.00% of voting shares of the investee directly or indirectly through a subsidiary, significant influences on the investee shall be recognized unless there is clear evidence indicating that the Company cannot participate in production and management decision-making of the investee in this situation and therefore cannot generate significant influences; if the Company holds less than 20.00% (exclusive) of voting shares of the investee, usually the Company is not deemed to have a significant influence on the investee, unless there is clear evidence indicating that the Company can participate in production and management decision-making of the investee in this situation and therefore can generate significant influences.

(5) Conversion of accounting method of long-term equity investment

Where the equity investment originally held by the Company, which is unable to control, is not under

common control with or has no significant influences on the invested entity, is converted into an investment for an associate or joint venture due to additional investment, the investment shall be accounted by the equity method instead, and the Company shall use the fair value of the original equity investment plus the fair value of the consideration paid to acquire the newly added investment as the initial investment cost accounted by the equity method instead. The difference between the fair value and carrying amount of the originally held equity investment prior to the additional investment and the cumulative fair value changes originally recorded into other comprehensive income shall be transferred to the current-period profits and losses accounted by the equity method instead.

For the originally held investments for associates and joint ventures, if they are not able to be under common control with or have significant influences on the invested entity, if they are not able to be under common control with or have significant influences on the invested entity due to reasons such as partial disposal, accounting treatment must be performed for residual equity investments according to the recognition and measurement standards for financial instruments. The difference between the fair value and carrying amount on the date on which the common control or significant influence is lost shall be charged to profits and losses of the current period. When accounting based on the equity method is terminated for other related comprehensive income originally subject to accounting of equity method, accounting treatment is performed using the basis the same as that used by the investee to directly dispose of relevant assets or liabilities directly; all the owners' equities that are recognized due to other changes in owners' equities other than the net profits and losses, other comprehensive income and profit distribution of the investee shall be transferred to the profits and losses of the current period when accounting based on the equity method is terminated.

Where the originally held investments for associates or joint ventures are converted to investments for subsidiaries due to additional investment, in the individual financial statements, the sum of the carrying value of the acquired party's equity investment held prior to the acquisition date and the investment cost newly added on the acquisition date shall be used as the initial investment cost of such an investment; for the equity investment held prior to the acquisition date, other comprehensive income recognized due to accounting of the equity method shall undergo accounting treatment using the basis the same as that used by the investee to directly dispose of relevant assets or liabilities when such an investment is disposed of.

When the influencing capability of the investee is converted from control to a significant influence or common control together with other investors due to investment disposal, the long-term equity investment cost, for which recognition shall be terminated, is first carried over according to the proportion of investment disposal. On such a basis, the remaining long-term equity investment cost is compared with the share attributable to the Company in the fair value of the investee's identifiable net assets at the time of original investment, which is calculated according to the remaining shareholding proportion. For the goodwill part to be embodied in the investment evaluation, the carrying amount of long-term equity investment shall not be adjusted; where the investment cost is less than the share attributable to the Company in the fair value of the investee's identifiable net assets at the time of original investment, any excess shall be adjusted against retained earnings when the long-term equity investment cost is adjusted.

For the share attributable to the Company in the investee's realized net profits and losses between acquisition of the original investment and conversion to accounting of the equity method due to investment disposal, the carrying amount of the long-term equity investment shall be adjusted, meanwhile, any excess shall be adjusted against retained earnings for the share attributable to the Company in the investee's realized net profits and losses (excluding the cash dividends or profits distributed or declared to distribute) from acquisition of the original investment to the beginning of the period in which the investment is disposed of, and the current-period profits and losses shall be adjusted for the share attributable to the Company in the investee's realized net profits and losses from the beginning of the period in which the investment is disposed of to the investment disposal date; the share attributable to the Company in the invested entity's changes in other comprehensive income shall be recorded into other comprehensive income when the carrying amount of the long-term equity investment is adjusted; the share attributable to the Company in the investee's other changes in owners' equities arising from reasons other than the net profits and losses, other comprehensive income and profit distribution shall be recorded into "Capital reserves – other capital reserves" when the carrying amount of the long-term equity investment is adjusted. After the cost method is converted to the equity method for the long-term equity investment, the share attributable to the Company in the investee's realized net profits and losses, other comprehensive income, and other changes in owners' equities shall be calculated and recognized according to provisions of the standard in the future period.

For the originally held long-term equity investment that is able to control the investee, if the shareholding proportion declines due to reasons such as partial disposal and the investment cannot be able to control, be under common control with or have significant influences on the investee, accounting treatment must be performed for remaining equity investments according to the recognition and measurement standards for financial instruments. The difference between the fair value and carrying amount on the date of control loss shall be recorded in the investment income of the current period.

In the process of holding the long-term equity investment, if the Company decides to sell all or part of the held equity of the investee in consideration of all aspects, the carrying amount of the long-term equity investment corresponding to the sold equity shall be carried over accordingly. The difference between the selling price and the carrying amount of long-term equity investment for disposal shall be recognized as disposal profits and losses.

If the Company disposes of all the long-term equity investments accounted by the equity method, when accounting based on the equity method is terminated for other related comprehensive income originally subject to accounting of equity method, accounting treatment is performed using the basis the same as that used by the investee to directly dispose of relevant assets or liabilities; all the owners' equities that are recognized due to changes in other owners' equities other than the net profits and losses, other comprehensive income and profit distribution of the investee shall be transferred to the investment income of the current period when accounting based on the equity method is terminated; if a part of the long-term equity investment accounted by the equity method is disposed of and the residual equity is still accounted using the equity method, other related comprehensive income originally subject to accounting of equity

method shall be handled using the basis the same as that used by the investee to directly dispose of relevant assets or liabilities and be carried over by proportion, and the owners' equities that are recognized due to other changes in owners' equities other than the net profits and losses, other comprehensive income and profit distribution of the invested entity shall be carried over to the investment income of the current period according to the proportion.

Investment real estate

The Company's investment real estate includes a land use right that is leased out, a land use right held for transfer upon capital appreciation, and a building that is leased out.

The Company's investment real estate is measured at its cost, and the Company uses the cost model for a subsequent measurement of its investment real estate. The depreciation and amortization of the investment real estate shall be made in accordance with the accounting policies of fixed assets or intangible assets of the Company.

When the Company changes the purpose of the investment real estate, such as for self-use, it shall transfer the relevant investment real estate to other assets.

See Note “III. 25. Impairment of long-term assets” for the impairment test method and impairment reserve accrual method of investment real estate.

Fixed assets

(1) Recognition standard of fixed assets

The Company's fixed assets refer to tangible assets held for the production of commodities, provision of labor services, lease or operation and management, with a service life exceeding one accounting year. Fixed assets can not be recognized unless they simultaneously meet the conditions as follows:

- 1) The economic interests related to the fixed assets are likely to flow into the enterprise;
- 2) The cost of this fixed asset can be measured reliably.

(2) Measurement of fixed assets

The fixed assets are measured at cost.

- 1) The cost of a purchased fixed asset consists of the purchase price, the relevant taxes, freight, loading and unloading fees, professional service fees, and other expenses that bring the fixed asset to the expected conditions for use and that may be relegated to the fixed asset;
- 2) If the payment for a fixed asset is delayed beyond the normal credit conditions, and it is of financing nature in effect, the cost of the fixed asset shall be recognized based on the present value of the purchase price. The difference between the actual payment and the present value of the purchase price shall be included in the current profits and losses within the credit period, unless it shall be capitalized in accordance with *Accounting Standards No. 17 – Borrowing Costs*.
- 3) The cost of self-constructed fixed assets consists of the necessary expenditures incurred before the assets reach the predetermined usable state;

4) The cost invested in a fixed asset by the investor shall be recognized in accordance with the value as stipulated in the investment contract or agreement, other than those of unfair value as stipulated in the contract or agreement;

5) The costs of fixed assets acquired through the exchange of non-monetary assets, recombination of liabilities, merger of enterprises and lease shall be respectively recognized in accordance with the *Accounting Standards No. 7 – Exchange of Non-monetary Assets*, *Accounting Standards for Enterprises No. 12 – Debt Restructuring*, *Accounting Standards for Enterprises No. 20 – Merger of Enterprises* and *Accounting Standards for Enterprises No. 21 – Leases*.

(3) Classification of fixed assets

The Company's fixed assets are classified into houses and buildings, machinery equipment, electronic equipment and transportation equipment and otherwise.

(4) Depreciation of fixed assets

1) Recognition of depreciation method and service life, expected net salvage value rate and annual depreciation rate:

The depreciation of fixed assets shall be made by the straight-line method. The yearly depreciation rate recognized according to the category, service life and expected net salvage value rate of fixed assets is as follows:

Category of fixed assets	Expected net salvage value rate (%)	Expected service Life (year)	Annual depreciation rate (%)
Houses and buildings	5.00	20.00	4.75
Machinery equipment	5.00	6.00-10.00	9.50-15.83
Electronic equipment	5.00	2.00-3.00	31.67-47.50
Transportation equipment	5.00	3.00-4.00	23.75-31.67
Others	5.00	3.00-5.00	19.00-31.67

Depreciation of fixed assets of which a provision for impairment has been made: For a fixed asset of which a provision for impairment has been made, the depreciation of the fixed asset shall be made based on the amount of deducting its expected net salvage value, depreciation amount and provision for impairment from the original price of the fixed asset and remaining service life of the fixed assets.

For the fixed assets that have reached the intended usable condition but not prepared the final account for completion, their costs shall be recognized at their estimated value, and their depreciation shall be made accordingly; after completion of the final account for completion, the original estimated value of the fixed assets shall be adjusted by their actual costs, but the original depreciation amount does not require adjusting.

2) Check of service life, expected net salvage value, and depreciation method of fixed assets:

The Company shall, at least at the end of each year, have a check on the service life, expected net salvage value, and the depreciation method of the fixed assets. If the Company finds that there is any difference between the expected service life and the previously estimated service life of a fixed asset, the expected service life of the fixed asset shall be adjusted; if there is any difference between the amount of expected net salvage value and the previously estimated amount of the net salvage value, the expected net salvage

value shall be adjusted; if any significant change is made on the form of the realization of the expected economic benefits concerning a fixed asset, the method for the depreciation of the fixed asset shall be changed. If any change is made to the service life, expected net salvage value, and depreciation method of a fixed asset, it shall be regarded as a change in the accounting estimates.

(5) Treatment of subsequent expenditures for fixed assets

Subsequent expenditures incurred on a fixed asset refer to repair expenses, renovation expenses, repair costs, and decoration expenses incurred in the course of the use of the fixed asset. Their accounting treatment is as follows: Where subsequent expenditures of a fixed asset such as renovation expenses meet the conditions of recognizing the fixed asset, they shall be recorded into the cost of the fixed asset, and the carrying amount of the replaced part of the subsequent expenditures shall be deducted; where subsequent expenditures of a fixed asset such as repair costs do not meet the conditions of recognizing the fixed asset, they shall be recorded into the profits and losses of the current period in which they are incurred; where the decoration expenses of a fixed asset meet the conditions of recognizing the fixed asset, they shall be measured in a single detail account of "Fixed Assets", and the depreciation of the fixed asset shall be made separately by the straight-line method in a shorter time of the period of two decorations and remaining usable life of the fixed asset.

The improvement expenditures incurred on a fixed asset leased by operating leases shall be capitalized and reasonably amortized as long-term prepaid expenses.

(6) Impairment test method and accounting and drawing method for impairment provision of fixed assets

See Note "III. 25. Impairment of long-term assets" for the impairment test method and accounting and drawing method for impairment provision of fixed assets.

Construction in progress

The term "construction in progress" refers to all necessary expenditures incurred before the acquired fixed assets enable the project to reach expected usable condition, including project direct materials, direct employee compensation, installation costs for equipment to be installed and project construction, project management fees, net profits and losses of project commissioning and approved capitalized borrowing costs.

(1) Valuation of construction in progress

The Company's construction in progress shall be measured individually by the construction project and valued at actual cost.

(2) The time when construction in process is carried forward to fixed assets

When the construction in progress reaches the expected usable condition, they shall be transferred to fixed assets at their actual cost. For the fixed assets that have reached the expected usable condition but have not prepared the final account for completion, they shall be charged to the account at their estimated value. They shall be adjusted after their actual value is recognized.

See Note "III. 25. Impairment of long-term assets" for the impairment test method and accounting and drawing method for impairment provision of constructions in progress.

Borrowing costs

Borrowing costs are interests and other costs incurred by the Company in connection with the borrowing of the funds, including interests, amortization of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

(1) Recognition of capitalization of borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset shall be capitalized, and the amounts of other borrowing costs incurred shall be recorded into the profits and losses of the period in which they are incurred. Qualifying assets are fixed assets, investment real estate, and inventories that necessarily take a substantial period of time for acquisition, construction, or production to get ready for their intended use or sale.

(2) Period of capitalization of borrowing costs

1) The time point of capitalization of borrowing costs:

The capitalization of borrowing costs commences only when all the following conditions are satisfied:

- a. Expenditures for the asset have been incurred;
- b. Borrowing costs have been incurred; and
- c. Activities relating to the acquisition, construction, or production of the asset that is necessary to prepare the asset for its intended use or sale have commenced.

2) The time point of ceasing capitalization of borrowing costs:

Capitalization of borrowing costs ceases when the qualifying asset acquired, constructed, or produced becomes ready for its intended use or sale. The subsequent borrowing costs shall be recorded in the profits and losses of the current period.

3) Recognition of suspending capitalization of borrowing costs:

When an abnormal interruption occurs during the construction or production of an asset that satisfies the conditions for capitalization and the interruption continues for more than three months consecutively, the capitalization of borrowing expense will be paused, the borrowing expense incurred during the suspension will be included in the current profits and losses.

(3) Computing method of capitalizing amount of borrowing costs

During the capitalization period, the amount of interest (including amortization of discounts or premiums) to be capitalized for each accounting period shall be recognized as follows:

- 1) If a specialized loan is borrowed for the purchase, construction, or production of assets that meet the capitalization conditions, the amount shall be determined based on the actual interest expenses incurred in the current period of the specialized loan minus the interest income obtained from depositing unused loan funds in the bank or the investment income obtained from temporary investments;
- 2) Where general funds are borrowed for the acquisition, construction, or production of a qualifying asset, the amount of interest to be capitalized on such general borrowings shall be calculated and recognized by applying a capitalization rate of such general borrowings to the weighted average of the excess amounts of accumulated expenditures on the asset over and above the amounts of special borrowings. The

capitalization rate shall be calculated and recognized by the weighted average interest rate of general borrowings.

Where there is any discount or premium, the amount of discounts or premiums that shall be amortized during each accounting period shall be recognized by the real interest rate method, and an adjustment shall be made to the amount of interest in each period. During the period of capitalization, the amount of interest capitalized during each accounting period shall not exceed the amount of interest actually incurred to the relevant borrowings in the current period.

Ancillary costs in connection with special borrowings that are incurred before the qualifying asset acquired, constructed, or produced becomes ready for its intended use or sale shall be capitalized on the basis of the incurred amount when they are incurred, and they shall be recorded into the cost of the qualifying asset; those incurred after the qualifying asset acquired, constructed or produced becomes ready for its intended use or sale shall be recognized as expenses on the basis of the incurred amount when they are incurred and shall be recorded into the profits and losses of the current period. The ancillary costs arising from a general borrowing shall be recognized as expenses at their incurred amount when they are incurred and shall be recorded into the profits and losses of the current period.

Usufruct assets

For the determination method of right-of-use asset and accounting treatment method, please see Note “III. 35. Lease”.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance owned or controlled by the Company. Intangible assets can be recognized only when they meet the conditions simultaneously as follows:

- a. They are consistent with the definition of intangible assets;
- b. The economic benefits related to intangible assets are likely to flow into the Company; and
- c. The cost of intangible assets can be measured reliably.

(1) Measurement of intangible assets

The intangible assets shall be measured according to their cost or fair value (if increased through business combination not involving enterprises under common control).

(2) Subsequent measurement

The Company shall analyze and judge the service life of intangible assets when it obtains intangible assets. If the Company is unable to forecast the period when the intangible asset can bring economic benefits to it, it shall be regarded as an intangible asset with an uncertain service life.

With regard to an intangible asset with limited service life, its amortization amount shall be the amortized by expected realization pattern of its economic benefits. If the Company is unable to recognize the anticipated realization pattern reliably, intangible assets shall be amortized by the straight-line method.

The Company shall, at least at the end of each year, check the service life and the amortization method of intangible assets with limited service life. If necessary, it shall adjust the said service life and amortization

method.

With regard to an intangible asset with uncertain service life, its amortization amount shall not be amortized, but the Company shall check the service life of the said intangible asset every year and shall carry out an impairment test for it.

(3) Estimation of service life

As for intangible assets with limited service life, the estimation of their service life generally considers the following factors:

- 1) The general life cycle of products manufactured by using the assets and information about the service life of similar assets available;
- 2) Present situation of technologies and process and estimation for future development trends;
- 3) Market demand of products manufactured or services rendered by using the assets;
- 4) Expected actions of present or potential competitors;
- 5) Expected maintenance expenses for economic capacity from the assets and the Company's expected capability to pay relevant expenses;
- 6) Laws and regulations or similar restrictions relating to the control period of the assets, such as concession period and lease period;
- 7) Relevance with a service life of other assets held by the Company, etc.

(4) Division of research expenditures and development expenditures included in expenditures for internal research and development projects

- 1) Research expenditures in internal research and development projects shall be recorded into the profits and losses of the current period when they are incurred.
- 2) The expenditures for the development stage of internal R&D projects shall be recognized as intangible assets when the following conditions are met at the same time:
 - a. The development of the intangible asset is completed to make the use or sale of the intangible assets feasible technically;
 - b. Have the intent to complete the intangible assets and use or sell them;
 - c. How the intangible asset will generate economic benefits, including the ability to demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
 - d. Availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
 - e. Ability to measure reliably the expenditure that is attributable to the intangible asset during its development.

Where the expenditures at the research stage or at the development stage cannot be distinguished, all expenditures to research and development shall be included in the current profits and losses.

(5) Impairment test method and accounting and drawing method of impairment provision for intangible assets

See Note "III. 25. Impairment of long-term assets" for the impairment test method and accounting and

drawing method of impairment provision for intangible assets.

Impairment of long-term assets

On the balance sheet date, if there is any sign showing possible impairment of assets (referring to the assets other than inventories, equity instruments that have no quoted price and reliable fair value measurement in active market, investment real estate measured by fair value model, consumable biological assets, assets formed under construction contract, deferred income tax assets, residual value not guaranteed by the renter in the financing lease and financial assets), their recoverable amount shall be estimated on the basis of single item assets. Where it is difficult to estimate the recoverable amount of the single item assets, the recoverable amount of the assets shall be recognized on the basis of their asset group or combination of asset groups.

The recoverable amount shall be recognized in light of the higher one of the net amount of the fair value of the single item assets, asset group, or combination of asset groups less the disposal expenses and the present value of the expected future cash flow of the single item assets, asset group or combination of asset groups.

Where the recoverable amount of the single item assets is lower than their carrying amount, a provision for the asset impairment shall be made accordingly on the basis of the difference between the carrying amount of the single item assets and their recoverable amount. Where the recoverable amount of an asset group or a combination of asset groups is lower than its carrying amount, it shall be recognized as the corresponding impairment loss. The amount of the impairment loss shall first charge against the carrying amount of goodwill which is apportioned to the asset group or combination of asset groups, then charge it against the carrying amount of other assets in proportion to the weight of other assets in the asset group or combination of asset groups with the goodwill excluded. The charges against the carrying amount of the assets above shall be treated as the impairment loss of the single item assets (including the goodwill), and a provision for impairment of the single item assets shall be made accordingly.

Once the above loss of asset impairment is recognized, it shall not be transferred back in future accounting periods.

Long-term unamortized expenses

Long-term deferred expenses refer to the expenses incurred by the Company but attributable to the current and subsequent accounting periods of more than one year (excluding one year), including the expenses for improvement of fixed assets leased by operating lease.

Long-term deferred expenses shall be recorded into the account based on their actual amount of expenditure and shall be averagely amortized by their beneficial period. If long-term deferred expenses can not benefit subsequent accounting periods, the unamortized value of the project shall be all transferred to the profits and losses of the current period.

Contract liabilities

Contract liability refers to the Company's obligation to transfer goods to customers for consideration

received or receivable from customers. If before the Company transfers the goods to the customer, the customer has paid the contract consideration or the Company has obtained the unconditional right to receive payment, the Company will, at the earlier time point between the actual payment by the customer and the payment due, present the amount received or receivables as contract liabilities. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

Employee compensation

(1) Accounting treatment of short-term compensation

In the accounting period during which employees provide services to the Company, the Company recognizes the short-term compensation actually incurred as liabilities and charges them to the current-period profits and losses or relevant asset costs.

(2) Accounting treatment for post-employment benefits

Post-employment benefits can be divided into the defined contribution plan and the defined benefit plan

1) In the accounting period during which employees provide services for the Company, the amount to be deposited calculated based on the defined contribution plan is recognized as liabilities and included in the current profits and losses or relevant asset costs.

2) The accounting treatment for the defined benefit plan generally includes the following steps:

a. According to the Expected Cumulative Benefit Unit (ECBU) method, unbiased and mutually consistent actuarial assumptions are used to estimate relevant demographic and financial variables, quantify the obligations arising from the defined benefit plan, and determine the period to which the obligations relate;

b. If there are assets in the defined benefit plan, the deficit or surplus formed by deducting the present value of the defined benefit plan obligation from the fair value of the defined benefit plan assets shall be recognized as net liabilities or net assets of the defined benefit plan. For the defined benefit plan with surplus, the Company should measure the net assets based on the surplus or asset ceiling of the benefit plan (whichever is lower). The asset ceiling refers to the present value of the economic interest that can be obtained by the Company from refunding or reducing future contributions to the defined benefit plan.

c. At the end of the period, the costs of employee compensation arising from the defined benefit plan are recognized as service costs, net interest on net liabilities or net assets of the defined benefit plan, and changes arising from the remeasurement of net liabilities or net assets. The service costs and net interest on net liabilities or net assets of the defined benefit plan are included in the current profits and losses or relevant asset costs. In contrast, changes arising from the remeasurement of net liabilities or net assets are included in other comprehensive income and cannot be transferred back to profits and losses in subsequent accounting periods. However, the amount recognized in other comprehensive income can be transferred within the equity section;

d. Recognize a settlement gain or loss during settlement of the defined benefit plan.

(3) Accounting treatment for termination benefits

The liabilities of employees' wages and salaries that arise from the termination benefits shall be recognized on the earlier one of the following two dates and included in the current profits and losses:

- 1) When the Company cannot unilaterally cancel the termination benefits provided as a result of a plan to terminate employment or a proposal to downsize;
- 2) When the Company recognizes the cost or expense related to reconstruction involving the payment of termination benefits.

(4) Accounting treatment for other long-term employee benefits

For other long-term employee benefits provided by the Company to its employees that comply with the defined contribution plan, accounting treatment shall be conducted in accordance with the defined contribution plan. For benefits other than these, accounting treatment will be undertaken in accordance with the defined benefit plan. However, the portion of the relevant employee compensation costs that relate to "changes arising from remeasurement of net liabilities or net assets of the defined benefit plan" shall be included in the current profits and losses or related asset costs.

Lease liabilities

For the methods of recognition and accounting treatment of lease liabilities, please refer to Note "III. 35. Lease".

Estimated liabilities

(1) Recognition criteria of estimated liabilities

When business related to contingencies such as external guarantee, pending litigation or arbitration, product quality assurance, staff reduction, loss contract, restructuring obligations, and fixed asset disposal obligations that meet the following conditions, it shall be recognized as liabilities:

- 1) The liabilities are current obligations undertaken by the Company;
- 2) The fulfillment of the liabilities might cause outflow of economic benefits from the enterprise;
- 3) The amount of the liabilities can be reliably measured.

(2) Measurement methods of estimated liabilities

Accrued liabilities shall be measured on the best estimate of the expenditures required to fulfill current obligations. If there is a continuous range for the necessary expenses and if all the outcomes within this range are equally likely to occur, the best estimate shall be determined by the midpoint of the range. In other cases, the best estimate shall be determined by the following methods:

- 1) When a contingency is related to a single item, the best estimate shall be determined based on the most probable amount;
- 2) When a contingency is related to multiple items, the best estimate shall be calculated and determined based on all possible amounts and their probabilities of occurrence.

If all or part of the expenditure required to settle the estimated liabilities of the Company is expected to be compensated by a third party or other parties, the amount of compensation shall be separately recognized as an asset only when it is virtually certain that the compensation will be obtained. The amount recognized for the compensation shall not exceed the book value of the recognized estimated liabilities.

Share-based payment

(1) Accounting treatment of share-based payment

Share-based payment refers to the transaction of granting equity instruments or bearing liabilities recognized on the basis of equity instrument for obtaining services from employees or other parties. The share-based payment is classified into equity-settled share-based payment and cash-settled share-based payment.

1) Equity-settled share-based payment

The equity-settled share-based payments in exchange for services provided by employees are measured at the fair value of the equity instruments granted to employees on the grant date. The fair value is calculated by the straight-line method and included in the relevant costs or expenses based on the best estimate of the number of vested equity instruments in the vesting period when it is vested only after the service in the vesting period is completed or the specified performance terms are met. When it is vested immediately after grant, it is included in relevant costs or expenses on the grant date, and the capital reserve is increased accordingly.

On each balance sheet date during the vesting period, the Company makes the best estimate of subsequent information such as the latest change in the number of vesting employees to correct the estimated number of vested equity instruments. The aforementioned estimated influences are included in current relevant costs or expenses, and the capital reserves are adjusted correspondingly.

The equity-settled share-based payment in exchange for the services of other parties shall be measured at the fair value of the services of other parties on the obtaining date if the services of other parties can be measured reliably; the equity-settled share-based payment shall be measured at the fair value of the equity instruments on the obtaining date of the services of other parties if the fair value of the services of other parties cannot be measured reliably while the fair value of the equity instruments can be measured reliably, and be included in the relevant costs or expenses, and the shareholders' equity shall be increased correspondingly.

2) Cash-settled share-based payment

The cash-settled share-based payments are measured at the fair value of liabilities determined based on shares or other equity instruments undertaken by the Company. When it is vested immediately after grant, it is included in relevant costs or expenses on the grant date, and the liabilities are increased correspondingly; if it is vested after completing the services in the vesting period or meets the specified performance terms, the current obtained services are included in costs or expenses based on the best estimate of vesting and at fair value of liabilities borne by the Company on each balance sheet date of the vesting period, and the liabilities are increased correspondingly.

On each balance sheet date and settlement date before the settlement of the relevant liabilities, re-measure the fair value of the liabilities with the changes included in the current profits and losses.

(2) Relevant accounting treatment for amending and terminating share-based payment plan

When the Company amends the share-based payment plan, if the fair value of equity instruments granted is increased due to the amendment, the increase of the services obtained will be recognized correspondingly

by the increase of the fair value of equity instruments. The increase in the fair value of equity instruments refers to the difference between the fair value of equity instruments before and after amendment on the amendment date. If the amendment reduces the total fair value of the share-based payment or adopts other unfavorable methods to the employees, the accounting treatment of the obtained services will be continued as if the modification has never occurred, unless the Company cancels part or all of the equity instruments granted.

During the vesting period, if the granted equity instrument is canceled, the Company will handle the cancellation as an accelerated vesting, the amount that shall be recognized during the remaining vesting period is immediately included in the current profits and losses with the capital reserves recognized at the same time. If an employee or other party can choose to meet the non-vesting conditions but fails to meet them during the vesting period, the Company shall treat that as a cancellation of the grant of equity instruments.

Revenue

When the contract between the Company and the customer simultaneously meets the following conditions, the Company recognizes the revenue at the point when the customer obtains control over the relevant goods: the parties to the contract have approved the contract and promised to perform their respective obligations; the contract clarifies the rights and obligations of the parties to the contract in relation to the transferred goods or the provided services; the contract has clear payment terms related to the transferred goods; the contract has commercial substance, that is, the performance of the contract will change the risk, time distribution or amount of the Company's future cash flow; and the consideration that the Company is entitled to obtain due to its transfer of goods to customers is likely to be recovered.

At the commencement date of the contract, the Company identifies each individual performance obligation in the contract, and allocates the transaction price to each individual performance obligation in accordance with the relative proportion of the stand-alone selling price of the goods promised by each individual performance obligation. When determining the transaction price, the Company considers the impact of a variable consideration, major financing components in the contract, non-cash consideration, consideration payable to customers, and other factors.

The Company recognizes the transaction price allocated to each individual performance obligation as revenue at the point when the customer obtains control over the relevant goods. When judging whether the customer has obtained control over the goods, the Company considers the following signs: where the Company has the current right to receive payment for the goods, that is, the customer has the current payment obligation for the goods; where the Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods; where the Company has transferred the goods to the customer in kind, that is, the customer has taken possession of the goods in kind; where the Company has transferred the main risks and payments of the ownership of the goods to the customer, that is, the customer has obtained the main risks and payments of the ownership of the goods; where the customer has accepted the goods; and other signs that the customer has obtained control over the goods.

The Company mainly sells air conditioners and their accessories, and household appliances and their accessories, which usually only include the performance obligations of the transferred goods.

(1) Revenue from selling goods

1) For the revenue from domestic sales of products, the Company mainly adopts the form of payment in advance. The Company recognizes the revenue when the product is outbound and delivered to the purchaser, the shipping document is issued or the customer's receipt is obtained, the amount of revenue from product sales is determined, the payment for goods is recovered, or the receipt certificate is obtained and the relevant economic benefits are likely to flow in.

2) In terms of the export sales income, the Company recognizes the revenue when the products are declared and departed according to the contract, the bill of lading is obtained, and the amount of the sales revenue is determined.

(2) Revenue from rendering labor services

1) For the revenue from warehousing services, the Company will settle the revenue on a monthly basis by the working hours and standard wages of the services provided, facilities used, and related expenses, and the amount of revenue has been determined;

2) For the revenue from material processing services, the Company recognizes the revenue when the materials are processed according to the contract and delivered to the customer to obtain the customer's signed receipt, and the amount of revenue has been determined;

3) The Company's service charge and commission income include the service charge income of acceptance business, service charge income of entrusted loan, etc.

For the service charge and commission income, the completion time of the contractual performance obligations is determined according to the business settlement sheet formulated through settlement with the customer when the business is completed, and the specific amount of revenue is recognized according to the terms and ratios stipulated in the business contract or agreement.

(3) Income from the transfer of the right to use assets

Income from the transfer of the right to use assets includes interest income, rental income, etc.

The Company recognizes the income from the transfer of the right to use assets when the income amount can be reliably measured and the relevant economic benefits are likely to flow into the enterprise.

1) The interest income of the Company mainly includes the interest income from deposits in financial enterprises and loan interest income. Interest income from deposits in financial enterprises is recognized on a regular basis based on the time of deposit and the effective interest rate. Loan interest refers to the income recognized by the Company for granting self-operated loans and accruing interest on a regular basis. The loan interest income is recognized according to the effective interest rate method.

The effective interest rate method refers to the method of calculating the amortized cost and interest income or interest expense for each period based on the effective interest rate financial assets or financial liabilities. The effective interest rate refers to the interest rate used to discount the future cash flows of a financial asset or financial liability within the expected period of existence or applicable shorter period into the current book value of the financial asset or financial liability. When determining the effective interest rate,

the Company estimates future cash flow based on all contractual terms of financial assets or financial liabilities, but does not consider the loss of future credits. All the charges, transaction fees, and premiums or discounts paid or collected by the Company as part of the effective interest rate shall be considered when determining the effective interest rate.

2) The recognition conditions for the rental income of the Company are as follows:

- a. A lease contract, agreement, or other settlement notices recognized by the Lessee are available;
- b. The obligations stipulated in the contract are fulfilled; the lease invoice is issued, and the price has been obtained or will be obtained for sure;
- c. The rental cost can be measured reliably.

Government grants

Government grants refer to the Company's free acquisition of monetary and non-monetary from the government, excluding capital invested by the government as the owner. Government grants consist of asset related government grants and income related government grants.

Government grants obtained by the Company for the purchase, construction, or forming the long-term assets in other ways are defined as asset related government grants, and all the other government grants are defined as income related government grants. If the government document does not specify the grant object, the following mode is adopted to classify the subsidies into income related government grants and asset related government grants:

(1) If the government document specifies the item to which the grant aims, the allocation should be based on the relative proportion of the expenditure amount to form assets and the expenditure amount included in expenses in the budget of this specific item, and this allocation proportion needs to be reviewed on every balance sheet date and changed when necessary;

(2) If the government document provides only a general presentation of the purpose without specifying the specific item, the grants shall be regarded as income related government grants.

The asset related government grants are recognized as deferred income upon acquisition, and are included in the profits and losses in reasonable and systematic installments over the useful life of the asset when the relevant asset reaches its intended usable state. Where the relevant assets are sold, transferred, scrapped, or damaged before the end of their useful lives, the undistributed deferred income balance is transferred to the current profits and losses of the asset disposal.

In terms of income related government grants, those are used for compensating the related expenses or losses in the later period, are recognized as deferred income upon acquisition and included in the current profits and losses during the period when the relevant costs or losses are recognized; those are used for compensating the related cost expenses or losses incurred, are included in the current profits and losses directly upon acquisition.

Government grants related to daily activities are included in other income; government grants not related to daily activities are included in non-operating revenue and expenses.

(3) If policy preferential loans are obtained with interest discounts, accounting treatment should be carried out by distinguishing between the following two ways of obtaining them:

1) Where the financial department disburses the discount interest fund to the lending bank, the lending bank provides a loan to the Company at a policy preferential interest rate, the fair value of the loan is used as the entry value of the loan, the borrowing cost is calculated according to the effective interest rate method, and the difference between the actual amount received and the fair value of the loan is recognized as deferred income. The deferred income is amortized using the effective interest rate method during the duration of the loan to offset the relevant borrowing cost;

2) Where the financial department disburses the discount interest fund to the Company directly, the corresponding discount is used to offset the relevant borrowing costs.

(4) Government grants that are monetary assets are measured at the amount received or receivable. Government grants that are non-monetary assets are measured at the fair value; if the fair value cannot be reliably acquired, they are measured at the nominal amount. The Company usually recognizes and measures government grants based on the actual amount received upon receipt. However, funds that have conclusive evidence at the end of the period, indicating that they meet the relevant conditions stipulated in the financial support policy and are expected to receive financial support, are measured at the amount receivable. Government grants measured at the amount receivable shall simultaneously comply with the following conditions:

1) The authoritative government department has confirmed the amount of receivable grants by issuing a document, or can be independently and reasonably calculated in accordance with the relevant provisions of the officially issued financial fund management measures, and it is predicted that its amount is not subject to significant uncertainty;

2) The basis is the financially supported projects and their financial fund management measures that are officially released by the local finance department and actively disclosed in accordance with the provisions of the Regulation of the People's Republic of China on Disclosure of Government Information, as well as its financial fund management measures, and the management measures should be inclusive (any enterprise meeting the defined conditions can apply for the grants), rather than specially formulated for specific enterprises;

3) Other conditions that shall be met according to specific conditions of the Company and this matter of grants.

Deferred income tax assets/deferred income tax liabilities

The deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the difference between the tax base of the assets and liabilities and their book values (temporary difference). For deductible losses that can be deducted from taxable income in subsequent years in accordance with the provisions of the tax law, the corresponding deferred income tax assets are recognized. For temporary differences arising from the initial recognition of goodwill, the corresponding deferred income tax liabilities are not recognized. For temporary differences arising from the initial recognition of assets or liabilities arising from non-business combination transactions that neither affect accounting profits nor taxable income (or deductible losses), the corresponding deferred income tax assets and deferred income tax liabilities are not recognized. At the balance sheet date, the deferred income tax assets and deferred

income tax liabilities are measured at the tax rate applicable to the period during which the assets are expected to be recovered, or the liabilities are expected to be settled.

The Company recognizes the deferred income tax assets to the extent of the amount of the taxable income which it is most likely to acquire and which can be deducted from the deductible temporary differences, deductible losses, and tax deductions.

Deferred income tax liabilities are recognized for all taxable temporary differences arising from the investments in subsidiaries, joint ventures, and associates, except to the extent that both of the following conditions are met: the Company is able to control the timing of the transferring back of the temporary differences; and it is likely that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for all deductible temporary differences associated with investments in subsidiaries, joint ventures, and associates if all the following conditions are met: it is likely that the deductible temporary difference will be transferred back in the foreseeable future, and it is likely that taxable profit in the future will be available against which the deductible temporary difference can be utilized.

The deferred income tax assets and the deferred income tax liabilities that meet the following conditions are presented at the net amount after offsetting:

- 1) The deferred income tax assets and deferred income tax liabilities relate to the income taxes levied by the same taxation authority on the same taxpayer of the Company; and
- 2) The taxpayer of the Company has a legal right to settle current income tax assets and current income tax liabilities on a net basis.

Lease

Lease refers to a contract in which the Company transferred or acquired the right to control the use of one or more identified assets for a certain period of time in exchange for or payment of consideration. On the contract commencement date, the Company evaluates whether the contract is a lease or includes a lease.

(1) With the Company as the Lessee

1) Initial measurement

On the commencement date of the lease term, the Company will recognize the right to use the leased assets during the lease term as the right-of-use asset, and recognize the current value of the unpaid lease payment amount as a lease liability, except for short-term leases and low-value asset leases. When calculating the current value of the lease payment amount, the Company uses the implied interest rate in lease as a discount rate. If the implied interest rate in lease cannot be determined, the Lessee incremental borrowing interest rate is used as the discount rate.

Right-to-use assets should be initially measured at cost. The cost includes:

- a. The initially measured amount of the lease liabilities;
- b. The lease payments made on or before the commencement date of the lease term, if there is a lease incentive, deduct the amount related to the lease incentive that has been enjoyed;
- c. The initial direct expenses incurred by the Lessee;
- d. The estimated cost that the Lessee will incur for dismantling and removing the leased assets, restoring

the site where the leased assets are located, or restoring the leased assets to the state agreed in the lease terms.

2) Subsequent measurement

The Company calculates and distills depreciation by referring to fixed asset depreciation policies (see Note “III. 20. Fixed assets”). If the Company can reasonably determine the obtaining of the ownership of the leasing assets when the lease term expires, it will calculate and distill depreciation within the remaining service life of the leasing asset. Where it is impossible to reasonably determine if the ownership of the leased assets can be acquired upon the expiration of the lease term, the Company will make depreciation within a shorter period between the lease term and the remaining useful life of the leased assets.

For lease liabilities, the Company calculates its interest expenses for each period of the lease term at a fixed periodic interest rate, and includes them in the current profits and losses or in the cost of related assets. The variable lease payment amount that is not included in the measurement of lease liabilities is included in the current profits and losses or cost of related assets when actually incurred.

After the lease term starts, in case of changes in the substantial fixed payment amount, the estimated amount payable of the guarantee residual value, the index or ratio used for determining the lease payment amount, a change in the evaluation results or actual vesting of the purchase option, renewal option or termination option, the Company re-measures the lease liability based on the current value of the changed lease payment amount, and adjusts the book value of the right-of-use assets accordingly. If the book value of the right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the Company will include the remaining amount in the current profits and losses.

3) Short-term leases and low value asset leases

For short-term leases (with a lease term of no more than 12 months from the beginning of the lease) and low-value asset leases, the Company adopts a simplified treatment method to include the lease payment amount into the cost of relevant asset costs or the current profits and losses during the lease term by the straight-line method or other systematic and reasonable methods instead of recognizing the right-of-use assets and lease liabilities.

(2) With the Company as the lessor

On the commencement date of the lease, the Company divides the lease into financial lease and operating lease based on the essence of the transaction. Financial lease refers to the lease that transfers substantially almost all risks and rewards associated with the ownership of the assets. Operating lease refers to the leases other than the financial lease.

1) Operating leases

The Company adopts the straight-line method to recognize the lease payment amount of the operating lease as the rental income during the lease term. Variable lease payments in connection with the operating lease that are not included in lease payment are included in the current profits and losses when actually incurred.

2) Financial lease

On the beginning date of the lease term, the Company recognizes the financial lease receivables and derecognizes the financial lease assets. The financial lease receivables are initially measured by the net

lease investment (the sum of the unguaranteed residual value and the present value of the lease payments that have not been received on the beginning date of the lease term discounted at the implied interest rate of the lease), and interest income during the lease term is calculated and recognized at a fixed periodic interest rate. The variable lease payments obtained by the Company that are not included in the measurement of net lease investment are included in the current profits and losses when actually incurred.

Discontinued operation

Discontinued operation refers to a constituent part that meets one of the following conditions, can be distinguished separately, and has been disposed of or classified as held for sale:

- (1) This constituent part represents an independent main business or a separate main business area;
- (2) This constituent part is part of an associated plan for disposing of an independent main business or a separate main business area;
- (3) This constituent part is a subsidiary specially acquired for resale.

The Company presents the profits and losses from continuing operations and the profits and losses from discontinued operations in the Consolidated Income Statement and the Income Statement respectively. For the non-current asset or disposal group held for sale that does not comply with the definition of discontinued operation, its impairment loss and amount transferred back and profits and losses from disposal shall be presented as profits and losses from continuing operations. The impairment losses and amount transferred back of discontinued operations and other operating profits and losses as well as profits and losses from disposal are presented as profits and losses from discontinued operations.

For the discontinued operations presented in the current period, the information previously presented as profits and losses from continuing operations is re-presented as profits and losses from discontinued operations for comparable accounting period in the current financial statements. Where the disposal group that is intended to be discontinued rather than sold meets the conditions for the relevant constituent part in the definition of discontinued operations, it is presented as discontinued operation from the date of discontinuation of use. Where the control over a subsidiary is lost due to reasons such as selling the investment in the subsidiary and this subsidiary complies with the definition of discontinued operations, the relevant profits and losses from discontinued operations are presented in the Consolidated Income Statement.

Segment report

The Company determines the operating segments based on the internal organizational structure, management requirements and internal reporting systems, determines the report segments based on the operating segments, and discloses segment information.

Operating segments refer to the constituent part of the Company that meets the following conditions at the same time:

- (1) This constituent part can generate revenue and expenses in daily activities;
- (2) The management of the Company can regularly evaluate the operating results of the constituent part to determine the allocation of resources and evaluate its performance;

(3) The Company can obtain the relevant accounting information of this constituent part such as its financial status, operating results and cash flows. If two or more operating segments have similar economic characteristics and meet certain conditions, they can be merged into one operating segment.

Share repurchase

If the Company's shares are acquired due to registered capital reduction or employee rewards, the amount actually paid shall be treated as treasury shares, and shall be registered at the same time for future reference. If the repurchased shares are cancelled, the difference between the total face value of the cancelled shares and the amount actually paid for the repurchase shall be offset against capital reserve. If the capital reserve is insufficient, the offset shall be made against retained earnings. If the repurchased shares are rewarded to employees of the Company as equity settled share-based payments, refer to Note "III. 31. Share-based payment" for corresponding accounting treatment.

Hedging

To avoid certain risks, the Company hedges certain financial instruments as hedging instruments. Hedge that meets the prescribed conditions will be handled by the Company using hedge accounting methods. The Company's hedging includes fair value hedging, cash flow hedging and hedging of net investment in overseas operations.

At the beginning of the hedging, the Company officially designates the hedging tool and the hedged item, and prepares written documents on the hedging relationship and the risk management strategy and risk management objectives of the Company engaged in hedging. In addition, the Company will continue to assess the effectiveness of the hedging when and after the hedging begins.

(1) Fair value hedging

For eligible hedging instruments designated as fair value hedging, the gains or losses generated thereby are included in the current profits and losses. If a hedging instrument is used to hedge non-trading equity instrument investment (or its component) that is selected to be measured at fair value with changes included in other comprehensive income, the gains and losses generated by the hedging instrument are included in other comprehensive income. Gains or losses of a hedged item arising from the hedged risk exposure is included in the current profits and losses, while the book value of the hedged item is adjusted. If a hedged item is measured at fair value, the gains or losses incurred by the hedged item due to the hedged risk exposure are included in the current profits and losses or other comprehensive income, and there is no need to adjust the book value of the hedged item.

When the Company revokes the designation of the hedging relationship, the hedging instrument has expired or been sold, the contract is terminated or exercised, or the conditions for the use of hedge accounting are no longer met, terminate the use of hedge accounting.

(2) Cash flow hedging

For eligible hedging instruments designated as cash flow hedging, the portion of the gains or losses generated thereby that is determined to be an effective hedge is included in other comprehensive income, while the portion that is determined to be an ineffective hedge is included in the current profits and losses.

If the expected transaction causes the Company to subsequently recognize a non-financial asset or non-financial liability, or if the expected transaction of the non-financial asset or non-financial liability forms a firm commitment applicable to fair value hedge accounting, the Company will transfer out the amount of cash flow hedge reserve originally recognized in other comprehensive income and include it in the initial recognition amount of the asset or liability. For other cash flow hedging, the Company will, during the same period when the expected cash flow being hedged affects profits or losses, transfer out the amount of cash flow hedge reserve originally recognized in other comprehensive income and include it in the current profits and losses.

If it is expected that all or part of the net losses originally included in other comprehensive income cannot be compensated in the future accounting period, transfer the portion which cannot be compensated out and include it in the current profits and losses.

When the Company terminates the use of hedge accounting for cash flow hedging, the accumulated cash flow hedge reserves that have been included in other comprehensive income are retained when future cash flows are expected to continue to occur, and are transferred out of other comprehensive income and included in the current profits and losses when future cash flows are expected to no longer appear.

(3) Hedging of net investment in overseas operations

Hedging of net investment in overseas operations is accounted for using a method similar to the cash flow hedging. Among the gains or losses of hedging instruments, the portion that is determined to be an effective hedging is included in other comprehensive income, while the portion that is determined to be an ineffective hedging is included in the current profits and losses.

Gains and losses that have been included in other comprehensive income are transferred out of other comprehensive income and included in the current profits and losses when disposing of overseas operations.

Safe production expenses

Some subsidiaries of the Company withdraw safe production expenses in accordance with national regulations and include them in the costs of related products or current profits and losses.

Where the expenses for production safety extracted are of a cost nature, the special reserves shall be directly written off. If the expenses for safe production extracted are used to form fixed assets, the expenses incurred by the account collection of "construction in progress" shall be recognized as fixed assets when the safety project is completed and reaches the expected serviceable state; at the same time, write off special reserves based on the cost of forming fixed assets and recognize accumulated depreciation of the same amount. The fixed asset will no longer be depreciated in the future.

Risk reserve

In accordance with regulations such as the *Administrative Measures for the Reserve Accrual of Financial Enterprises* ("Accrual Measures") (CJ [2012] No. 20) issued by the Ministry of Finance, the subsidiaries of the Company in financial industry, have established a general risk reserve on the basis of withdrawing asset impairment provision of assets to compensate for potential losses related to risk assets that have not yet been identified. This general risk reserve is treated as a profit distribution and is an integral part of the

owner's equity, which in principle should be no less than 1.5% of the ending balance of risk assets. According to the requirements of the accrual measures, if the proportion of the general reserve balance of financial enterprises to the ending balance of risk assets is difficult to reach 1.5% at one time, it can be paid in installments, and in principle, it should not exceed 5 years.

Changes in major accounting policies and accounting estimate

(1) Changes in major accounting policies

On December 13, 2022, the Ministry of Finance issued the Accounting Standards for Enterprises Interpretation No.16 (hereinafter referred to as "Interpretation No.16"). According to the requirements of the Ministry of Finance, the content of "deferred income tax related to assets and liabilities arising from a single transaction is not applicable to the accounting treatment of initial recognition exemption" came into effect on January 1, 2023. According to the relevant requirements, the Company made corresponding changes to the accounting policies, and this change in accounting policies did not have a significant impact on the Company's financial indicators such as total assets, total liabilities, net assets, and net profit.

The following shows adjustments to the financial statements at the beginning of the year of the first implementation of the new accounting standard for the first time starting from 2023:

Unit: RMB

Statement Item	Amount as of December 31, 2022 (before change)		Amount as of January 1, 2023 (after change)	
	Consolidated Statements	Company's statement	Consolidated Statements	Company's statement
Non-current assets:				
Deferred income tax assets	14,598,866,870.23	11,399,848,879.09	14,644,877,571.11	11,399,848,879.09
Total non-current assets	99,884,719,906.36	68,573,037,866.58	99,930,730,607.24	68,573,037,866.58
Total assets	355,024,758,878.82	286,630,030,242.19	355,070,769,579.70	286,630,030,242.19
Non-current liabilities:				
Deferred income tax liabilities	2,225,127,743.74	710,194,350.26	2,271,138,444.62	710,194,350.26
Total non-current liabilities	36,776,774,049.04	28,240,257,442.77	36,822,784,749.92	28,240,257,442.77
Total liabilities	253,148,710,864.63	229,227,597,889.80	253,194,721,565.51	229,227,597,889.80
Total liabilities and shareholders' equity	355,024,758,878.82	286,630,030,242.19	355,070,769,579.70	286,630,030,242.19

(2) Changes in major accounting estimates

None.

IV. Taxes

Main tax categories and tax rates

Category	Tax Basis	Tax Rate
Value-added tax	Value added from sales of goods or provision of labor services	13.00%, 9.00%, 6.00%, etc.
Urban maintenance & construction tax	Turnover tax payable	7.00%, 5.00%

Category	Tax Basis	Tax Rate
Education surcharge	Turnover tax payable	3.00%
Local education surcharge	Turnover tax payable	2.00%
Business income tax	Taxable income	34.00%, 25.00%, 20.00%, 16.50%, 15.00%, etc.

[Note 1] The Company's subsidiaries including Gree Hong Kong Electric Appliances Sales Co., Ltd., Yinlong Electric Vehicle (Hong Kong) Group Co., Ltd., and Energy Storage Technology (China) Group Co., Ltd., operate in Hong Kong Special Administrative Region, where the profit tax rate is 16.50%.

[Note 2] The Company's subsidiaries Gree (Brazil) Electric Appliances Co., Ltd. and Brazil United Electric Appliances Industry and Commerce Co., Ltd. operate in Brazil, with a federal business income tax rate of 34.00% in Brazil.

[Note 3] The Company's subsidiaries DunAn Precision Machinery (USA) Group Co., Ltd., DunAn Microstaq, Inc., and Altairnano, Inc., operate in the United States, and are subject to paying federal taxes and state taxes. The federal tax rate is 21.00% while the state tax rates for DunAn Precision and DunAn Microstaq, are 0.50%–1.00% of gross profit on sales.

[Note 4] The Company's subsidiary, DunAn Metals (Thailand) Co., Ltd. operates in Thailand, where the business income tax rate is 20.00%.

[Note 5] The Company's subsidiary, Japan DunAn International Co., Ltd., is located in Japan, where the business income tax rate is 23.20%.

[Note 6] The Company's subsidiary, DunAn Korea Co., Ltd. operates in South Korea, where the business income tax rate is 10.00%.

[Note 7] The Company's subsidiary, DunAn International (Europe) GmbH operates in Frankfurt, Germany, where the business income tax rate is 15.00%;

[Note 8] Some subsidiaries of the Company are small and low-profit enterprises, subject to the Announcement No.12 of 2023 issued by the Ministry of Finance and the State Taxation Administration of *Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Businesses in Relevant Tax Policies*, where the taxable income is calculated at a reduced rate of 25.00%, and the business income tax is paid at a rate of 20.00%.

Tax preferences

(1) The Company was identified as a high-tech enterprise in 2023, and has been enjoying preferential policies for high-tech enterprises (High-tech Enterprise Certificate No. GR202344009175). The Company applied the income tax rate of 15.00%, which is valid for 3 years.

(2) Deemed to be high and new tech enterprises, the following subsidiaries of the Company applied the enterprise income tax rate of 15.00% in 2023.

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No.	Name of Taxpayer	High-tech Enterprise Certificate No.	Date of Obtaining the High-tech Enterprise Certificate	Valid Period
1	Zhuhai Landa Compressor Co., Ltd.	GR202344010890	December 2023	3 years
2	Hefei Landa Compressor Co., Ltd.	GR202334001713	October 2023	3 years
3	Zhengzhou Landa Compressor Co., Ltd.	GR202341000260	November 2023	3 years
4	Wuhan Landa Compressor Co., Ltd.	GR202342000821	October 2023	3 years
5	Gree Electric Enterprise (Maanshan) Ltd.	GR202334005154	November 2023	3 years
6	Zhuhai Gree Xinyuan Electronics Co., Ltd.	GR202244010903	December 2022	3 years
7	Zhuhai Kaibang Motor Manufacturing Co., Ltd.	GR202144007599	December 2021	3 years
8	Hefei Kaibang Motor Co., Ltd.	GR202334002919	October 2023	3 years
9	Henan Kaibang Motor Co., Ltd.	GR202341001262	November 2023	3 years
10	Gree (Hefei) Electric Appliances Co., Ltd.	GR202334003315	October 2023	3 years
11	Zhuhai Gree Daikin Precision Mold Co., Ltd.	GR202244010633	December 2022	3 years
12	Zhuhai Gree Dakin Device Co., Ltd.	GR202144007849	December 2021	3 years
13	Green Refrigeration Equipment Engineering Research Center of Zhuhai Gree Group Co., Ltd.	GR202344006183	December 2023	3 years
14	Gree (Zhengzhou) Electric Appliances Co., Ltd.	GR202341000272	November 2023	3 years
15	Gree (Wuhan) Electric Appliances Co., Ltd.	GR202242006898	November 2022	3 years
16	Gree (Shijiazhuang) Small Home Appliances Co., Ltd.	GR202213000723	October 2022	3 years
17	Gree (Wuhu) Electric Appliances Co., Ltd.	GR202334001396	October 2023	3 years
18	Gree (Shijiazhuang) Electric Appliances Co., Ltd.	GR202213000331	October 2022	3 years
19	Zhuhai EWPE Information Technology Inc.	GR202244010117	December 2022	3 years
20	Gree (Changsha) HVAC Equipment Co., Ltd.	GR202343003172	October 2023	3 years
21	Gree TOSOT (Suqian) Home Appliances Co., Ltd.	GR202332019062	December 2023	3 years
22	Wuhu Gree Precision Manufacturing Co., Ltd.	GR202234003673	October 2022	3 years
23	Zhuhai Gree Precision Mold Co., Ltd.	GR202344006995	December 2023	3 years
24	Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.	GR202344006963	December 2023	3 years
25	Gree New Material Co., Ltd.	GR202244008332	December 2022	3 years
26	Gree (Hangzhou) Electric Appliances Co., Ltd.	GR202333008152	December 2023	3 years
27	Gree (Nanjing) Electric Appliances Co., Ltd.	GR202232008326	November 2022	3 years
28	Gree (Luoyang) Electric Appliances Co., Ltd.	GR202241002986	December 2022	3 years
29	Zhuhai Edgeless Integrated Circuit Co., Ltd.	GR202144007551	December 2021	3 years
30	Hefei Kinghome Electrical Co., Ltd.	GR202134001678	September 2021	3 years
31	Zhuhai Gree Mechanical and Electrical Engineering Co., Ltd.	GR202344009878	December 2023	3 years

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No.	Name of Taxpayer	High-tech Enterprise Certificate No.	Date of Obtaining the High-tech Enterprise Certificate	Valid Period
32	Zhuhai Gree Green Renewable Resources Co., Ltd.	GR202244004245	December 2022	3 years
33	Gree Altairnano New Energy Inc.	GR202144004177	December 2021	3 years
34	Zhuhai Guangtong Automobile Co., Ltd.	GR202344009746	December 2023	3 years
35	Zhuhai Gree Altairnano Electric Appliance Co., Ltd.	GR202144006478	December 2021	3 years
36	Hebei Gree Titanium New Energy Co., Ltd.	GR202213004750	December 2022	3 years
37	Northern Aotai Nanotechnologies Co., Ltd.	GR202113001126	September 2021	3 years
38	Zhuhai Gree Intelligent Equipment Co., Ltd.	GR202244003127	December 2022	3 years
39	Zhejiang DunAn Thermal Technology Co., Ltd.	GR202333008719	December 2023	3 years
40	Zhuhai DunAn Thermal Technology Co., Ltd.	GR202144001846	December 2021	3 years
41	Tianjin Huaxin Machinery Co., Ltd.	GR202212000479	November 2022	3 years
42	Hangzhou Safety Equipment Co., Ltd.	GR202333000665	December 2023	3 years
43	Zhejiang DunAn Hetian Metals Co., Ltd.	GR202133006933	December 2021	3 years
44	Zhuhai Huayu Metal Co., Ltd.	GR202144002525	December 2021	3 years
45	Chongqing Huachao Metal Co., Ltd.	GR202151100597	November 2021	3 years
46	Zhejiang DunAn Machinery Co., Ltd.	GR202133002758	December 2021	3 years
47	Zhejiang DunAn Electro-Mechanical Technology Co., Ltd.	GR202133001775	December 2021	3 years
48	Suzhou Huayue Metal Co., Ltd.	GR202332005590	November 2023	3 years
49	DunAn Automotive Thermal Management Technology Co., Ltd.	GR202333001123	December 2023	3 years
50	Jiangsu Tongsheng Heat Exchanger Co., Ltd.	GR202332010309	December 2023	3 years
51	Jilin Songliang Seed Industry Technology Co., Ltd.	GR202222000173	November 2022	3 years
52	DunAn (Wuhu) Zhongyuan Automatic Control Co., Ltd.	GR202134000039	September 2021	3 years

(3) The following subsidiaries of the Company enjoy the country's western development policy, and applied the income tax rate of 15.00%.

No.	Name of Taxpayer	Start time
1	Gree (Chongqing) Electric Appliances Co., Ltd.	2008/1/1
2	Chongqing Landa Compressor Co., Ltd.	2015/1/1
3	Chongqing Kaibang Motor Co., Ltd.	2013/1/1
4	Gree Chengdu Xinhui Medical Equipment Co., Ltd.	2020/4/8
5	Gree (Chengdu) Electric Appliances Co., Ltd.	2022/1/1

No.	Name of Taxpayer	Start time
6	Gree (Ganzhou) Electric Appliances Co., Ltd.	2023/1/1
7	Chengdu Guangtong Automobile Co., Ltd.	2017/6/13

(4) The following subsidiaries of the Company are entitled to enjoy the preferential policy of business income tax in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin, with an income tax rate of 15.00%.

No.	Name of Taxpayer	Start time
1	Zhuhai Mingruida Supply Chain Technology Co., Ltd.	2022/1/1

(5) According to the *Announcement on the Value-Added Tax Deduction Policy for Advanced Manufacturing Enterprises* (Announcement No. 43 of 2023 issued by the Ministry of Finance and the State Taxation Administration), from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are allowed to deduct the value-added tax payable by an additional 5% of the deductible input tax amount in the current period; the Company and some of its subsidiaries enjoy the above preferential policies.

(6) According to the *Notice of the Ministry of Finance and the State Taxation Administration on Value-added Tax Policies for Software Products* (CS [2011] No. 100), general value-added taxpayers who sell software products developed and produced by themselves will be subject to refund policy for the portion of their actual value-added tax burden exceeding 3%. Some subsidiaries of the Company are subject to value-added tax refund if the actual value-added tax burden exceeds 3%.

V. Notes to items in consolidated financial statements

For the following note items (including notes to the main items of the parent company's financial statements), unless otherwise specified, "the end of the period" means December 31, 2023, "the beginning of the period" means January 1, 2023, and "the end of the previous year" means December 31, 2022, "the current year" refers to 2023, and "the previous year" refers to 2022. Unless otherwise stated, the amount unit is Yuan.

Monetary funds

Item	Ending Balance	Beginning balance
Cash on hand	747,248.45	678,327.53
Bank deposit	57,386,642,916.17	67,106,080,448.62
Other monetary funds [Note 1]	35,532,754,818.90	48,296,387,517.05
Deposits in the central bank [Note 2]	1,388,929,188.19	1,267,324,345.11
Deposits in other banks	23,842,392,737.43	36,150,447,388.93
Subtotal	118,151,466,909.14	152,820,918,027.24
Accrued interest	5,953,520,380.48	4,663,414,224.15

Item	Ending Balance	Beginning balance
Total	124,104,987,289.62	157,484,332,251.39
Including the total amount deposited outside mainland China	512,193,597.72	480,814,074.59

[Note 1] The balance at the end of the period of other monetary capital refers to banks' acceptance bill deposits, guarantee deposits, letter of credit deposits, etc., where the restricted fund was RMB35,062,650,448.84;

[Note 2] The statutory deposit reserve in the Company's deposits in the central bank is RMB1,382,019,092.73, and its use is restricted;

[Note 3] Except in above situations, there are no other funds in the ending balance of monetary funds that are restricted in use or have potential recovery risks due to mortgage, pledge or freezing.

Trading financial assets

Item	Ending Balance	Beginning balance
Financial assets measured at fair value with changes included in other comprehensive income	9,614,423,403.40	3,867,203,363.52
Including: Debt instrument investment	9,591,172,203.40	3,845,900,963.52
Equity instrument investments	23,251,200.00	21,302,400.00
Total	9,614,423,403.40	3,867,203,363.52

Derivative financial assets

Item	Ending Balance	Beginning balance
Foreign exchange derivatives	108,919,513.22	
Total	108,919,513.22	

Notes receivable

(1) Notes receivable presentation by categories

Item	Ending Balance	Beginning balance
Trade acceptance draft	87,340,130.52	6,818,428.95
Total	87,340,130.52	6,818,428.95

(2) Notes receivable have pledged at the end of the period

None.

(3) Notes receivable that have been endorsed or discounted at the end of the period and have not yet due on the balance sheet date

Item	Amount Derecognized at the End of the Period	Amount Recognized at the End of the Period
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Item	Amount Derecognized at the End of the Period	Amount Recognized at the End of the Period
Trade acceptance draft		2,600,520.63
Total		2,600,520.63

Accounts receivable

(1) Accounts receivable disclosed by account age

Account age	Ending Balance	Beginning balance
Within 1 year	13,969,080,305.98	12,746,203,387.66
1–2 years	1,399,796,274.58	1,416,147,908.71
2–3 years	1,134,033,141.29	877,548,093.14
Over 3 years	3,089,537,345.23	2,577,872,659.51
Subtotal	19,592,447,067.08	17,617,772,049.02
Less: Bad debt reserves	3,492,969,949.52	2,793,029,425.57
Total	16,099,477,117.56	14,824,742,623.45

[Note] The Company's accounts receivable with an account age of over 1 year are mainly subsidy receivables for dismantling waste electrical and electronic products and payments for new energy vehicles.

(2) Bad debt accrual method by categories

Category	Ending Balance				
	Book balance		Bad debt reserves		Book Value
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Accounts receivable with bad debt reserves accrued by individual item	1,289,240,411.21	6.58	1,183,947,802.62	91.83	105,292,608.59
Accounts receivable with bad debt reserves accrued by portfolios	18,303,206,655.87	93.42	2,309,022,146.90	12.62	15,994,184,508.97
Including: Account age portfolio	16,283,805,825.87	83.11	1,906,323,339.24	11.71	14,377,482,486.63
Low-risk portfolio	2,019,400,830.00	10.31	402,698,807.66	19.94	1,616,702,022.34
Total	19,592,447,067.08	100.00	3,492,969,949.52	17.83	16,099,477,117.56

(Continued)

Category	Beginning balance				
	Book balance		Bad debt reserves		Book Value
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Accounts receivable with bad debt reserves accrued by individual item	1,345,411,996.82	7.64	1,116,288,302.43	82.97	229,123,694.39
Accounts receivable with bad debt reserves accrued by portfolios	16,272,360,052.20	92.36	1,676,741,123.14	10.30	14,595,618,929.06
Including: Account age portfolio	14,562,451,303.20	82.65	1,475,714,843.63	10.13	13,086,736,459.57

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Category	Beginning balance				Book Value
	Book balance		Bad debt reserves		
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Low-risk portfolio	1,709,908,749.00	9.71	201,026,279.51	11.76	1,508,882,469.49
Total	17,617,772,049.02	100.00	2,793,029,425.57	15.85	14,824,742,623.45

1) Accounts receivable with bad debt reserves accrued by individual item

Company Name	Ending Balance			Reason for accruing
	Book balance	Bad debt reserves	Credit loss rate (%)	
69 units in total	1,289,240,411.21	1,183,947,802.62	91.83	It is expected to be difficult to recover in full
Total	1,289,240,411.21	1,183,947,802.62	91.83	

(Continued)

Company Name	Beginning balance			Reason for accruing
	Book balance	Bad debt reserves	Credit loss rate (%)	
69 units in total	1,345,411,996.82	1,116,288,302.43	82.97	It is expected to be difficult to recover in full
Total	1,345,411,996.82	1,116,288,302.43	82.97	

2) In the portfolio, accounts receivable with bad debt reserves accrued by account age portfolio

Account age	Ending Balance		
	Book balance	Bad debt reserves	Credit loss rate (%)
Within 1 year	13,447,724,928.12	672,386,248.32	5.00
1-2 years	1,072,880,131.92	203,605,581.83	18.98
2-3 years	792,595,070.82	229,609,905.14	28.97
Over 3 years	970,605,695.01	800,721,603.95	82.50
Total	16,283,805,825.87	1,906,323,339.24	11.71

3) In the portfolios, the Accounts receivable with bad debt reserves accrued by low risk portfolio

Company Name	Ending Balance		
	Book balance	Bad debt reserves	Credit loss rate (%)
Low-risk portfolio	2,019,400,830.00	402,698,807.66	19.94
Total	2,019,400,830.00	402,698,807.66	19.94

(3) Bad debt reserves accrued, recovered or reversed in the current period

Category	Beginning balance	Change of the current period		Ending Balance
		Accrual/recovery/transferring back	Write-off	
Accrual by individual item	1,116,288,302.43	67,659,500.19		1,183,947,802.62
Account age portfolio	1,475,714,843.63	430,660,213.05	51,717.44	1,906,323,339.24

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Category	Beginning balance	Change of the current period		Ending Balance
		Accrual/recovery/transferring back	Write-off	
Low-risk portfolio	201,026,279.51	201,672,528.15		402,698,807.66
Total	2,793,029,425.57	699,992,241.39	51,717.44	3,492,969,949.52

[Note] There was no significant recovery or reversal of bad debt provisions during the current period.

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

Item	Written Off Amount
10 units in total	51,717.44
Total	51,717.44

(5) Accounts receivable and contract assets of the top 5 debtors in terms of ending balance collected by debtors

The total amount of accounts receivable and contract assets of the top 5 debtors in terms of ending balance collected by debtors is RMB4,925,454,628.46, accounting for 23.54% of the ending balance of accounts receivable and contract assets, and the amount of bad debt provision is RMB1,062,641,020.88.

Contract assets

(1) Contract assets

Item	Ending Balance			Beginning balance		
	Book balance	Impairment provision	Book Value	Book balance	Impairment provision	Book Value
Accrual by individual item	7,841,594.46	7,841,594.46		7,841,594.46	7,841,594.46	
Account age portfolio	1,006,698,488.92	422,787,788.10	583,910,700.82	1,127,165,757.29	395,385,285.59	731,780,471.70
Low-risk portfolio	317,305,464.00	62,404,031.17	254,901,432.83	382,514,539.00	66,555,192.76	315,959,346.24
Total	1,331,845,547.38	493,033,413.73	838,812,133.65	1,517,521,890.75	469,782,072.81	1,047,739,817.94

(2) Bad debt reserves accrued, recovered or reversed in the current period

Item	Beginning balance	Accrual/recovery/transferring back in the current period	Total
Accrual by individual item	7,841,594.46		7,841,594.46
Account age portfolio	395,385,285.59	27,402,502.51	422,787,788.10
Low-risk portfolio	66,555,192.76	-4,151,161.59	62,404,031.17
Total	469,782,072.81	23,251,340.92	493,033,413.73

[Note] There was no significant recovery or reversal of bad debt provisions during the current period.

(3) Contract assets actually written off in the current period

None.

Receivables financing

(1) Receivables financing presentation by categories

Item	Ending Balance	Beginning balance
Notes receivable measured at fair value	9,795,997,038.02	28,274,911,539.46
Including: Bank acceptance draft	9,652,625,873.81	28,016,413,651.48
Financial company acceptance bill	143,371,164.21	258,497,887.98
Accounts receivable measured at fair value	380,092,630.39	152,398,805.74
Including: Accounts receivable	380,092,630.39	152,398,805.74
Total	10,176,089,668.41	28,427,310,345.20

(2) Receivables financing pledged by the Company at the end of the period

Item	Pledged Amount at the End of the Period
Banker's acceptance bill	5,033,716,307.04
Total	5,033,716,307.04

(3) Receivables financing that has been endorsed or discounted by the Company at the end of the period but not yet due at the balance sheet date

Item	Amount Derecognized at the End of the Period	Amount Recognized at the End of the Period
Banker's acceptance bill	30,462,789,477.03	
Financial company acceptance bill	981,153.01	
Total	30,463,770,630.04	

(4) Receivables financing – credit impairment provision of accounts receivable

1) Credit impairment provision accrued by portfolios

Item	Ending Balance			Bad debt reserves
	Book balance	Change in fair value	Book Value	
Accounts receivable	380,092,630.39		380,092,630.39	22,939,575.95
Total	380,092,630.39		380,092,630.39	22,939,575.95

2) Changes in credit impairment provision

Item	Beginning balance	Accrual/recovery/transferring back	Ending Balance
Accounts receivable	18,346,188.11	4,593,387.84	22,939,575.95
Total	18,346,188.11	4,593,387.84	22,939,575.95

(5) Receivables financing actually written off in the current period

None.

Advance payments

(1) Prepayments presented by account age

Account age	Ending Balance	Beginning balance
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	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	2,305,877,292.53	92.51	2,099,933,220.14	89.56
1–2 years	43,605,485.46	1.75	188,034,392.04	8.02
2–3 years	98,923,012.64	3.97	9,925,947.44	0.42
Over 3 years	44,241,604.68	1.77	46,775,285.86	2.00
Total	2,492,647,395.31	100.00	2,344,668,845.48	100.00

(2) Significant prepayments aged over one year

None.

(3) Prepayments of the top 5 prepayment objects in terms of ending balance collected by prepayment objects

The aggregate balance amount of prepayments of the top 5 suppliers in the balance collected by the supplier was RMB1,474,084,591.94, accounting for 59.14% of the total balance of prepayments at the end of the period.

Other receivables

Item	Ending Balance	Beginning balance
Dividends receivable	19,936,649.83	1,260,498.66
Other receivables [Note 1]	806,621,972.59	803,017,460.14
Total	826,558,622.42	804,277,958.80

[Note 1] Other receivables in the table above refer to other receivables after deduction of interest receivables and dividends receivable;

[Note 2] The Company has no interest receivable balance at the end and the beginning of the period.

(1) Dividends receivable

1) Dividends receivable

Item	Ending Balance	Beginning balance
Dividends receivable	19,936,649.83	1,260,498.66
Total	19,936,649.83	1,260,498.66

2) Important dividends receivable aged over 1 year

None.

(2) Other receivables

1) Disclosure by account age

Account age	Ending Balance	Beginning balance
Within 1 year	559,642,182.51	175,729,511.54
1–2 years	49,650,562.46	411,297,254.70
2–3 years	87,315,224.98	100,645,380.37

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Account age	Ending Balance	Beginning balance
Over 3 years	559,302,826.00	500,287,750.22
Subtotal	1,255,910,795.95	1,187,959,896.83
Less: Bad debt reserves	449,288,823.36	384,942,436.69
Total	806,621,972.59	803,017,460.14

2) Classification by nature of payment

Nature of payment	Ending Balance	Beginning balance
Intercourse funds	763,529,291.78	661,459,896.83
Equity and asset transfer payments	492,381,504.17	526,500,000.00
Subtotal	1,255,910,795.95	1,187,959,896.83
Less: Bad debt reserves	449,288,823.36	384,942,436.69
Total	806,621,972.59	803,017,460.14

3) Disclosure by classification of bad debt reserves accrual methods

Category	Ending Balance				
	Book balance		Bad debt reserves		Book Value
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Other accounts receivable with bad debt reserves accrued by individual item	510,787,480.98	40.67	354,908,028.59	69.48	155,879,452.39
Other accounts receivable with bad debt reserves accrued by portfolios	745,123,314.97	59.33	94,380,794.77	12.67	650,742,520.20
Including: Account age portfolio	745,123,314.97	59.33	94,380,794.77	12.67	650,742,520.20
Total	1,255,910,795.95	100.00	449,288,823.36	35.77	806,621,972.59

(Continued)

Category	Beginning balance				
	Book balance		Bad debt reserves		Book Value
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Other accounts receivable with bad debt reserves accrued by individual item	510,842,233.78	43.00	298,353,952.59	58.40	212,488,281.19
Other accounts receivable with bad debt reserves accrued by portfolios	677,117,663.05	57.00	86,588,484.10	12.79	590,529,178.95
Including: Account age portfolio	677,117,663.05	57.00	86,588,484.10	12.79	590,529,178.95
Total	1,187,959,896.83	100.00	384,942,436.69	32.40	803,017,460.14

Other accounts receivable with bad debt reserves accrued by individual item

Company Name	Ending Balance			
	Book balance	Bad debt reserves	Credit loss rate (%)	Reason for accruing
Unit 1	172,325,809.58	129,244,357.19	75.00	It is expected to be difficult to to

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Company Name	Ending Balance			Reason for accruing
	Book balance	Bad debt reserves	Credit loss rate (%)	
				Recover in full
Unit 2	221,500,000.00	110,750,000.00	50.00	It is expected to be difficult to recover in full
13 units remaining	116,961,671.40	114,913,671.40	98.25	It is expected to be difficult to recover in full
Total	510,787,480.98	354,908,028.59	69.48	

(Continued)

Company Name	Beginning balance			Reason for accruing
	Book balance	Bad debt reserves	Credit loss rate (%)	
Unit 1	172,380,562.38	86,190,281.19	50.00	It is expected to be difficult to recover in full
Unit 2	221,500,000.00	110,750,000.00	50.00	It is expected to be difficult to recover in full
13 units remaining	116,961,671.40	101,413,671.40	86.71	It is expected to be difficult to recover in full
Total	510,842,233.78	298,353,952.59	58.40	

Other receivables in the portfolio with the accrual of bad debt reserves by the aging

Account age	Ending Balance		
	Book balance	Bad debt reserves	Credit loss rate (%)
Within 1 year	559,642,182.51	27,982,109.24	5.00
1–2 years	48,506,430.27	6,714,536.70	13.84
2–3 years	85,315,224.98	12,990,629.28	15.23
Over 3 years	51,659,477.21	46,693,519.55	90.39
Total	745,123,314.97	94,380,794.77	12.67

4) Accrual of bad debt reserves

Bad debt reserves	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment occurred)	
Beginning balance	8,562,921.73		376,379,514.96	384,942,436.69
Accrual in the current period	19,419,187.51		44,967,199.16	64,386,386.67
Wrote-off in the current period			40,000.00	40,000.00
Ending Balance	27,982,109.24		421,306,714.12	449,288,823.36

5) Bad debt reserves accrued, recovered or reversed in the current period

Category	Beginning balance	Change of the current period	Ending Balance
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		Accrual/recovery/transferring back	Write-off	
Accrual by individual item	298,353,952.59	56,554,076.00		354,908,028.59
Account age portfolio	86,588,484.10	7,832,310.67	40,000.00	94,380,794.77
Total	384,942,436.69	64,386,386.67	40,000.00	449,288,823.36

[Note] There is no significant recovery or transfer back of bad debt reserves during the current period.

6) Other receivables were actually written off in the current period

Item	Written Off Amount
1 units in total	40,000.00

7) Other receivables of top 5 debtors in terms of ending balance collected by debtors

The total amount of other receivables of top 5 debtors in terms of ending balance collected by debtors is RMB751,557,816.50, accounting for 59.84% of the total balance of ending balance of other receivables, and the amount of bad debt provision is RMB260,736,456.91.

8) Other receivables due to centralized fund management

None.

Buying back the sale of financial assets

Item	Ending Balance	Beginning balance
Bonds	3,930,985,000.00	
Accrued interest	4,431,450.15	
Subtotal	3,935,416,450.15	
Less: Provision for impairment	3,077,495.66	
Total	3,932,338,954.49	

Inventory

(1) Classification of inventories

Item	Ending Balance		
	Book balance	Inventory falling price reserves/impairment provision of contract performance costs	Book Value
Raw materials	7,057,081,762.87	1,425,810,833.17	5,631,270,929.70
Goods in process and contract performance costs	2,134,877,242.86	115,317,125.00	2,019,560,117.86
Finished goods	21,827,045,795.09	2,943,541,383.93	18,883,504,411.16
Development costs	5,674,994,638.60		5,674,994,638.60
Development products	369,809,931.38		369,809,931.38
Total	37,063,809,370.80	4,484,669,342.10	32,579,140,028.70

(Continued)

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Item	Beginning balance		
	Book balance	Inventory falling price reserves/impairment provision of contract performance costs	Book Value
Raw materials	10,672,997,728.11	1,009,327,287.63	9,663,670,440.48
Goods in process and contract performance costs	2,403,582,415.78		2,403,582,415.78
Finished goods	23,183,839,506.90	1,770,944,083.73	21,412,895,423.17
Development costs	4,834,028,484.47		4,834,028,484.47
Total	41,094,448,135.26	2,780,271,371.36	38,314,176,763.90

(2) Inventory falling price reserves and impairment provision of contract performance costs

Item	Beginning balance	Increased amount in the current period	Decreased amount in the current period	Ending Balance
		Accrual	Write-off amount	
Raw materials	1,009,327,287.63	520,096,944.19	103,613,398.65	1,425,810,833.17
Unfinished goods		115,317,125.00		115,317,125.00
Finished goods	1,770,944,083.73	1,442,784,118.73	270,186,818.53	2,943,541,383.93
Total	2,780,271,371.36	2,078,198,187.92	373,800,217.18	4,484,669,342.10

Specific bases for making a provision for the decline in the value of inventories and reasons for reversing or writing off the provision for the decline in the value of inventories in the current period:

Item	The specific basis for making a provision for the decline in value of inventories	Write-off of inventory falling price reserves in the current period
Raw materials	Inventory cost or net realizable value, whichever is lower	Received or sold in the current period
Unfinished goods	Inventory cost or net realizable value, whichever is lower	Received or sold in the current period
Finished goods	Inventory cost or net realizable value, whichever is lower	Sold in the current period

(3) Capitalization amount of borrowing costs included in the ending balance of inventory

None.

(4) Amortization amount of contract performance costs in the current year of RMB272,628,491.22.

Non-current assets due within one year

Item	Ending Balance	Beginning balance
Other debt investments are due within 1 year	2,181,118,917.45	3,000,000,000.00
Long-term receivables due within 1 year	55,162,876.25	41,094,547.81
Subtotal	2,236,281,793.70	3,041,094,547.81
Add: Accrued interest of other debt investments due within 1 year	176,614,895.44	275,847,602.74
Less: Provision for impairment	1,263,229.85	2,750,517.36
Total	2,411,633,459.29	3,314,191,633.19

Other current assets

Item	Ending Balance	Beginning balance
Input tax to be deducted and prepaid tax	2,225,932,314.59	2,057,987,526.82
Bond products	100,000,000.00	
Monetary investment products	22,059,399,315.54	2,415,000,000.00
Others	181,031,697.63	189,229,261.68
Subtotal	24,566,363,327.76	4,662,216,788.50
Add: Accrued interests	341,107,724.98	72,656,393.15
Less: Provision for impairment	38,529,298.59	30,296,241.01
Total	24,868,941,754.15	4,704,576,940.64

Disbursement of loans and advances

(1) Distribution of enterprises and individuals

Item	Ending Balance	Beginning balance
Loans and advances measured at amortized costs:		
Issuance of corporate loans and advances	558,000,000.00	737,270,000.00
Including: (1) Loans	558,000,000.00	492,550,000.00
(2) Discount		244,720,000.00
Subtotal	558,000,000.00	737,270,000.00
Add: Accrued interests	671,437.49	961,030.27
Less: Provision for impairment	14,944,828.26	18,431,750.00
Book value of issued corporate loans and advances	543,726,609.23	719,799,280.27

(2) Changes in loan loss reserves

Item	Ending Balance	Beginning balance
Beginning balance	18,431,750.00	106,975,750.00
Transferring back to the current period	3,486,921.74	88,544,000.00
Ending Balance	14,944,828.26	18,431,750.00

Debt investment

(1) Debt investment

Item	Ending Balance			Beginning balance		
	Book balance	Impairment provision	Book Value	Book balance	Impairment provision	Book Value
Debt investment	1,149,000,000.00		1,149,000,000.00	150,000,000.00		150,000,000.00
Accrued interest	1,744,482.05		1,744,482.05	351,500.00		351,500.00

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Item	Ending Balance			Beginning balance		
	Book balance	Impairment provision	Book Value	Book balance	Impairment provision	Book Value
Total	1,150,744,482.05		1,150,744,482.05	150,351,500.00		150,351,500.00

(2) Debt investment

Item	Ending Balance				Beginning balance			
	Face value	Coupon rate	Effective interest rate	Date Due	Face value	Coupon rate	Effective interest rate	Date Due
Jinyu Guoshi trust plan	999,000,000.00	5.30%	5.30%	2025-9-30				
(Twenty-six) Agricultural Bank treasury bonds	150,000,000.00	2.28%	2.28%	2025-11-25	150,000,000.00	2.28%	2.28%	2025-11-25
Total	1,149,000,000.00				150,000,000.00			

(3) Accrual of impairment provision

None.

Other debt investments

(1) Other debt investments

Item	Ending Balance				Accumulated loss reserves recognized in other comprehensive income
	Cost	Accrued interest	Change in fair value	Book Value	
Treasury bond	316,621,828.84	3,551,890.42	6,786,591.16	326,960,310.42	
Corporate bonds and financial bonds	899,720,207.58	14,149,657.51	9,897,862.42	923,767,727.51	
Negotiable certificate of deposit	16,667,335,007.45	803,512,433.47		17,470,847,440.92	
Subtotal	17,883,677,043.87	821,213,981.40	16,684,453.58	18,721,575,478.85	
Less: Other debt investments due within 1 year	2,180,334,092.16	176,614,895.44	784,825.29	2,357,733,812.89	
Total	15,703,342,951.71	644,599,085.96	15,899,628.29	16,363,841,665.96	

(Continued)

Item	Beginning balance				Accumulated loss reserves recognized in other comprehensive income
	Cost	Accrued interest	Change in fair value	Book Value	
Treasury bond	315,342,376.29	3,551,890.42	8,069,643.71	326,963,910.42	
Corporate bonds and financial bonds	699,557,264.91	13,484,589.02	-12,404,624.91	700,637,229.02	
Negotiable certificate of deposit	16,052,655,138.75	535,940,207.52		16,588,595,346.27	
Subtotal	17,067,554,779.95	552,976,686.96	-4,334,981.20	17,616,196,485.71	

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Item	Beginning balance				Accumulated loss reserves recognized in other comprehensive income
	Cost	Accrued interest	Change in fair value	Book Value	
Less: Other debt investments due within 1 year	3,000,000,000.00	275,847,602.74		3,275,847,602.74	
Total	14,067,554,779.95	277,129,084.22	-4,334,981.20	14,340,348,882.97	

[Note] Other debt investment held by the Company is classified as financial assets measured at fair value with changes included in other comprehensive income based on the management's intention and the cash flow of the contract, and listed as other debt investments, and non-current assets due within 1 year according to its liquidity. On December 31, 2023, there was no significant difference between the cost of the Company's negotiable certificate of deposit and its fair value.

(2) Other debt investments

Other debt items	Ending Balance				Beginning balance			
	Face value	Coupon rate (%)	Effective interest rate (%)	Date Due	Face value	Coupon rate (%)	Effective interest rate (%)	Date Due
Negotiable certificate of deposit	16,667,000,000.00	3.10-4.00	3.10-4.00	February 26, 2024 to October 21, 2027	16,050,000,000.00	3.20-4.00	3.20-4.00	September 10, 2023 to October 21, 2027
16 coupon-bearing bond 17	200,000,000.00	2.74	3.10	2026-08-04	200,000,000.00	2.74	3.10	2026-08-04
20 Nongfa 08	200,000,000.00	3.45	3.54	2025-09-23	200,000,000.00	3.45	3.54	2025-09-23
23 CZBank Tier 2 Capital Note 02	200,000,000.00	3.50	3.50	2033-11-27				
22 Huafa Group MTN006	180,000,000.00	4.20	4.20	2025-04-25	180,000,000.00	4.20	4.20	2025-04-25

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Other debt items	Ending Balance				Beginning balance			
	Face value	Coupon rate (%)	Effective interest rate (%)	Date Due	Face value	Coupon rate (%)	Effective interest rate (%)	Date Due
22 Huafa Group MTN009B	180,000,000.00	4.00	4.00	2025-06-20	180,000,000.00	4.00	4.00	2025-06-20
16 coupon-bearing bond 17	100,000,000.00	2.74	3.44	2026-08-04	100,000,000.00	2.74	3.44	2026-08-04
21 Huafa Group MTN007	70,000,000.00	4.65	4.65	2024-06-28	70,000,000.00	4.65	4.65	2024-06-28
22 Huafa Group MTN012B	60,000,000.00	3.75	3.75	2025-08-16	60,000,000.00	3.75	3.75	2025-08-16
22 coupon-bearing bond 19	20,000,000.00	2.60	2.61	2032-09-01	20,000,000.00	2.60	2.61	2032-09-01
19 Huafa Group MTN008B	10,000,000.00	5.30	5.31	2024-12-11	10,000,000.00	5.30	5.31	2024-12-11
Total	17,887,000,000.00				17,070,000,000.00			

[Note] Other debt investments in the table above include other debt investments due within one year.

Long-term receivables

(1) Long-term receivables

Item	Ending Balance		
	Book balance	Bad debt reserves	Book Value
Goods of installment sales	186,803,996.60	26,735,849.27	160,068,147.33
Less: Unrealized financing income	18,178,746.29		18,178,746.29
Less: Long-term accounts receivable due within 1 year	55,162,876.25	1,263,229.85	53,899,646.40
Less: Reclassified to other current assets	49,819,628.06	24,015,200.54	25,804,427.52
Total	63,642,746.00	1,457,418.88	62,185,327.12

(Continued)

Item	Beginning balance		
	Book balance	Bad debt reserves	Book Value
Goods of installment sales	235,996,799.59	32,095,022.13	203,901,777.46
Less: Unrealized financing income	15,048,370.77		15,048,370.77
Less: Long-term accounts receivable due within 1 year	41,094,547.81	2,750,517.36	38,344,030.45
Less: Reclassified to other current assets	61,048,258.76	26,623,856.04	34,424,402.72
Total	118,805,622.25	2,720,648.73	116,084,973.52

[Note] The Company reclassifies long-term receivables due within 1 year to non-current assets due within 1 year and reclassifies overdue long-term receivables to other current assets.

(2) Disclosure by classification of bad debt reserves accrual methods

Category	Ending Balance				
	Book balance		Bad debt reserves		Book Value
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Long-term accounts receivable with bad debt reserves accrued by individual item					
Long-term accounts receivable with bad debt reserves accrued by portfolios	63,642,746.00	100.00	1,457,418.88	2.29	62,185,327.12
Including: Account age portfolio	63,642,746.00	100.00	1,457,418.88	2.29	62,185,327.12
Total	63,642,746.00	100.00	1,457,418.88	2.29	62,185,327.12

(Continued)

Category	Beginning balance				
	Book balance		Bad debt reserves		Book Value
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Long-term accounts receivable with bad debt reserves accrued by individual item					

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Category	Beginning balance				
	Book balance		Bad debt reserves		Book Value
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Long-term accounts receivable with bad debt reserves accrued by portfolios	118,805,622.25	100.00	2,720,648.73	2.29	116,084,973.52
Including: Account age portfolio	118,805,622.25	100.00	2,720,648.73	2.29	116,084,973.52
Total	118,805,622.25	100.00	2,720,648.73	2.29	116,084,973.52

Long-term accounts receivable with bad debt reserves accrued by portfolios

Account age	Ending Balance		
	Book balance	Bad debt reserves	Credit loss rate (%)
Goods of installment sales	63,642,746.00	1,457,418.88	2.29
Total	63,642,746.00	1,457,418.88	2.29

(3) Bad debt reserves accrued, recovered or reversed in the current period

Category	Beginning balance	Accrual/recovery/transferring back	Ending Balance
Goods of installment sales	2,720,648.73	-1,263,229.85	1,457,418.88
Total	2,720,648.73	-1,263,229.85	1,457,418.88

(4) Long-term accounts receivable were actually written off in the current period

None.

Long-term equity investments

Investee	Beginning balance		Increase/Decrease in the Current Period						Ending Balance	
	Original value	Impairment provision	Additional Investment	Decreased Investment	Profits and losses on investment recognized by equity method	Adjustment of other comprehensive income	Declared distribution of cash dividends or profits	Accrual of impairment reserves	Original value	Impairment provision
I. Joint ventures										
SL Group Jiangwan Rice Industry Co., Ltd	1,166,358.97				-7,424.29				1,158,934.68	
Subtotal	1,166,358.97				-7,424.29				1,158,934.68	
II. Associates										
Gree (Vietnam) Electric Appliances, Inc.	1,940,009.35	1,940,009.35							1,940,009.35	1,940,009.35
Outlook All Media Co., Ltd.	35,478,374.26				509,236.20				35,987,610.46	
Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd.	15,239,073.92				301,716.52		150,000.00		15,390,790.44	
Coresing Semiconductor Technology Co., Ltd.	20,071,663.90				1,219,923.05				21,291,586.95	
Zhuhai Ronglin Equity Investment Partnership (Limited Partnership)	4,131,807,804.94			279,197,890.11	-10,162,802.37	-1,020,652,263.34			2,821,794,849.12	
Zhuhai Jiayao Food			989,000.00		-181,112.17				807,887.83	

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Investee	Beginning balance		Increase/Decrease in the Current Period						Ending Balance	
	Original value	Impairment provision	Additional Investment	Decreased Investment	Profits and losses on investment recognized by equity method	Adjustment of other comprehensive income	Declared distribution of cash dividends or profits	Accrual of impairment reserves	Original value	Impairment provision
Technology Co., Ltd.										
Henan Yuze Finance Leasing Co., Ltd.	52,591,103.02				1,627,073.67		1,642,181.50		52,575,995.19	
Zhuhai Hanling Equity Investment Partnership (Limited Partnership)	956,251,794.91			163,000,000.00	43,500,899.07		14,430,690.00		822,322,003.98	
Lanzhou Guangtong New Energy Automobile Co., Ltd.	97,017,695.89				-4,781,436.49				92,236,259.40	
Guizhou Qianzhixing New Energy Co., Ltd.	1,528,855.03				-409,538.08				1,119,316.95	
Ningxia Nenggu New Energy Technology Co., Ltd.	194,350.24				-164,803.35				29,546.89	
Beijing Liyin Automobile Technology Co., Ltd.	4,605,056.55								4,605,056.55	
Sichuan Jinshi Leasing Co., Ltd.	293,539,194.32				21,397,575.85	527,247.07	4,625,461.17		310,838,556.07	
Zhuji Rushan Huiying	53,905,361.06			21,000,000.00	193,323.38				33,098,684.44	

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Investee	Beginning balance		Increase/Decrease in the Current Period						Ending Balance	
	Original value	Impairment provision	Additional Investment	Decreased Investment	Profits and losses on investment recognized by equity method	Adjustment of other comprehensive income	Declared distribution of cash dividends or profits	Accrual of impairment reserves	Original value	Impairment provision
Venture Investment Partnership (Limited Partnership)										
DunAn (Tianjin) Energy Saving System Co., Ltd.	228,893,881.80				40,179,812.17	6,636,258.28			275,709,952.25	
Subtotal	5,893,064,219.19	1,940,009.35	989,000.00	463,197,890.11	93,229,867.45	-1,013,488,757.99	20,848,332.67		4,489,748,105.87	1,940,009.35
Total	5,894,230,578.16	1,940,009.35	989,000.00	463,197,890.11	93,222,443.16	-1,013,488,757.99	20,848,332.67		4,490,907,040.55	1,940,009.35

[Note 1] The change in other comprehensive income in the current period of the joint venture of the Company, Zhuhai Ronglin Equity Investment Partnership (Limited Partnership), is due to the fluctuation of the share price of Wingtech Technology Co., Ltd. held by it and the disposal of the equity of Wingtech Technology Co., Ltd.;

[Note 2] According to the partnership agreement of Zhuhai Ronglin Equity Investment Partnership (Limited Partnership) (hereinafter referred to as "Zhuhai Ronglin"), the Company invested in Zhuhai Ronglin as a limited partner. Upon the decision of all partners, the general partner is entrusted to perform partnership affairs. For matters related to the partnership submitted by the general partner to all partners for discussion, the voting method of one partner, one vote, and unanimously approved by all partners is implemented to make resolutions. The Company has no control over Zhuhai Ronglin, and Zhuhai Ronglin is not included in the scope of consolidation of the Company's statements during the report period.

Other equity instrument investments

(1) Other equity instrument investments

Item	Ending Balance	Beginning balance
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Item	Ending Balance	Beginning balance
San'an Optoelectronics Co., Ltd.	1,586,483,387.45	1,965,635,734.92
Wingtech Technology Co., Ltd.	1,517,194,078.45	1,885,465,957.10
Shanghai Highly (Group) Co., Ltd.	626,491,486.09	522,205,716.62
RSMACALLINE-HSHS	125,653,291.82	143,361,786.48
COFCO Trading (Suibin) Agricultural Development Co., Ltd.	7,000,000.00	7,000,000.00
Xinjiang Joinworld Company Limited	2,043,265.56	145,786,602.78
Total	3,864,865,509.37	4,669,455,797.90

(2) Non-trading equity instrument investment

Item	Dividend income recognized	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Accumulated gains included in other comprehensive income at the end of the current period	Accumulated losses included in other comprehensive income at the end of the current period	Amount transferred from other comprehensive income to retained earnings	Reason for designation as measured at fair value with changes included in other comprehensive income	Reasons for amount transferred from other comprehensive income to retained earnings
San'an Optoelectronics Co., Ltd.	5,727,376.85		379,152,347.47		413,516,612.55		Based on the management's intention and contractual cash flow	
RSMACALLINE-HSHS	4,553,508.27		27,806,733.63		583,728,425.60		Based on the management's intention and contractual cash flow	
Shanghai Highly (Group) Co., Ltd.	961,076.44	103,698,375.62			519,052,993.48		Based on the management's intention and contractual cash flow	
COFCO Trading (Suibin) Agricultural Development Co., Ltd.	800,000.00						Based on the management's intention and contractual cash flow	

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Item	Dividend income recognized	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Accumulated gains included in other comprehensive income at the end of the current period	Accumulated losses included in other comprehensive income at the end of the current period	Amount transferred from other comprehensive income to retained earnings	Reason for designation as measured at fair value with changes included in other comprehensive income	Reasons for amount transferred from other comprehensive income to retained earnings
Xinjiang Joinworld Company Limited	98,776.65		69,223,001.27	842,749.35		83,614,348.15	Based on the management's intention and contractual cash flow	Sales of some shares
Wingtech Technology Co., Ltd.			368,271,878.65	632,194,081.85			Based on the management's intention and contractual cash flow	
Total	12,140,738.21	103,698,375.62	844,453,961.02	633,036,831.20	1,516,298,031.63	83,614,348.15		

Other non-current financial assets

Item	Ending Balance	Beginning balance
Financial assets measured at fair value with changes included in other comprehensive income		4,428,003,204.49
Total		4,428,003,204.49

Investment real estate

Investment real estate using cost measurement model

Item	Houses and buildings	Land use rights	Total
I. Original book value			
1. Beginning balance	1,031,496,189.10	50,861,964.09	1,082,358,153.19
2. Increased amount in the current period	119,082,596.25		119,082,596.25
Including: (1) Transfer-in from fixed assets	115,729,609.69		115,729,609.69
(2) Transfer-in from construction in progress	3,352,986.56		3,352,986.56
3. Decreased amount in the current period	19,783,075.82		19,783,075.82
Including: Transfer to fixed assets	19,783,075.82		19,783,075.82
4. Ending balance	1,130,795,709.53	50,861,964.09	1,181,657,673.62
II. Accumulated depreciation and accumulated amortization			
1. Beginning balance	435,542,379.87	12,126,571.34	447,668,951.21
2. Increased amount in the current period	111,573,872.36	906,133.57	112,480,005.93
Including: (1) Accrual or amortization	70,886,924.36	906,133.57	71,793,057.93
(2) Transfer-in from fixed assets	40,686,948.00		40,686,948.00
3. Decreased amount in the current period	11,753,444.62		11,753,444.62
Including: Transfer to fixed assets	11,753,444.62		11,753,444.62
4. Ending balance	535,362,807.61	13,032,704.91	548,395,512.52
III. Impairment provision			
IV. Book value			
1. Book value at the end of the period	595,432,901.92	37,829,259.18	633,262,161.10
2. Book value at the beginning of the period	595,953,809.23	38,735,392.75	634,689,201.98

[Note] As of December 31, 2023, the book value of investment real estate – houses and buildings of which the Company has not obtained the property ownership certificates was RMB45,588,201.73.

Fixed assets

Item	Ending Balance	Beginning balance
Fixed assets [Note]	34,023,728,822.05	33,810,042,180.83
Fixed assets in liquidation	11,100,294.42	6,977,210.53
Total	34,034,829,116.47	33,817,019,391.36

[Note] The fixed assets in the table above refer to the fixed assets after deduction of the fixed assets in liquidation.

(1) Fixed assets

Item	Houses and buildings	Machinery equipment	Transportation equipment	Electronic equipment	Other equipment	Total
I. Original book value						
1. Beginning balance	31,875,670,110.98	27,559,215,436.70	1,494,692,518.12	2,443,114,320.58	797,370,152.11	64,170,062,538.49
2. Increased amount in the current period	3,918,015,162.25	1,878,246,110.96	127,006,803.19	210,908,503.76	58,617,873.17	6,192,794,453.33
Including: (1) Purchase	207,940.00	780,448,700.31	127,006,803.19	210,908,503.76	58,617,873.17	1,177,189,820.43
(2) Transfer-in from investment real estate	19,783,075.82					19,783,075.82
(3) Transfer-in from construction in progress	3,898,024,146.43	1,097,797,410.65				4,995,821,557.08
3. Decreased amount in the current period	1,240,967,448.84	490,698,426.78	21,121,947.68	38,708,603.64	13,335,504.59	1,804,831,931.53
Including: (1) Disposal or scrapping	1,125,237,839.15	490,698,426.78	21,121,947.68	38,708,603.64	13,335,504.59	1,689,102,321.84
(2) Transfer to investment real estate	115,729,609.69					115,729,609.69
4. Foreign currency financial statement translation	13,997,346.78	9,421,971.11	269,277.89	1,110,085.72	292,388.36	25,091,069.86
5. Ending balance	34,566,715,171.17	28,956,185,091.99	1,600,846,651.52	2,616,424,306.42	842,944,909.05	68,583,116,130.15
II. Accumulated depreciation						
1. Beginning balance	9,146,684,939.16	17,073,717,000.50	1,244,171,703.27	2,203,916,723.13	673,587,840.24	30,342,078,206.30
2. Increased amount in the current period	1,675,573,462.96	2,542,268,079.80	115,919,795.12	224,753,815.21	87,469,381.66	4,645,984,534.75

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Item	Houses and buildings	Machinery equipment	Transportation equipment	Electronic equipment	Other equipment	Total
Including: (1) Accrual	1,663,820,018.34	2,542,268,079.80	115,919,795.12	224,753,815.21	87,469,381.66	4,634,231,090.13
(2) Transfer-in from investment real estate	11,753,444.62					11,753,444.62
3. Decreased amount in the current period	139,562,980.00	390,178,923.54	19,751,957.32	35,202,781.56	12,435,483.39	597,132,125.81
Including: (1) Disposal or scrapping	98,876,032.00	390,178,923.54	19,751,957.32	35,202,781.56	12,435,483.39	556,445,177.81
(2) Transfer to investment real estate	40,686,948.00					40,686,948.00
4. Foreign currency financial statement translation	2,597,234.88	4,529,050.12	239,578.99	943,917.73	145,173.59	8,454,955.31
5. Ending balance	10,685,292,657.00	19,230,335,206.88	1,340,579,120.06	2,394,411,674.51	748,766,912.10	34,399,385,570.55
III. Impairment provision						
1. Beginning balance	13,788,472.27	3,861,058.83		179,924.90	112,695.36	17,942,151.36
2. Increased amount in the current period	43,997,287.74	97,206,774.93	244,907.04	33,041.95	578,646.91	142,060,658.57
Including: Accrual	43,997,287.74	97,206,774.93	244,907.04	33,041.95	578,646.91	142,060,658.57
3. Decreased amount in the current period		98,088.74		18,146.27		116,235.01
Including: Disposal or scrapping		98,088.74		18,146.27		116,235.01
4. Foreign currency financial statement translation		115,162.63				115,162.63
5. Ending balance	57,785,760.01	101,084,907.65	244,907.04	194,820.58	691,342.27	160,001,737.55
IV. Book value						
1. Book value at the end of the period	23,823,636,754.16	9,624,764,977.46	260,022,624.42	221,817,811.33	93,486,654.68	34,023,728,822.05
2. Book value at the beginning of the period	22,715,196,699.55	10,481,637,377.37	250,520,814.85	239,017,672.55	123,669,616.51	33,810,042,180.83

[Note] As of December 31, 2023, the book value of the Company's fixed assets – houses and buildings of which the Company has not obtained the certificate of title was RMB15,446,032,647.23. The acquisition of certificate of title is mainly affected by the progress of project final acceptance, and the Company is still processing according to the schedule.

(2) Temporary idle fixed assets

The Company has no significant temporary idle fixed assets.

(3) Fixed assets leased out through operating leases

The Company has no significant fixed assets leased out through operating leases.

(4) Fixed assets in liquidation

Item	Ending Balance	Beginning balance
Fixed assets in liquidation	11,100,294.42	6,977,210.53
Total	11,100,294.42	6,977,210.53

Construction in progress

Item	Ending Balance	Beginning balance
Construction in progress [Note]	6,563,911,378.94	5,966,678,892.16
Total	6,563,911,378.94	5,966,678,892.16

[Note] The construction in progress in the above table refers to the construction in progress after deduction of construction materials.

(1) Construction in progress

Item	Ending Balance			Beginning balance		
	Book balance	Impairment provision	Book Value	Book balance	Impairment provision	Book Value
Gree Titanium Project	1,740,587,474.47	21,644,400.92	1,718,943,073.55	2,127,613,084.25	54,413.75	2,127,558,670.50
Zhuhai Intelligent Manufacturing Project	1,531,971,594.79		1,531,971,594.79	759,287,741.79		759,287,741.79

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Item	Ending Balance			Beginning balance		
	Book balance	Impairment provision	Book Value	Book balance	Impairment provision	Book Value
Zhuhai Electronic Component Project	1,257,752,616.62		1,257,752,616.62			
Gree HQ Project	827,683,995.65		827,683,995.65	460,979,229.34		460,979,229.34
Wuhan Mold Project	283,100,962.02		283,100,962.02	129,629,721.74		129,629,721.74
Zhuhai Electrical Project	165,437,659.94		165,437,659.94	41,939,278.97		41,939,278.97
Wuhan HVAC Project	111,944,374.67		111,944,374.67	22,518,193.06		22,518,193.06
Others	667,077,101.70		667,077,101.70	2,424,766,056.76		2,424,766,056.76
Total	6,585,555,779.86	21,644,400.92	6,563,911,378.94	5,966,733,305.91	54,413.75	5,966,678,892.16

(2) Current changes in important construction in progress

Item	Beginning balance	Increased amount in the current period	The amount transferred to fixed assets in the current period	The amount transferred to investment real estate in the current period	Disposal in the current period	Ending Balance	Including: the capitalization amount of interest in the current period
Gree Titanium Project	2,127,613,084.25	83,545,315.94	470,570,925.72			1,740,587,474.47	
Zhuhai Intelligent Manufacturing Project	759,287,741.79	1,200,486,953.15	427,803,100.15			1,531,971,594.79	
Zhuhai Electronic Component Project		1,277,560,061.16	19,807,444.54			1,257,752,616.62	
Gree HQ Project	460,979,229.34	385,390,418.43	18,685,652.12			827,683,995.65	
Wuhan Mold Project	129,629,721.74	193,811,851.36	40,340,611.08			283,100,962.02	3,297,330.57
Zhuhai Electrical Project	41,939,278.97	134,308,569.19	10,810,188.22			165,437,659.94	1,475,468.66
Wuhan HVAC Project	22,518,193.06	93,249,673.01	3,823,491.40			111,944,374.67	
Others	2,424,766,056.76	2,251,406,882.24	4,003,980,143.85	3,352,986.56	1,762,706.89	667,077,101.70	416,885.31

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Item	Beginning balance	Increased amount in the current period	The amount transferred to fixed assets in the current period	The amount transferred to investment real estate in the current period	Disposal in the current period	Ending Balance	Including: the capitalization amount of interest in the current period
Total	5,966,733,305.91	5,619,759,724.48	4,995,821,557.08	3,352,986.56	1,762,706.89	6,585,555,779.86	5,189,684.54

[Note] The capitalization amount of interest for the current period includes government grants for loan interest discounts.

Usufruct assets

Item	Housing and buildings
I. Original book value	
1. Beginning balance	302,875,919.25
2. Increased amount in the current period	737,787,974.66
Including: Renting	737,787,974.66
3. Decreased amount in the current period	16,037,696.01
Including: Due	16,037,696.01
4. Ending balance	1,024,626,197.90
II. Accumulated depreciation	
1. Beginning balance	95,531,140.20
2. Increased amount in the current period	102,120,476.76
Including: Accrual	102,120,476.76
3. Decreased amount in the current period	15,275,927.18
Including: Due	15,275,927.18
4. Ending balance	182,375,689.78
III. Impairment provision	
IV. Book value	
1. Book value at the end of the period	842,250,508.12
2. Book value at the beginning of the period	207,344,779.05

Intangible assets

Item	Land use rights	Patent rights and others	Total
I. Original book value			
1. Beginning balance	11,195,701,778.22	3,605,169,628.21	14,800,871,406.43
2. Increased amount in the current period	45,576,665.79	9,946,571.33	55,523,237.12
Including: Purchase	45,576,665.79	9,946,571.33	55,523,237.12
3. Decreased amount in the current period	387,560,731.04	22,609,516.77	410,170,247.81
Including: (1) Disposal	387,560,731.04	17,178,156.77	404,738,887.81
(2) Write-off		5,431,360.00	5,431,360.00
4. Ending balance	10,853,717,712.97	3,592,506,682.77	14,446,224,395.74
II. Accumulated amortization			
1. Beginning balance	1,463,282,355.57	997,254,432.13	2,460,536,787.70
2. Increased amount in the current period	233,546,094.22	264,334,728.93	497,880,823.15

Item	Land use rights	Patent rights and others	Total
Including: Accrual	233,546,094.22	264,334,728.93	497,880,823.15
3. Decreased amount in the current period	52,644,262.72	9,651,617.48	62,295,880.20
Including: (1) Disposal	52,644,262.72	4,220,257.48	56,864,520.20
(2) Write-off		5,431,360.00	5,431,360.00
4. Ending balance	1,644,184,187.07	1,251,937,543.58	2,896,121,730.65
III. Impairment provision			
1. Beginning balance		718,481,547.30	718,481,547.30
2. Increased amount in the current period	8,670,282.34	13,409,396.37	22,079,678.71
Including: Amortization	8,670,282.34	13,409,396.37	22,079,678.71
3. Decreased amount in the current period		18,153,082.74	18,153,082.74
Including: (1) Disposal		12,953,296.18	12,953,296.18
(2) Write-off		5,199,786.56	5,199,786.56
4. Ending balance	8,670,282.34	713,737,860.93	722,408,143.27
IV. Book value			
1. Book value at the end of the period	9,200,863,243.56	1,626,831,278.26	10,827,694,521.82
2. Book value at the beginning of the period	9,732,419,422.65	1,889,433,648.78	11,621,853,071.43

[Note 1] Write-off amount of intangible assets – patent right and others in the current period were the used quota licensing rights;

[Note 2] As of December 31, 2023, the book value of intangible assets of which the Company has not obtained the property ownership certificates was RMB31,273.85.

[Note 3] No intangible assets were formed through the Company's internal research and development in the current period.

Goodwill

(1) Original book value of goodwill

Name of Investee or matters forming goodwill	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance
		Formed by business merger	Disposal	
Zhejiang DunAn Artificial Environment Co., Ltd.	1,198,301,590.22			1,198,301,590.22
Gree Altairnano New Energy Inc.	612,777,583.92			612,777,583.92
Nanjing Walsin Metal Co., Ltd.	274,115,040.11			274,115,040.11
Hefei Kinghome Electrical Co., Ltd.	51,804,350.47			51,804,350.47

Name of Investee or matters forming goodwill	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance
		Formed by business merger	Disposal	
Shenyang Water and Heat Source Development Co., Ltd.	372,585.32			372,585.32
Total	2,137,371,150.04			2,137,371,150.04

(2) Goodwill impairment provision

Name of Investee or matters forming goodwill	Beginning balance	Increase in the current period		Decrease in the current period	Ending Balance
		Accrual	Others	Disposal	
Gree Altairnano New Energy Inc.	151,720,775.11	206,861,546.92			358,582,322.03
Nanjing Walsin Metal Co., Ltd.	274,115,040.11				274,115,040.11
Hefei Kinghome Electrical Co., Ltd.	51,804,350.47				51,804,350.47
Shenyang Water and Heat Source Development Co., Ltd.	372,585.32				372,585.32
Total	478,012,751.01	206,861,546.92			684,874,297.93

(3) Information about the asset group or asset group combination in which the goodwill is located

Company Name	Composition and basis of the asset group or combination	Operating segments and basis	Is it consistent with previous years
Gree Altairnano asset group	Operating assets of an asset group (excluding non-operating assets and surplus assets), based on the asset group that can generate independent cash flows	Classified by company management requirements and business modules	Yes
Asset group of DunAn Environment refrigeration accessories	Including fixed assets, construction in progress, right-of-use assets, intangible assets, long-term unamortized expenses, and other long-term assets, based on the asset group that can generate independent cash flows	DunAn Hetian and Zhuhai Huayu, classified by company management requirements and business modules	Yes
Asset group of DunAn Environment equipment	Including fixed assets, construction in progress, right-of-use assets, intangible assets, long-term unamortized expenses, and other long-term assets, based on the asset group that can generate independent cash flows	DunAn Electro-Mechanical, classified by company management requirements and business modules	Yes
Asset group of DunAn Environment thermal	Including fixed assets, construction in progress, right-of-use assets, intangible assets, long-term unamortized expenses, and other long-term assets, based on the asset group that can generate independent cash flows	DunAn Thermal and Zhuhai Thermal, classified by company management requirements and business modules	Yes
Asset group of DunAn Environment thermal management	Including fixed assets, construction in progress, right-of-use assets, intangible assets, long-term unamortized expenses, and other long-term assets, based on the asset group that can generate independent cash flows	DunAn thermal management, classified by company management requirements and business modules	Yes

(4) Specific determination method of recoverable amount

1) Determined based on the net amount after deducting disposal expenses from fair value

Item	Book Value	Recoverable amount	Impairment amount of goodwill attributable to shareholders of the parent company	Determination of fair value and disposal expenses	Key parameters	Basis for determining key parameters
Gree Altairnano asset group	13,279,725,255.23	12,600,822,902.34	206,861,546.92	Fair value	Fair value, disposal expenses	Determine the replacement cost based on market inquiry, local engineering cost information of each park, depreciation rate of service life, and survey depreciation rate, and determine the fair value based on the replacement cost; confirm disposal expenses based on property rights transaction costs, stamp taxes, and additional taxes
Total	13,279,725,255.23	12,600,822,902.34	206,861,546.92			

[Note] In accordance with the Asset Evaluation Report on the Asset Group Including the Recoverable Amount of Goodwill Assets Involved in the Impairment Test of the Goodwill Formed by the Merger of GREE Altairnano New Energy Inc. by Gree Electric Appliances, Inc. of Zhuhai (ZZH [2024] ZI No. HZ1107) issued by Zhejiang Zhongheng Real Estate Land Assets Appraisal Consulting Co., Ltd., the amount of goodwill impairment attributable to the parent company in the current period is RMB206,861,546.92, and the recoverable amount of the asset group is calculated by using the method of net amount after deducting disposal expenses from fair value in the assessment report;

2) Determine based on the present value of expected future cash flows

Item	Book Value	Recoverable amount	Impairment amount	Years in the forecast period	Key parameters for the forecast period (growth rate and profit rate)	Basis for determining parameters during the forecast period	Key parameters for the stable period (growth rate, profit rate, and discount rate)	Basis for determining key parameters during the stable period
Asset group of DunAn Environment refrigeration accessories	5,336,747,308.36	5,463,000,000.00		5 years + perpetual period	Revenue growth rate: 6.59%–21.16% Gross margin: 14.04%–19.67%	[Note 2]	Revenue growth rate: 2.00% Discount rate: 14.27%	Pre-tax wacc calculated from industry data
Asset group of DunAn Environment thermal	940,384,243.78	1,743,000,000.00		5 years + perpetual period	Revenue growth rate: 9.31%–20.78% Gross margin: 21.63%–23.75%	[Note 2]	Revenue growth rate: 2.00% Discount rate: 14.27%	Pre-tax wacc calculated from industry data

Item	Book Value	Recoverable amount	Impairment amount	Years in the forecast period	Key parameters for the forecast period (growth rate and profit rate)	Basis for determining parameters during the forecast period	Key parameters for the stable period (growth rate, profit rate, and discount rate)	Basis for determining key parameters during the stable period
Asset group of DunAn Environment thermal management	438,875,471.77	2,981,000,000.00		5 years + perpetual period	Revenue growth rate: 10.00%–99.71% [Note 3] Gross margin: 23.37%–27.62%	[Note 2]	Revenue growth rate: 2.00% Discount rate: 14.27%	Pre-tax wacc calculated from industry data
Asset group of DunAn Environment equipment	328,324,949.71	2,717,000,000.00		5 years + perpetual period	Revenue growth rate: 8.00%–14.72% Gross margin: 25.58%–28.49%	[Note 2]	Revenue growth rate: 2.00% Discount rate: 14.27%	Pre-tax wacc calculated from industry data
Total	7,044,331,973.62	12,904,000,000.00						

[Note 1] According to the Asset Evaluation Report on the Recoverable Amount of the Asset Group (Including Goodwill) of Zhejiang DunAn Artificial Environment Co., Ltd. Involved in the Goodwill Impairment Test of Gree Electric Appliances, Inc. of Zhuhai for the Preparation of Financial Reports (BJYCPB ZI (2024) No. A101) issued by Beijing Yachao Asset Appraisal Co., Ltd., there is no impairment of goodwill, and the recoverable amount of the asset group is calculated by using the method of the present value of expected future cash flows in the assessment report;

[Note 2] The recoverable amount of the asset group or asset group combination containing goodwill is based on the profit forecast determined by the management of DunAn Environment. The basis for revenue growth is mainly due to the future development of foreign markets. The increase in profit margin was mainly due to the fact that the revenue in the foreign market was higher than that in the domestic market, and the cost was estimated based on the historical annual average production cost, resulting in a gradual increase in profit rate;

[Note 3] The reason for the higher revenue growth rate of the thermal management asset group is that it is still in the start-up stage and the historical revenue growth rate is relatively high.

Long-term unamortized expenses

Item	Beginning balance	Increased amount in the current period	Amortization amount in the current period	Ending Balance
Renovation costs and others	22,862,393.90	14,390,031.04	12,976,950.00	24,275,474.94
Total	22,862,393.90	14,390,031.04	12,976,950.00	24,275,474.94

Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets not offset

Item	Ending Balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Accrued expenses	81,894,353,560.58	12,299,777,470.95	74,646,872,375.32	11,202,831,506.36
Assets impairment reserves	9,185,884,979.39	1,563,753,624.25	6,643,992,630.67	1,130,458,707.56
Deductible losses	7,607,177,645.41	1,383,660,092.05	8,528,191,787.64	1,667,323,200.67
Payroll payable	2,403,160,852.09	368,434,495.66	1,488,929,099.06	230,456,696.17
Lease liabilities	855,196,661.01	210,201,073.63	212,875,571.23	47,385,845.47
Asset amortization/depreciation	285,078,030.33	43,422,888.16	264,225,302.62	39,712,114.04
Changes in fair value of other equity instrument investments	270,341,234.04	40,551,185.11		
Others	3,386,147,827.13	651,636,192.00	1,800,297,523.36	326,709,500.84
Total	105,887,340,789.98	16,561,437,021.81	93,585,384,289.90	14,644,877,571.11

(2) Deferred income tax liabilities not offset

Item	Ending Balance		Beginning balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Accrued interest	8,004,193,370.39	1,338,930,710.07	5,290,711,334.53	968,378,001.20
Appraised appreciation of consolidated assets of enterprises not under the common control	3,068,234,386.94	628,766,638.59	3,582,036,617.90	738,945,765.64
Usufruct assets	841,445,774.92	207,082,853.09	207,344,779.05	46,010,700.88
Assets amortization	1,178,075,518.52	185,886,711.77	1,750,007,228.31	271,416,568.54
Changes in fair value of derivative financial assets	174,933,139.85	27,862,021.19	23,731,530.82	3,970,875.35
Changes in fair value of other equity instrument investments			433,527,038.34	65,029,055.75
Others	2,442,258,390.98	483,228,222.87	732,645,089.17	177,387,477.26
Total	15,709,140,581.60	2,871,757,157.58	12,020,003,618.12	2,271,138,444.62

(3) Details of deferred income tax assets not recognized

Item	Ending Balance	Beginning balance
Deductible losses	5,611,793,371.12	2,599,631,551.36
Deductible temporary differences	3,078,969,898.57	3,281,958,579.26
Total	8,690,763,269.69	5,881,590,130.62

(4) The deductible losses of deferred income tax assets not recognized will be due in the following years

Year	Investment Amount at the End of the Period	Beginning Amount
2023		224,603,342.52
2024	1,417,170,907.63	762,961,760.88
2025	1,017,526,622.61	785,496,400.36
2026	856,758,140.24	115,411,404.36
2027	585,602,169.96	110,109,117.96
2028	820,192,288.14	13,674,872.10
2029	14,221,495.75	
2030	19,960,469.70	5,609,610.89
2031	17,117,414.62	
2032	32,376,800.88	
Open-ended	830,867,061.59	581,765,042.29
Total	5,611,793,371.12	2,599,631,551.36

Other non-current assets

Item	Ending Balance			Beginning balance		
	Book balance	Impairment provision	Book Value	Book balance	Impairment provision	Book Value
Monetary investment products and accrued interest	41,018,451,427.70		41,018,451,427.70			
Advance payments for equipment	1,196,720,503.05		1,196,720,503.05	739,880,724.35		739,880,724.35
Advance project funds and cash pledge and deposit	276,954,860.61	76,969,740.55	199,985,120.06	286,681,230.43	30,808,387.19	255,872,843.24
Advance land-transferring fees and others	82,948,394.58		82,948,394.58	43,959,131.67		43,959,131.67
Total	42,575,075,185.94	76,969,740.55	42,498,105,445.39	1,070,521,086.45	30,808,387.19	1,039,712,699.26

Assets with restricted ownership or right-to-use

Item	End of Period	
	Book Value	Restricted Reason
Monetary funds	36,444,669,541.57	Required deposit reserve, earnest money, etc.
Accounts receivable	95,386,260.00	Pledged

Item	End of Period	
	Book Value	Restricted Reason
Receivables financing	5,033,716,307.04	Pledged
Contract assets	103,189,654.26	Pledged
Other current assets	9,000,000,000.00	Pledged
Non-current assets due within one year	1,000,000,000.00	Pledged
Other debt investments	10,090,000,000.00	Pledged
Long-term equity investments	310,838,556.07	Pledged
Fixed assets	2,285,127,725.15	Pledged
Construction in progress	223,626,881.02	Pledged
Intangible assets	1,436,665,729.28	Pledged
Other non-current assets	12,180,000,000.00	Pledged
Others	13,646,580.00	Pledged
Total	78,216,867,234.39	

(Continued)

Item	Beginning of period	
	Book Value	Restricted Reason
Monetary funds	49,215,097,504.03	Required deposit reserve, earnest money, etc.
Accounts receivable	239,378,920.65	Pledged
Receivables financing	12,304,327,541.08	Pledged
Non-current assets due within one year	3,022,847,488.96	Pledged
Other debt investments	5,700,000,000.00	Pledged
Other equity instrument investments	1,965,635,734.92	Restricted shares
Long-term equity investments	293,539,194.32	Pledged
Fixed assets	976,001,655.74	Pledged
Intangible assets	1,063,362,713.41	Pledged
Others	192,982,228.53	Pledged
Total	74,973,172,981.64	

Short-term borrowings

(1) Classification of short-term borrowings

Item	Ending Balance	Beginning balance
Pledge borrowings	13,689,816,990.91	20,215,759,226.93
Credit borrowings	11,791,884,924.68	31,117,982,271.80
Mortgaged borrowings	403,850,000.00	438,390,000.00

Item	Ending Balance	Beginning balance
Pledge, mortgaged, and credit borrowings	318,978,953.96	
Pledge and mortgaged borrowings	115,500,000.00	
Mortgaged and credit borrowings	35,500,000.00	
Guaranteed borrowings		900,000,000.00
Subtotal	26,355,530,869.55	52,672,131,498.73
Accrued interest	87,945,518.97	223,719,789.19
Total	26,443,476,388.52	52,895,851,287.92

(2) Overdue and unpaid short-term borrowings

None.

Derivative financial liabilities

Item	Ending Balance	Beginning balance
Foreign exchange derivatives	4,079,919.91	184,811,894.98
Total	4,079,919.91	184,811,894.98

Notes payable

Type	Ending Balance	Beginning balance
Banker's acceptance bill	23,741,128,400.12	38,346,486,801.38
Trade acceptance draft		263,414,018.36
Total	23,741,128,400.12	38,609,900,819.74

[Note] As of December 31, 2023, the Company had no notes payable that were due and unpaid.

Accounts payable

(1) List of accounts payable

Item	Ending Balance	Beginning balance
Payment for goods and services	37,687,019,566.61	30,384,290,338.76
Others	3,460,339,655.34	2,471,781,150.11
Total	41,147,359,221.95	32,856,071,488.87

(2) Important payables aged over 1 year

None.

Contract liabilities

Item	Ending Balance	Beginning balance
Payment for goods and pre-sale housing	13,588,771,210.88	14,972,336,715.45
Total	13,588,771,210.88	14,972,336,715.45

[Note] Contract liabilities mainly consist of advance payments from distributors for goods.

Deposits from customers and interbank

Item	Ending Balance	Beginning balance
Time deposits	245,243,190.05	190,606,127.38
Current deposits	3,188,766.08	22,144,523.59
Subtotal	248,431,956.13	212,750,650.97
Accrued interest	6,184,943.22	6,360,418.64
Total	254,616,899.35	219,111,069.61

Payroll payable

(1) List of employee remuneration payable

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance
I. Short-term wages and salaries	3,887,857,360.44	11,105,934,748.86	10,728,021,808.72	4,265,770,300.58
II. Separation benefits – defined contribution plan	10,004,731.40	812,059,419.17	799,223,064.86	22,841,085.71
Total	3,897,862,091.84	11,917,994,168.03	11,527,244,873.58	4,288,611,386.29

(2) List of short-term wages and salaries

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance
1. Wages, bonuses, subsidies and allowances	2,794,951,468.75	9,364,041,403.07	9,106,317,169.18	3,052,675,702.64
2. Employee welfare	429,699.41	770,490,581.96	769,038,005.30	1,882,276.07
3. Social insurance premiums	2,881,491.17	330,420,482.50	326,082,508.89	7,219,464.78
Including: Medical insurance premiums	2,435,896.66	298,191,523.46	294,011,570.82	6,615,849.30
Work-related injury insurance premiums	315,476.86	24,314,251.80	24,091,352.06	538,376.60
Maternity insurance premiums	130,117.65	7,914,707.24	7,979,586.01	65,238.88
4. Housing provident funds	4,411,203.23	388,522,174.53	389,016,435.18	3,916,942.58
5. Labor union expenditures and employee education funds	1,085,183,497.88	252,460,106.80	137,567,690.17	1,200,075,914.51
Total	3,887,857,360.44	11,105,934,748.86	10,728,021,808.72	4,265,770,300.58

(3) List of separation benefits – defined contribution plan

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance
1. Basic endowment insurance premiums	8,963,101.99	780,820,624.32	768,438,437.37	21,345,288.94
2. Unemployment insurance premiums	1,041,629.41	31,238,794.85	30,784,627.49	1,495,796.77
Total	10,004,731.40	812,059,419.17	799,223,064.86	22,841,085.71

Taxes and dues payable

Item	Ending Balance	Beginning balance
Business income tax	2,544,807,089.57	1,856,871,168.58
Value-added tax	1,393,002,309.22	1,650,439,583.33

Item	Ending Balance	Beginning balance
Others	399,822,161.49	312,113,887.57
Total	4,337,631,560.28	3,819,424,639.48

Other payables

Item	Ending Balance	Beginning balance
Dividends payable	5,572,388.92	5,620,664,762.67
Other payables [Note 1]	5,507,694,127.90	5,291,741,904.22
Total	5,513,266,516.82	10,912,406,666.89

[Note 1] Other payables in the table above refer to other payables deducting interests payable and dividends payable;

[Note 2] The Company has no interests payable at the end and the beginning of the period.

(1) Dividends payable

Item	Ending Balance	Beginning balance
Common stock dividends	602,881.87	5,614,444,494.87
Others	4,969,507.05	6,220,267.80
Total	5,572,388.92	5,620,664,762.67

[Note] The Company has no important dividends payable aged over 1 year.

(2) Other payables

1) Other payables listed by nature of payment

Item	Ending Balance	Beginning balance
Intercourse funds	2,617,427,058.95	2,485,922,439.12
Enterprise borrowing and interest	1,654,225,040.13	1,621,102,937.08
Cash pledge and deposit	1,236,042,028.82	1,184,716,528.02
Total	5,507,694,127.90	5,291,741,904.22

2) Other important payables aged over 1 year

Item	Ending Balance	Reasons for failing to repay or carry-over
Unit 1	1,003,043,216.69	Unsatisfied repayment conditions
Total	1,003,043,216.69	

Non-current liabilities due within one year

Item	Ending Balance	Beginning balance
Long-term borrowings due within one year	20,411,257,654.34	
Long-term payables to be due within one year	104,437,399.09	188,387,613.61
Lease liabilities due within 1 year	89,826,019.60	66,954,923.96

Item	Ending Balance	Beginning balance
Total	20,605,521,073.03	255,342,537.57

Other current liabilities

Item	Ending Balance	Beginning balance
Sales rebate	50,881,332,212.24	52,515,732,341.58
Others	10,177,504,966.53	5,233,085,261.66
Total	61,058,837,178.77	57,748,817,603.24

Long-term borrowings

Item	Ending Balance	Beginning balance
Pledge borrowings	19,537,435,550.95	3,312,962,532.03
Credit borrowings	37,768,442,020.95	24,721,907,621.41
Mortgaged borrowings	2,089,219,068.84	2,718,972,309.96
Subtotal	59,395,096,640.74	30,753,842,463.40
Add: Accrued interests	51,903,548.69	30,398,747.81
Less: Long-term borrowings due within one year	20,411,257,654.34	
Total	39,035,742,535.09	30,784,241,211.21

Lease liabilities

Item	Ending Balance	Beginning balance
Lease liabilities	856,833,971.52	213,791,544.62
Less: Lease liabilities due within 1 year	89,826,019.60	66,954,923.96
Total	767,007,951.92	146,836,620.66

Long-term payables

Item	Ending Balance	Beginning balance
Financial liabilities formed after sale and leaseback	131,465,897.39	274,393,778.81
Others		18,638,250.00
Subtotal	131,465,897.39	293,032,028.81
Less: Long-term payables due within 1 year	104,437,399.09	188,387,613.61
Total	27,028,498.30	104,644,415.20

Long-term payroll payable

(1) Table of long-term payroll payable

Item	Ending Balance	Beginning balance
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Item	Ending Balance	Beginning balance
Net liabilities of separation benefits – defined benefit plan	195,057,663.00	175,712,728.00
Total	195,057,663.00	175,712,728.00

(2) Changes in the defined benefit plan

1) Present value of obligations under the defined benefit plan:

Item	Amount for the current period	Amount incurred for the previous period
I. Beginning balance	175,712,728.00	164,408,471.00
II. Defined benefit cost included in the current profits and losses	9,941,893.00	8,733,357.00
1. Service costs in the current period	3,238,005.00	2,945,591.00
2. Net interest	5,173,500.00	5,241,236.00
3. Impact of adding new personnel	1,530,388.00	546,530.00
III. Defined benefit cost included in other comprehensive income	15,837,466.00	8,601,949.00
Including: actuarial gains (losses expressed with "-")	15,837,466.00	8,601,949.00
IV. Other changes	-6,434,424.00	-6,031,049.00
Including: Paid benefits	-6,434,424.00	-6,031,049.00
V. Ending balance	195,057,663.00	175,712,728.00

2) Net liabilities (net assets) of the defined benefit plan:

Item	Amount for the current period	Amount incurred for the previous period
I. Beginning balance	175,712,728.00	164,408,471.00
II. Defined benefit cost included in the current profits and losses	9,941,893.00	8,733,357.00
III. Defined benefit cost included in other comprehensive income	15,837,466.00	8,601,949.00
IV. Other changes	-6,434,424.00	-6,031,049.00
V. Ending balance	195,057,663.00	175,712,728.00

(3) The descriptions of contents and associated risks of the defined benefit plan, and its influences on the Company's future cash flow, time, and uncertainty are as follows:

1) Descriptions of contents and associated risks of the defined benefit plan, and its influences on the Company's future cash flow, time, and uncertainty

The Company's defined benefit plan is a supplementary post-retirement benefit plan for some retirees, early retirees, and serving officers after normal retirement. Given that the amount involved in the defined benefit plan is not significant, it cannot have a significant impact on the Company's future cash flow.

2) Descriptions of significant actuarial assumptions and sensitivity analysis results of the defined benefit plan

Under the requirements of the *Accounting Standards for Business Enterprises No. 9 – Employee Compensation*, the discount rate adopted by the Company at the time of discount is recognized by the market yields of high-quality corporate bonds in the treasury bonds or active market that match the

obligatory term and currency of the defined benefit plan on the balance sheet date; the annual growth rates and annual dismissal rates of all benefits are based on the actual measurement data of the Company; and the death rate is recognized by referring to the experience life table for insurance business of China Life Insurance (Group) Company.

Deferred income

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance	Cause of formation
Government grants	3,335,077,967.39	424,153,554.48	235,076,720.35	3,524,154,801.52	Related to assets/income s
Others	5,133,362.84		1,432,566.24	3,700,796.60	Unconfirmed profit and loss from sale and leaseback
Total	3,340,211,330.23	424,153,554.48	236,509,286.59	3,527,855,598.12	

Share capital

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance
Total number of stocks	5,631,405,741.00			5,631,405,741.00
Total	5,631,405,741.00			5,631,405,741.00

Capital reserves

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance
Share capital premium		560,382,088.91	560,382,088.91	
Other capital reserves	496,102,011.66	1,411,326,160.71	554,905,778.70	1,352,522,393.67
Total	496,102,011.66	1,971,708,249.62	1,115,287,867.61	1,352,522,393.67

[Note 1] The share of equity incentive – employee stock ownership plan expenses in the current period increased the capital reserves – other capital reserves by RMB1, 411,326,160.71;

[Note 2] In this period, some subsidiaries engaged in equity transactions, resulting in an increase of RMB5,476,310.21 in capital reserves – share capital premium;

[Note 3] The expiration of the lock-up period of the first phase of the employee stock ownership plan and the fulfillment of the vesting conditions resulted in an increase of RMB554,905,778.70 in capital reserves – share capital premium, and a decrease of RMB554,905,778.70 in capital reserves – other capital reserves;

[Note 4] Capital reserves – share capital premium of RMB560,382,088.91 is offset by the purchase of minority equity interests in subsidiaries and the expected payment of performance compensation.

Treasury share

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance
Repurchased share	5,643,935,587.86	4,108,275,713.17	4,809,487,389.59	4,942,723,911.44
Total	5,643,935,587.86	4,108,275,713.17	4,809,487,389.59	4,942,723,911.44

[Note 1] On February 3, 2023, the Company transferred 77,163,880 shares from the Company's special securities account for repurchase to the special account of "Gree Electric Appliances, Inc. of Zhuhai – employee stock ownership plan phase II" through non-trading transfer, and the treasury shares decreased RMB3,665,952,595.95, and the transferred shares accounted for 1.37% of the Company's total share capital at that time. At the same time, the confirmation of stock repurchase obligations in this period increased the treasury shares by RMB1,108,073,316.80;

[Note 2] In accordance with the Announcement on the Expiration of the Lock-up Period and Achievement of Vesting Conditions of Employee Stock Ownership Plan Phase I of the Company, the appraisal period of the phase of the employee stock ownership plan of the Company has expired and the performance indicators of the appraisal and vesting period have been met, and the attributable stock rights can be distributed. The Company derecognized the obligation to repurchase the shares of the employee stock ownership plan phase I during the current period, resulting in a decrease of RMB1,143,534,793.64 in treasury shares;

[Note 3] As of December 31, 2023, the Company repurchased 91,897,967 shares in phase IV, and the repurchase amount was RMB3,000,202,396.37. The repurchased treasury shares in this period accounted for 1.63% of the Company's total share capital at that time, and all of them were deposited in the Company's special securities account for repurchase. During the deposit period, they did not enjoy related rights such as voting rights at shareholders' meetings, profit distribution, conversion of reserves into share capital, allotment, and pledge.

Other comprehensive income

Item	Beginning balance	Amount for the current period						Ending Balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive income in the previous period but transferred to the profits and losses in the current period	Less: Amount included in other comprehensive income in the previous period but transferred to retained earnings in the current period	Less: Income tax expenses	Amount attributable to the parent company after tax	Amount attributable to minority shareholders after tax	
I. Other comprehensive income cannot be reclassified into profits and losses	1,820,479,359.65	-1,359,257,024.09		413,925,573.32	56,550,930.69	-1,833,796,245.42	4,062,717.32	-13,316,885.77
Changes arising from remeasurement of the defined benefit plan	-72,008,226.00	-15,837,466.00				-15,837,466.00		-87,845,692.00
Other comprehensive income that cannot be transferred to profits and losses under the equity method	2,100,022,256.43	-686,278,320.85		330,311,225.17	162,131,171.55	-1,182,783,434.89	4,062,717.32	917,238,821.54
Changes in the fair value of other equity instrument investments	-207,534,670.78	-657,141,237.24		83,614,348.15	-105,580,240.86	-635,175,344.53		-842,710,015.31
II. Other comprehensive income to be reclassified into profits and losses	222,422,245.39	97,364,238.49	8,725,200.15		8,137,406.29	66,432,933.68	14,068,698.37	288,855,179.07
Other comprehensive income that can be transferred to profits and losses under the equity method	-208,819.44	527,247.07				160,652.18	366,594.89	-48,167.26
Changes in the fair value of other debt investments	-8,060,421.69	9,079,591.01			3,399,497.28	5,646,351.69	33,742.04	-2,414,070.00
Reserves for credit impairment of other debt investments	-3,667,360.51	19,004,631.52	7,464,950.15		4,440,275.26	2,753,149.69	4,346,256.42	-914,210.82

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Item	Beginning balance	Amount for the current period						Ending Balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive income in the previous period but transferred to the profits and losses in the current period	Less: Amount included in other comprehensive income in the previous period but transferred to retained earnings in the current period	Less: Income tax expenses	Amount attributable to the parent company after tax	Amount attributable to minority shareholders after tax	
Cash flow hedging reserves	1,073,618.07	3,244,475.00	1,260,250.00		297,633.75	1,650,685.72	35,905.53	2,724,303.79
Differences arising from the translation of financial statements in foreign currency	233,285,228.96	65,508,293.89				56,222,094.40	9,286,199.49	289,507,323.36
Total	2,042,901,605.04	-1,261,892,785.60	8,725,200.15	413,925,573.32	64,688,336.98	-1,767,363,311.74	18,131,415.69	275,538,293.30

Special reserves

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance
Safe production expenses	25,845,351.28	5,017,397.69	3,893,105.53	26,969,643.44
Total	25,845,351.28	5,017,397.69	3,893,105.53	26,969,643.44

Surplus reserves

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance
Statutory surplus reserves	2,241,118,692.92	2,745,557,993.21	3,255,546,661.73	1,731,130,024.40
Total	2,241,118,692.92	2,745,557,993.21	3,255,546,661.73	1,731,130,024.40

[Note 1] The reasons for the increase in surplus reserves for the current period are:

- ① According to the regulations, the Company appropriated 10% of the parent company's net profit for the current period to the statutory surplus reserves of RMB2,704,897,285.76;
- ② The transfer of other comprehensive income to retained earnings resulted in an increase of RMB40,660,707.45 to the surplus reserve.

[Note 2] The transfer of treasury shares under the employee stock ownership plan phase II and the acquisition of minority interests in subsidiaries resulted in a decrease of RMB3,255,546,661.73 in surplus reserve – statutory surplus reserve.

General risk provisions

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending Balance
General risk provisions	507,223,117.40			507,223,117.40
Total	507,223,117.40			507,223,117.40

Undistributed profits

Item	Amount for the current period	Amount incurred for the previous period
Undistributed profits at the end of the previous period before adjustment	91,458,073,960.81	103,475,223,000.17
Total adjustment of undistributed profits at the beginning of the period (increase +, decrease -)		
Beginning undistributed profit after adjustment	91,458,073,960.81	103,475,223,000.17
Add: Net profit attributable to owners of the parent company for the current period	29,017,387,604.18	24,506,623,782.46
Less: Withdrawal of statutory surplus reserves	2,704,897,285.76	2,237,070,151.57
Withdrawal of general risk reserves		1,623,761.10
Common share dividends payable [Note]	5,613,841,613.00	22,223,874,812.00

Item	Amount for the current period	Amount incurred for the previous period
Influence of share-based payment and share cancellation	313,591,772.67	11,668,920,238.83
Purchase of minority shareholder's equity in subsidiaries		428,720,730.49
Add: Amount transferred from other comprehensive income to retained earnings	368,519,908.06	36,436,872.17
Ending undistributed profit	112,211,650,801.62	91,458,073,960.81

[Note] Under the resolutions of the annual general meeting of shareholders on June 30, 2023, the Company distributed cash dividends to all shareholders at a rate of RMB10.00 (tax inclusive) per 10 shares. Based on the shares deducting repurchased shares 17,564,128 in the account for repurchased from the Company's total capital shares of 5,631,405,741, RMB5,613,841,613.00 of cash dividends should be actually distributed.

Operating revenues and costs

Item	Amount for the current period		Amount incurred for the previous period	
	Revenue	Cost	Revenue	Cost
Main business	174,565,470,852.38	113,508,550,549.59	153,165,839,566.10	105,573,859,862.27
Other business	29,413,795,534.71	28,116,999,197.36	35,822,543,140.58	34,210,528,020.51
Total	203,979,266,387.09	141,625,549,746.95	188,988,382,706.68	139,784,387,882.78

Information related to the revenues from the main business:

Item	Amount for the current period		Amount incurred for the previous period	
	Revenue	Cost	Revenue	Cost
Classified by industry				
Manufacturing industry	174,565,470,852.38	113,508,550,549.59	153,165,839,566.10	105,573,859,862.27
Total	174,565,470,852.38	113,508,550,549.59	153,165,839,566.10	105,573,859,862.27
Classified by product type				
Including: Air conditioner	151,216,511,000.13	95,207,973,716.18	134,859,394,542.06	91,116,284,416.91
Home appliance	4,001,971,437.12	2,579,480,666.41	4,567,901,238.21	3,051,711,250.15
Industrial product	10,002,891,047.02	7,730,401,393.36	7,599,259,996.39	6,057,662,877.96
Smart device	669,842,288.11	459,908,441.68	432,085,871.36	303,247,852.63
Green energy	7,106,463,576.73	6,193,955,989.91	4,701,188,530.73	4,077,474,678.11
Others	1,567,791,503.27	1,336,830,342.05	1,006,009,387.35	967,478,786.51
Total	174,565,470,852.38	113,508,550,549.59	153,165,839,566.10	105,573,859,862.27
Classified by region				
Including: Sales in domestic market	149,661,934,832.94	94,519,678,129.83	129,895,113,805.01	85,650,631,599.13

Item	Amount for the current period		Amount incurred for the previous period	
	Revenue	Cost	Revenue	Cost
Export sales	24,903,536,019.44	18,988,872,419.76	23,270,725,761.09	19,923,228,263.14
Total	174,565,470,852.38	113,508,550,549.59	153,165,839,566.10	105,573,859,862.27

Interest income and interest expenses

Item	Amount for the current period	Amount incurred for the previous period
Interest income	1,038,856,837.77	1,162,289,741.08
Including: Interest income from deposits in other banks and central banks	769,444,269.59	900,104,771.54
Interest income from the issuance of loans and advances	116,256,351.56	46,543,226.92
Others	153,156,216.62	215,641,742.62
Interest expense	126,399,291.44	82,118,835.96
Including: Expenses from transactions with financial institutions	113,834,187.03	63,728,710.63
Others	12,565,104.41	18,390,125.33
Net interest income	912,457,546.33	1,080,170,905.12

Taxes and surcharges

Item	Amount for the current period	Amount incurred for the previous period
Urban maintenance & construction tax	608,933,524.27	410,993,531.12
Education surcharge	443,446,170.48	296,533,867.57
Building tax	291,022,667.17	242,591,473.78
Land use tax	150,553,829.97	150,191,753.52
Others	620,228,300.94	511,932,783.41
Total	2,114,184,492.83	1,612,243,409.40

Sales expenses

Item	Amount for the current period	Amount incurred for the previous period
Sales expenses	17,129,639,682.51	11,285,451,112.27
Total	17,129,639,682.51	11,285,451,112.27

[Note] In 2023, the sales expenses mainly included the installation and maintenance expenses, warehousing expenses, loading and unloading fees, and promotion expenses, totally accounting for more than 80% of the total sales expenses.

Administrative expenses

Item	Amount for the current period	Amount incurred for the previous period
Administrative expenses	6,542,161,037.82	5,267,999,733.62

Item	Amount for the current period	Amount incurred for the previous period
Total	6,542,161,037.82	5,267,999,733.62

[Note] In 2023, the overhead expenses included the employees' remuneration, material consumption, depreciation, and amortization, totally accounting for more than 80% of the total overhead expenses.

R&D expenses

Item	Amount for the current period	Amount incurred for the previous period
R&D expenses	6,762,136,262.23	6,281,394,430.40
Total	6,762,136,262.23	6,281,394,430.40

[Note] In 2023, the R&D expenses mainly included the employees' labor cost and direct investment cost, accounting for more than 80% of the total R&D expenses.

Financial expenses

Item	Amount for the current period	Amount incurred for the previous period
Interest expense [Note 1]	2,962,205,439.75	2,836,743,431.08
Less: Interest income [Note 2]	6,189,969,897.82	4,646,747,718.69
Add: Exchange profits and losses	-373,003,623.17	-500,019,034.67
Commissions	67,736,176.25	97,740,063.96
Interest expense for defined benefit obligation	5,173,500.00	5,241,236.00
Others	1,336,553.24	277,430.67
Total	-3,526,521,851.75	-2,206,764,591.65

[Note 1] The above interest expenses include borrowing interest expenses and discount interest expenses;

[Note 2] Both the above interest income and the interest income in this Note "V. 56. Interest income and interest expenses are capital income".

Other income

Sources of other income	Amount for the current period	Amount incurred for the previous period	The amount included in non-recurring profits and losses in the current period
Government grants	716,882,751.82	866,364,721.39	680,624,707.59
Commissions refund individual income tax and others	183,786,384.13	13,444,790.66	40,553,390.36
Total	900,669,135.95	879,809,512.05	721,178,097.95

Income from investment

Item	Amount for the current period	Amount incurred for the previous period
Investment income obtained from trading financial instruments	280,532,436.05	12,797,272.64
Long-term equity investment income measured by the equity method	93,222,443.16	-3,324,287.24

Item	Amount for the current period	Amount incurred for the previous period
Investment income from derivative financial instruments	-334,089,576.80	5,308,155.89
Others	177,491,302.82	72,102,800.45
Total	217,156,605.23	86,883,941.74

Income from changes in fair value

Sources of income from changes in fair value	Amount for the current period	Amount incurred for the previous period
Derivative financial instruments	290,358,381.45	-389,491,823.26
Trading financial instruments	135,772,263.81	59,588,240.62
Others	11,453,343.46	-13,672,122.47
Total	437,583,988.72	-343,575,705.11

Credit impairment losses

Item	Amount for the current period	Amount incurred for the previous period
Bad debt losses	-824,454,538.38	-504,912,773.22
Impairment losses of buying back the sale	-3,077,495.66	
Impairment losses of loans and advances	3,486,921.74	88,544,000.00
Total	-824,045,112.30	-416,368,773.22

Asset impairment losses

Item	Amount for the current period	Amount incurred for the previous period
Inventory falling price losses	-2,077,565,556.79	-682,224,437.94
Goodwill impairment losses	-206,861,546.92	-246,572,327.43
Impairment losses of contract assets	-23,251,340.92	-41,268,491.89
Other asset impairment losses	-185,901,249.45	3,386,247.75
Total	-2,493,579,694.08	-966,679,009.51

Income from disposal of assets

Source of income from disposal of assets	Amount for the current period	Amount incurred for the previous period
Gains from disposal of non-current assets (losses expressed with "-")	382,923,791.69	608,425.71
Total	382,923,791.69	608,425.71

Non-operating revenues

Item	Amount for the current period	Amount incurred for the previous period	The amount included in non-recurring profits and losses in the current period
Net profit from destruction scrap of non-current assets	3,273,237.25	580,724.89	3,273,237.25

Item	Amount for the current period	Amount incurred for the previous period	The amount included in non-recurring profits and losses in the current period
Including: Gains or losses from destruction scrap of fixed assets	3,273,237.25	580,724.89	3,273,237.25
Government subsidies related to non-operation	26,340,308.60	11,816,261.51	26,340,308.60
Others	98,758,262.67	47,413,344.96	98,758,262.67
Total	128,371,808.52	59,810,331.36	128,371,808.52

Non-operating expenses

Item	Amount for the current period	Amount incurred for the previous period	The amount included in non-recurring profits and losses in the current period
Total losses from scrap of non-current assets	57,463,367.50	53,809,736.38	57,463,367.50
Including: Losses from destruction scrap of fixed assets	57,463,367.50	42,611,579.47	57,463,367.50
Others	119,984,960.59	72,712,838.55	119,984,960.59
Total	177,448,328.09	126,522,574.93	177,448,328.09

Income tax expenses

(1) Table of income tax expenses

Item	Amount for the current period	The amount incurred for the previous period
Income tax expenses in the current period	6,477,401,667.61	4,911,250,568.93
Deferred income tax expenses	-1,380,720,743.01	-705,210,079.43
Total	5,096,680,924.60	4,206,040,489.50

(2) Adjustment of accounting profits and income tax expenses

Item	Amount for the current period
Total profits	32,815,703,838.19
Income tax expenses calculated at the statutory/applicable tax rate	4,922,355,575.73
Impact by different tax rates applicable to subsidiaries	-41,823,864.43
Impact by non-deductible costs, expenses and losses	50,924,079.26
Impact of deductible temporary differences or deductible losses on unrecognized deferred income tax assets at the end of the period	305,236,870.16
Others	-140,011,736.12
Income tax expenses	5,096,680,924.60

Items of cash flow statement

(1) Cash flows related to operating activities

1) Other cash received related to operating activities

Item	Amount for the current period	Amount incurred for the previous period
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Item	Amount for the current period	Amount incurred for the previous period
Government grants	990,758,810.62	1,505,716,278.65
Interest income	386,430,147.87	232,202,309.34
Net decrease in bill pledge deposits and guarantee deposits		630,231,744.37
Cash pledges, deposits, and others	1,461,579,187.30	1,519,632,130.33
Total	2,838,768,145.79	3,887,782,462.69

2) Other cash payments related to operating activities

Item	Amount for the current period	Amount incurred for the previous period
Cash payments for sales expenses	8,562,376,407.52	7,472,508,694.30
Net increase in bill pledge deposits and guarantee deposits	5,911,533,582.83	
Cash payments for overhead expenses and R&D expenses	1,800,397,545.02	1,687,485,005.09
Return of advance project funds	165,658,259.48	201,388,556.08
Payment of performance, bid security, and others	1,117,354,876.06	1,125,497,555.86
Total	17,557,320,670.91	10,486,879,811.33

(2) Cash related to investment activities

1) Cash received related to investment activities

Item	Amount for the current period	Amount incurred for the previous period
Redemption of monetary investment products, large certificates of deposit, debt instrument investments, and other products	21,394,360,863.88	6,820,424,111.41
Total	21,394,360,863.88	6,820,424,111.41

2) Cash payment related to investment activities

Item	Amount for the current period	Amount incurred for the previous period
Payment of monetary investment products, large certificates of deposit, debt instrument investments, and other products	84,266,255,633.47	13,113,484,681.50
Total	84,266,255,633.47	13,113,484,681.50

3) Other cash received related to investment activities

Item	Amount for the current period	Amount incurred for the previous period
Net decrease in fixed deposits	21,131,039,386.45	
Fixed deposit interest income	3,556,171,690.87	3,443,556,899.78
Others	28,671,249.18	
Total	24,715,882,326.50	3,443,556,899.78

4) Other cash payments related to investment activities

Item	Amount for the current period	Amount incurred for the previous period
The net outflow of forward foreign settlement and purchase	304,332,374.80	706,243,786.63
Net increase in fixed deposits		25,303,307,257.06

Item	Amount for the current period	Amount incurred for the previous period
Others	3,866,295.73	39,078,603.18
Total	308,198,670.53	26,048,629,646.87

(3) Other cash paid related to financing activities**1) Other cash payments related to financing activities**

Item	Amount for the current period	Amount incurred for the previous period
Net decrease in pledge deposits on borrowings	19,055,112,862.00	
Collection of employee stock ownership plan funds	1,108,073,316.80	
Others	40,000,000.00	20,000,000.00
Total	20,203,186,178.80	20,000,000.00

2) Other cash payments related to financing activities

Item	Amount for the current period	Amount incurred for the previous period
Cash payment for repurchased shares	3,000,202,396.37	
Net increase in pledge deposits on borrowings		12,253,655,898.35
Others	1,362,342,134.72	1,425,089,651.60
Total	4,362,544,531.09	13,678,745,549.95

3) Changes in liabilities arising from financing activities

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending Balance
		Cash changes	Non cash changes	Cash changes	Non cash changes	
Bank loans and others	105,836,297,465.02	67,752,847,047.14	2,881,245,758.59	88,794,222,755.28		87,676,167,515.47
Bonds payable		899,737,500.00	12,087,909.84	911,825,409.84		
Dividends payable	5,620,664,762.67	5,725,035,063.56		11,340,127,437.31		5,572,388.92
Lease liabilities (including lease liabilities due within one year)	213,791,544.62		804,053,382.56	161,010,955.66		856,833,971.52
Total	111,670,753,772.31	74,377,619,610.70	3,697,387,050.99	101,207,186,558.09		88,538,573,875.91

Supplementary for cash flow statement**(1) Supplementary for cash flow statement**

Supplementary	Amount in the current period	Amount in the previous period
1. Adjusting net profit to cash flow from operating activities:		
Net Profits	27,719,022,913.59	23,011,344,353.11
Add: Assets and credit impairment reverse	3,317,624,806.38	1,383,047,782.73
Depreciation of fixed assets, depreciation of investment real estate, and amortization of right-to-use assets	4,808,144,624.82	4,597,938,791.84
Amortization of intangible assets	475,186,591.56	372,007,224.51

Supplementary	Amount in the current period	Amount in the previous period
Losses on disposal of fixed assets, intangible assets and other long-term assets (income expressed with “-”)	-382,923,791.69	-608,425.71
Loss from scrapping fixed assets (income expressed with “-”)	54,190,130.25	53,229,011.49
Losses from changes in fair value (income expressed with “-”)	-437,583,988.72	343,575,705.11
Financial expenses (income expressed with “-”)	-3,910,047,955.94	-3,022,815,788.07
Investment losses (income expressed with “-”)	-217,156,605.23	-86,883,941.74
Decrease in deferred income tax assets (increase expressed with “-”)	-1,966,236,836.12	-897,724,577.56
Increase in deferred income tax liabilities (decrease expressed with “-”)	585,516,093.11	192,514,498.13
Decrease of inventories (increase expressed with “-”)	3,656,838,547.28	5,509,950,723.66
Decrease in operating receivables (increase expressed with “-”)	12,312,109,488.56	6,522,203,496.59
Increase in operating payables (decrease expressed with “-”)	15,003,082,209.85	-10,082,543,299.83
Others [Note]	-4,619,339,873.53	773,200,367.01
Net cash flows from operating activities	56,398,426,354.17	28,668,435,921.27
2. Significant investing and financing activities that do not involve cash deposit and withdrawal:		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	30,914,196,186.41	31,754,656,695.61
Less: Beginning balance of cash	31,754,656,695.61	29,951,743,758.00
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-840,460,509.20	1,802,912,937.61

[Note] "Others" include the increase in statutory deposit reserves of RMB121,006,301.94, the net increase in bill deposits of RMB5,911,533,582.83, and the apportioned expenses of employee stock ownership plan for the current period of RMB1,413,200,011.24.

(2) Net cash payment for acquisition of subsidiaries in the current period

Item	Ganzhou Qianjin Real Estate Co., Ltd.
Cash or cash equivalent payment for business combination that occurred in the current period	239,485,900.00
Including: Cash	239,485,900.00
Less: Cash and cash equivalents held by the subsidiary on the acquisition date	143,501.61
Net cash payment for acquisition of subsidiaries	239,342,398.39

(3) Net cash from disposal of subsidiaries this year

Item	Jiangsu Datong Fan Co., Ltd.
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Item	Jiangsu Datong Fan Co., Ltd.
Cash or cash equivalents from the disposal of subsidiaries in this period	
Add: Cash or cash equivalents received this period from the disposal of subsidiaries in the previous period	35,000,000.00
Net cash from disposal of subsidiaries	35,000,000.00

(4) Composition of cash and cash equivalents

Item	Ending Balance	Beginning balance
I. Monetary funds	124,104,987,289.62	157,484,332,251.39
Including: Cash on hand	747,248.45	678,327.53
Bank deposits for payment at any time	12,145,466,861.21	12,976,313,644.11
Other monetary funds for payment at any time	470,104,370.06	342,302,803.81
Deposits in the central bank for payment at any time	6,910,095.46	6,311,554.32
Deposits in other banks for payment at any time	18,290,967,611.23	18,429,050,365.84
Time deposits and accrued interest not in the category of cash and cash equivalents	56,746,121,561.64	76,514,578,051.75
Deposits with restricted use	36,444,669,541.57	49,215,097,504.03
II. Cash equivalents		
III. Ending balance of monetary funds and cash equivalents	124,104,987,289.62	157,484,332,251.39
Less: Time deposits and accrued interest not in the category of cash and cash equivalents	56,746,121,561.64	76,514,578,051.75
Less: Deposits with restricted use	36,444,669,541.57	49,215,097,504.03
Including: Statutory deposit reserves	1,382,019,092.73	1,261,012,790.79
Bill, letter of credit and other deposits	35,062,650,448.84	47,954,084,713.24
IV. Ending balance of cash and cash equivalents	30,914,196,186.41	31,754,656,695.61

(5) Restricted usage scope but still listed as cash and cash equivalents

None.

Annotations to items in the statement of changes in owner's equity

None.

Monetary items in foreign currencies

(1) Monetary items in foreign currencies

Item	USD converted into RMB	Euro converted into RMB	BRL converted into RMB	THB converted into RMB	Others	Converted into RMB in total
Exchange rate of December 31, 2023	7.0827	7.8592	1.4655	0.2074	Not applicable	Not applicable
Monetary funds	3,946,995,304.47	23,691,794.88	356,888,862.00	35,089,794.84	28,028,281.68	4,390,694,037.87
Accounts receivable	3,055,728,463.16	45,559,034.28	1,115,273,168.07	62,799,772.25	127,628,045.32	4,406,988,483.08
Other receivables	7,033,673.13	443,276.56	358,152.20	3,504,201.14	7,545,993.12	18,885,296.15
Short-term borrowings	1,815,817,633.94					1,815,817,633.94
Accounts payable	222,105,016.90	3,985,533.30	55,643,642.10	34,361,823.24	31,043,508.39	347,139,523.93
Other payables	185,865,733.39	12,243,392.79	2,413,819.79		2,660,553.66	203,183,499.63

(2) Description of overseas operating entities

None.

Lease

- 1) The simplified treatment of short-term lease or low-value asset lease expenses is RMB82,935,016.32.
 2) Sale-leaseback transaction

Some subsidiaries of the Company transferred some machinery equipment to financial lease companies and leased them back. In the sale-leaseback transaction, the financial lease company cannot dominate the use of the goods and obtain almost all economic benefits from it. The Company can dominate the use of the leased assets, and has not transferred the control of them. Therefore, the sale-leaseback transaction does not meet the requirements of sales. The Company continues to recognize the transferred assets and recognizes long-term payables at the same time.

- 3) When the Company is a lessor

Item	Rental incomes	Including: Income related to variable lease payments not included in lease payments
Operating lease as a lessor	129,448,972.66	
Total	129,448,972.66	

VI. Change in the consolidation scope**Business combinations not under common control**

- (1) Business combinations not under common control in the current period

Name of the Acquiree	Time Point of Equity Acquisition	Equity Acquisition Cost	Equity Acquisition Proportion	Equity Acquisition Method	Acquisition Date
Ganzhou Qianjin Real Estate Co., Ltd.	2023/10/31	239,485,900.00	90.00%	Purchase by cash	2023/10/31

(Continued)

Name of the Acquiree	Basis for Determining the Acquisition Date	Operating Income of the Acquiree from the Acquisition Date to the End of the Period	Net Profit of the Acquiree from the Acquisition Date to the End of the Period	Cash Flow of the Acquiree from the Acquisition Date to the End of the Period
Ganzhou Qianjin Real Estate Co., Ltd.	Acquisition of control		-804,692.79	3,947,533.56

- (2) Cost and goodwill of business combination

Cost of the business combination	Amount
The total cost of the business combination	239,485,900.00
Including: Cash	239,485,900.00
Less: Fair value of the identifiable net assets acquired	239,485,903.54
Combination cost less than the share of fair value of identifiable net asset acquired	-3.54

- (3) Identifiable assets and liabilities of the acquiree on the acquisition date

Item	Ganzhou Qianjin Real Estate Co., Ltd.	
	Fair value on the acquisition date	Book value on the acquisition date
Assets:		

Item	Ganzhou Qianjin Real Estate Co., Ltd.	
	Fair value on the acquisition date	Book value on the acquisition date
Monetary funds	143,501.61	143,501.61
Other receivables	19,819,308.24	19,819,308.24
Inventory	226,354,123.01	226,354,123.01
Other current assets	19,778,515.52	19,778,515.52
Subtotal of assets	266,095,448.38	266,095,448.38
Liabilities:		
Subtotal of liabilities		
Net Assets	266,095,448.38	266,095,448.38
Less: Minority shareholders' equity	26,609,544.84	26,609,544.84
Net assets acquired	239,485,903.54	239,485,903.54

(4) Gains or losses arising from the remeasurement of equity held before the acquisition date at fair value
None.

Business combination under common control

None.

Reverse acquisitions

None.

Disposal of subsidiaries

Name of Subsidiary	Time Point of Losing Control	Disposal Price of the Time Point of Losing Control	Disposal Ratio of the Time Point of Losing Control (%)	Disposal Methods of the Time Point of Losing Control	Basis for Determining the Time Point of Losing Control	The Difference Between the Disposal Price and the Share of the Subsidiaries' Net Assets at the Level of Consolidated Statements Corresponding to the Disposal Investment	Proportion of Remaining Equity on the Date of Losing Control (%)	Book Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Fair Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Gains or Losses Arising from Remeasurement of Remaining Equity at Fair Value	Determination Methods and Main Assumptions of the Fair Value of the Remaining Equity on the Date of Losing Control at the Consolidated Financial Statement Level	Amount of Other Comprehensive Income Related to Equity Investment of the Original Subsidiary Transferred into Investment Profits and Losses or Retained Earnings
Tianjin Gree Xinhui Medical Equipment Co., Ltd.	2023-10-30		100.00	Canceled	Business registration							None
SL Group Jingu Grain Depot Co., Ltd.	2023-8-25		100.00	Canceled	Business registration							None
SL Group Songlin Grain Depot Co., Ltd.	2023-9-22		100.00	Canceled	Business registration							None
DunAn Sensing Technology Co., Ltd.	2023-6-5		66.58	Canceled	Business registration							None
Jilin Songliang Modern Logistics Development Co., Ltd.	2023-5-6		100.00	Canceled	Business registration							None

Change of consolidation scope for other reasons

Newly established entity in the current period:

Company Name	Date of Establishment	Net Assets at the End of the Period	Net Profit from the Combination Date to the End of the Period
Hunan DunAn Refrigeration Equipment Co., Ltd.	2023-2-7	22,486,643.44	2,486,643.44
Luoyang Herun Real Estate Co., Ltd.	2023-9-28	-51,151.68	-51,151.68
Gree Lintanyuan (Shanghai) Technology Co., Ltd.	2023-10-20		

VII. Equity in other subjects

Equity in subsidiaries

(1) Composition of the enterprise group

S/N	Name of Subsidiary	Main Business Location	Place of Registration	Nature of Business	Shareholding Ratio (%)		Voting Right Proportion (%)	Acquisition Method
					Direct	Indirect		
1	Gree (Chongqing) Electric Appliances Co., Ltd.	Chongqing City	Chongqing City	Industrial manufacture	97.00		97.00	Establishment
2	Zhuhai Landa Compressor Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Business combination under common control
3	Zhuhai Gree Electric Enterprises Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Business combination under common control
4	Zhuhai Gree Xinyuan Electronics Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Business combination under common control
5	Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Business combinations not under common control
6	Gree (Hefei) Electric Appliances Co., Ltd.	Hefei City	Hefei City	Industrial manufacture	100.00		100.00	Establishment
7	Gree (Zhongshan) Small Home Appliances Co., Ltd.	Zhongshan City	Zhongshan City	Industrial manufacture	100.00		100.00	Establishment
8	Zhuhai Gree Group Finance Company Limited	Zhuhai City	Zhuhai City	Finance	99.54	0.46	100.00	Business combination under common control
9	Gree Electric Appliances (Brazil) Co., Ltd.	Manaus, Brazil	Manaus, Brazil	Industrial manufacture	100.00		100.00	Establishment
10	Gree Hong Kong Electric Appliances Sales Co., Ltd.	Kowloon, Hong Kong	Kowloon, Hong Kong	Sales	100.00		100.00	Business combinations not under common control
11	Gree Shanghai Air Conditioners Sales Co., Ltd.	Shanghai City	Shanghai City	Sales	90.00	9.70	99.70	Establishment

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S/N	Name of Subsidiary	Main Business Location	Place of Registration	Nature of Business	Shareholding Ratio (%)		Voting Right Proportion (%)	Acquisition Method
					Direct	Indirect		
12	Zhuhai Gree Daikin Precision Mold Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	51.00		51.00	Establishment
13	Zhuhai Gree Dakin Device Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	51.00		51.00	Establishment
14	Zhuhai Gree Green Refrigeration Technology Research Center Co., Ltd.	Zhuhai City	Zhuhai City	Technical research and development	100.00		100.00	Establishment
15	Gree (Zhengzhou) Electric Appliances Co., Ltd.	Zhengzhou City	Zhengzhou City	Industrial manufacture	100.00		100.00	Establishment
16	Gree (Wuhan) Electric Appliances Co., Ltd.	Wuhan City	Wuhan City	Industrial manufacture	100.00		100.00	Establishment
17	Zhengzhou Gree Green Renewable Resources Co., Ltd.	Zhengzhou City	Zhengzhou City	Industrial manufacture	100.00		100.00	Establishment
18	Hunan Green Renewable Resources Co., Ltd.	Ningxiang County	Ningxiang County	Industrial manufacture	100.00		100.00	Establishment
19	Wuhu Green Renewable Resources Co., Ltd.	Wuhu City	Wuhu City	Industrial manufacture	100.00		100.00	Establishment
20	Gree (Shijiazhuang) Small Home Appliances Co., Ltd.	Shijiazhuang City	Shijiazhuang City	Industrial manufacture	100.00		100.00	Establishment
21	Gree (Wuhu) Electric Appliances Co., Ltd.	Wuhu City	Wuhu City	Industrial manufacture	100.00		100.00	Establishment
22	Shijiazhuang Green Renewable Resources Co., Ltd.	Shijiazhuang City	Shijiazhuang City	Industrial manufacture	100.00		100.00	Establishment
23	Gree (Shijiazhuang) Electric Appliances Co., Ltd.	Shijiazhuang City	Shijiazhuang City	Industrial manufacture	100.00		100.00	Business combinations not under common control
24	Tianjin Green Renewable Resources Utilization Co., Ltd.	Tianjin City	Tianjin City	Industrial manufacture	100.00		100.00	Establishment
25	Zhuhai Gree HVAC and Refrigeration Equipment Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
26	Zhuhai Gree TOSOT Home Appliances Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
27	Zhuhai EWPE Information Technology Inc.	Zhuhai City	Zhuhai City	Information technologies	100.00		100.00	Establishment
28	Gree (Changsha) HVAC Equipment Co., Ltd.	Changsha City	Changsha City	Industrial manufacture	100.00		100.00	Establishment
29	Gree TOSOT (Suqian) Home Appliances Co., Ltd.	Suqian City	Suqian City	Industrial manufacture	100.00		100.00	Establishment

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S/N	Name of Subsidiary	Main Business Location	Place of Registration	Nature of Business	Shareholding Ratio (%)		Voting Right Proportion (%)	Acquisition Method
					Direct	Indirect		
30	Wuhu Gree Precision Manufacturing Co., Ltd.	Wuhu City	Wuhu City	Industrial manufacture	100.00		100.00	Establishment
31	Zhuhai Gree Intelligent Equipment Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
32	Zhuhai Hengqin Gree Business Factoring Co., Ltd.	Zhuhai City	Zhuhai City	Finance	100.00		100.00	Establishment
33	Zhuhai Gree Precision Mold Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
34	Gree HVAC and Refrigeration Equipment (Wuhan) Co., Ltd.	Wuhan City	Wuhan City	Industrial manufacture	100.00		100.00	Establishment
35	Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
36	Zhuhai Gree New Material Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
37	Gree Precision Mould (Wuhan) Co., Ltd.	Wuhan City	Wuhan City	Industrial manufacture	100.00		100.00	Establishment
38	Zhuhai Gree Energy Environment Technology Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
39	Gree (Hangzhou) Electric Appliances Co., Ltd.	Hangzhou City	Hangzhou City	Industrial manufacture	100.00		100.00	Establishment
40	Gree Information Technology Co., Ltd. of Zhuhai	Zhuhai City	Zhuhai City	Information technologies	51.00		51.00	Establishment
41	Gree HVAC Equipment (Chengdu) Co., Ltd.	Chengdu City	Chengdu City	Industrial manufacture	100.00		100.00	Establishment
42	Gree CNC Machine Tool Research Institute Co., Ltd. of Zhuhai	Zhuhai City	Zhuhai City	Technical research and development	100.00		100.00	Establishment
43	Gree (Wu'an) Precision Equipment Manufacturing Co., Ltd.	Wu'an County	Wu'an County	Industrial manufacture	70.00		70.00	Establishment
44	Zhuhai Gree Transportation Co., Ltd.	Zhuhai City	Zhuhai City	Transportation	100.00		100.00	Establishment
45	Gree Robot (Luoyang) Co., Ltd.	Luoyang City	Luoyang City	Technical research and development	100.00		100.00	Establishment
46	Gree (Nanjing) Electric Appliances Co., Ltd.	Nanjing City	Nanjing City	Industrial manufacture	100.00		100.00	Establishment
47	Gree (Luoyang) Electric Appliances Co., Ltd.	Luoyang City	Luoyang City	Industrial manufacture	100.00		100.00	Establishment

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S/N	Name of Subsidiary	Main Business Location	Place of Registration	Nature of Business	Shareholding Ratio (%)		Voting Right Proportion (%)	Acquisition Method
					Direct	Indirect		
48	Zhuhai Edgeless Integrated Circuit Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
49	Zhuhai Lianyun Technology Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
50	Gree (Chengdu) Electric Appliances Co., Ltd.	Chengdu City	Chengdu City	Industrial manufacture	100.00		100.00	Establishment
51	Gree Material Supply Co., Ltd. of Zhuhai	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
52	Zhuhai Gree Green Control Technology Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
53	Hefei Kinghome Electrical Co., Ltd.	Hefei City	Hefei City	Industrial manufacture	100.00		100.00	Business combinations not under common control
54	Zhuhai Gree Mechanical and Electrical Engineering Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Business combination under common control
55	Gree Precision Mold (Chengdu) Co., Ltd.	Chengdu City	Chengdu City	Industrial manufacture	100.00		100.00	Establishment
56	Gree Electric Appliances (Luoyang) Washing Machine Co., Ltd.	Luoyang City	Luoyang City	Industrial manufacture	100.00		100.00	Establishment
57	Guochuang Energy Internet Innovation Center (Guangdong) Co., Ltd.	Zhuhai City	Zhuhai City	Information technologies	75.00	1.52	76.52	Establishment
58	Gree Precision Mould (Anji) Co., Ltd.	Anji County	Anji County	Industrial manufacture	100.00		100.00	Establishment
59	Zhuhai Gree Green Resources Recycling Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
60	Gree E-commerce Co., Ltd.	Zhuhai City	Zhuhai City	Wholesales and retails	100.00		100.00	Establishment
61	Zhuhai Gejian Health Medical Technology Co., Ltd.	Zhuhai City	Zhuhai City	Medical device	100.00		100.00	Establishment
62	Zhuhai Gree Electrical Intelligent Manufacturing Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
63	Gree Chengdu Xinhui Medical Equipment Co., Ltd.	Chengdu City	Chengdu City	Medical device	75.00	1.52	76.52	Establishment
64	SL Group Co., Ltd.	Songyuan City	Songyuan City	Agriculture	75.00		75.00	Business combinations not under common control
65	Gree (Ganzhou) Electric Appliances Co., Ltd.	Ganzhou City	Ganzhou City	Industrial manufacture	100.00		100.00	Establishment
66	Gree (Linyi) Electric Appliances Co., Ltd.	Linyi City	Linyi City	Industrial manufacture	100.00		100.00	Establishment

S/N	Name of Subsidiary	Main Business Location	Place of Registration	Nature of Business	Shareholding Ratio (%)		Voting Right Proportion (%)	Acquisition Method
					Direct	Indirect		
67	Gree (Zhuhai Hengqin) Development Co., Ltd.	Zhuhai City	Zhuhai City	Real estate industry	100.00		100.00	Establishment
68	Changsha Kinghome Electric Appliances Co., Ltd	Changsha City	Changsha City	Industrial manufacture	100.00		100.00	Establishment
69	Gree Altairnano New Energy Inc.	Zhuhai City	Zhuhai City	Research and experimental development	55.01		72.47	Business combinations not under common control
70	Zhuhai Mingruida Supply Chain Technology Co., Ltd.	Zhuhai City	Zhuhai City	Transportation	70.00		70.00	Establishment
71	Zhejiang DunAn Artificial Environment Co., Ltd.	Zhuji City	Zhuji City	Industrial manufacture	38.78		38.78	Business combinations not under common control
72	Zhuhai Gree Electronic Components Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
73	Zhuhai Gree Digital Technology Co., Ltd.	Zhuhai City	Zhuhai City	Wholesales and retails	100.00		100.00	Establishment
74	Zhuhai Gree Prefabricated Vegetable Equipment Technology Development Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
75	Gree Lintanyuan (Shanghai) Technology Co., Ltd.	Shanghai City	Shanghai City	Electrical machinery and equipment manufacturing industry	40.00	15.30	55.30	Establishment

[Note] The Company directly holds 38.78% equity interests in Zhejiang DunAn Artificial Environment Co., Ltd. (hereinafter referred to as "DunAn Environment"), becoming the largest shareholder of DunAn Environment, which has the power to reorganize the board of directors of DunAn Environment and nominate more than half of the directors. The Company has completed the reorganization of the board of directors of DunAn Environment, and occupies more than half of the seats on the board of directors. It can control DunAn Environment, and include DunAn Environment into the scope of company consolidation.

(2) Important non wholly-owned subsidiaries

None.

Transactions in which the share of owner's equity in the subsidiary changes and still controls the subsidiary

In December 2023, the Company transferred 270.7232 million shares of Gree Altairnano (accounting for 24.54% of the total share capital of Gree Altairnano) held by 12 minority shareholders of its subsidiary GREE Altairnano New Energy Inc. (hereinafter referred to as "Gree Altairnano"), the transaction price is RMB1,015,328,400. After the transfer of this part of the shares, the Company controls the voting rights corresponding to 799,592,600 shares of Gree Altairnano, accounting for 72.47% of the total share capital of Gree Altairnano. Among them, the Company directly holds 606,920,600 shares of Gree Altairnano (accounting for 55.01% of Gree Altairnano's total share capital), and arranges for the voting rights corresponding to Ms. Dong Mingzhu's 192.672 million shares of Gree Altairnano (accounting for 17.46% of Gree Altairnano's total share capital) through voting rights delegation.

Equities in joint ventures or associates

(1) Important joint ventures or associates

None.

(2) Main financial information of important joint ventures

None.

(3) Main financial information of important associates

None.

(4) Summary financial information of unimportant joint ventures and associates

Item	Ending balance/Current amount incurred	Beginning balance/Amount incurred in the previous period
Joint ventures:		
Total investment book value	1,158,934.68	1,166,358.97
The total number of the following items was calculated based on the shareholding ratio		
-Net Profits	-7,424.29	-54,555.22
-Total comprehensive income	-7,424.29	-54,555.22
Associates:		
Total investment book value	4,487,808,096.52	5,891,124,209.84
The total number of the following items was calculated based on the shareholding ratio		
-Net Profits	93,229,867.45	-3,269,732.02
-Other comprehensive income	-1,013,488,757.99	-4,752,978,434.78
-Total comprehensive income	-920,258,890.54	-4,756,248,166.80

(5) Significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

None.

(6) Excess losses incurred by joint ventures or associates

Name of joint venture or associates	Accumulated unrecognized losses accumulated in the previous period	Unrecognized losses in the current period (or net profit share in the current period)	Accumulated unrecognized losses at the end of the current period
Beijing Gree Technology Co., Ltd.	-571,081.35	-557,806.42	-1,128,887.77
Eocell Limited	-2,002,480.71	-8,184,268.64	-10,186,749.35

(7) Unrecognized commitments related to investment in joint ventures

None.

(8) Contingent liabilities related to investment in joint ventures or associates

None.

Important co-management

None.

Equity in structured entities is not included in the Consolidated Financial Statements

None.

VIII. Government grants

Government grants are recognized at the end of the period based on the amount receivable

There are no government grants recognized at the end of the period based on the amount receivable

Debt projects involved government grants

Items in financial statements	Beginning balance	Newly added grant amount in this period	Other income transferred in this period	Ending Balance	Related to assets/incomes
Deferred income	3,159,328,449.42	348,896,246.22	183,078,821.79	3,325,145,873.85	Related to assets
Deferred income	175,749,517.97	75,257,308.26	51,997,898.56	199,008,927.67	Related to incomes
Total	3,335,077,967.39	424,153,554.48	235,076,720.35	3,524,154,801.52	

Government subsidies included in the profits and losses this year

Items in financial statements	Amount for the current period	Amount incurred for the previous period
Other income	716,882,751.82	866,364,721.39
Non-operating revenues	26,340,308.60	11,816,261.51
Total	743,223,060.42	878,180,982.90

IX. Risks associated with financial instruments

Main financial instruments of the Company including monetary funds, trading financial assets, derivative financial assets, notes receivable, receivables financing, receivables, loans issued and advances, buying back the sale of financial assets, debt investments, other debt investments, other equity instrument investments, other financial liabilities arising from operation (e.g., payables). These financial instruments aim to provide funds for operations of the Company.

The main risks caused by the Company's financial instruments are credit risk, liquidity risk, and market risk.

Risks of financial instruments

(1) Classification of financial instruments

The book values of various financial instruments on the balance sheet date:

1) Ending Balance

Item	Classification of financial assets			
	Financial assets are measured at amortization costs	Financial assets measured at fair value with changes included in other comprehensive income	Financial assets measured at fair value with changes included in other comprehensive income	Total
1. Measured at amortized costs				
Monetary funds	124,104,987,289.62			124,104,987,289.62
Notes receivable	87,340,130.52			87,340,130.52
Accounts receivable	16,099,477,117.56			16,099,477,117.56
Other receivables	826,558,622.42			826,558,622.42
Buying back the sale of financial assets	3,932,338,954.49			3,932,338,954.49
Non-current assets due within one year	53,899,646.40			53,899,646.40
Other current financial assets	22,648,940,712.61			22,648,940,712.61
Disbursement of loans and advances	543,726,609.23			543,726,609.23
Debt investment	1,150,744,482.05			1,150,744,482.05
Long-term receivables	62,185,327.12			62,185,327.12
Other non-current financial assets	41,140,982,554.52			41,140,982,554.52
Subtotal	210,651,181,446.54			210,651,181,446.54
2. Measured at fair values				
Trading financial assets			9,614,423,403.40	9,614,423,403.40
Derivative financial assets			108,919,513.22	108,919,513.22
Receivables financing		10,176,089,668.41		10,176,089,668.41
Non-current assets due within one year		2,357,733,812.89		2,357,733,812.89
Other current financial assets		3,175,475.00	5,407,350.00	8,582,825.00
Other debt investments		16,363,841,665.96		16,363,841,665.96
Other equity instrument investments		3,864,865,509.37		3,864,865,509.37
Subtotal		32,765,706,131.63	9,728,750,266.62	42,494,456,398.25
Total	210,651,181,446.54	32,765,706,131.63	9,728,750,266.62	253,145,637,844.79

(Continued)

Item	Classification of financial liabilities		
	Financial liabilities measured at fair value with changes included in the current profits and losses	Other financial liabilities	Total
1. Measured at amortized costs			
Short-term borrowings		26,443,476,388.52	26,443,476,388.52
Notes payable		23,741,128,400.12	23,741,128,400.12
Accounts payable		41,147,359,221.95	41,147,359,221.95
Deposits from customers and interbank		254,616,899.35	254,616,899.35
Other payables		5,513,266,516.82	5,513,266,516.82
Non-current liabilities due within one year		20,605,521,073.03	20,605,521,073.03
Other current financial liabilities		8,654,989,988.95	8,654,989,988.95
Long-term borrowings		39,035,742,535.09	39,035,742,535.09
Lease liabilities		767,007,951.92	767,007,951.92
Long-term payables		27,028,498.30	27,028,498.30
Subtotal		166,190,137,474.05	166,190,137,474.05
2. Measured at fair values			
Derivative financial liabilities	4,079,919.91		4,079,919.91
Subtotal	4,079,919.91		4,079,919.91
Total	4,079,919.91	166,190,137,474.05	166,194,217,393.96

2) Beginning balance

Item	Classification of financial assets			
	Financial assets measured at amortization costs	Financial assets measured at fair value with changes included in other comprehensive income	Financial assets measured at fair value with changes included in other comprehensive income	Total
1. Measured at amortized costs				
Monetary funds	157,484,332,251.39			157,484,332,251.39
Notes receivable	6,818,428.95			6,818,428.95
Accounts receivable	14,824,742,623.45			14,824,742,623.45
Other receivables	804,277,958.80			804,277,958.80
Non-current assets due within one year	38,344,030.45			38,344,030.45
Other current financial assets	2,646,094,959.26			2,646,094,959.26
Disbursement of loans and advances	719,799,280.27			719,799,280.27

Item	Classification of financial assets			
	Financial assets measured at amortization costs	Financial assets measured at fair value with changes included in other comprehensive income	Financial assets measured at fair value with changes included in other comprehensive income	Total
Debt investment	150,351,500.00			150,351,500.00
Long-term receivables	116,084,973.52			116,084,973.52
Other non-current financial assets	192,148,986.36			192,148,986.36
Subtotal	176,982,994,992.45			176,982,994,992.45
2. Measured at fair values				
Derivative financial assets			3,867,203,363.52	3,867,203,363.52
Receivables financing		28,427,310,345.20		28,427,310,345.20
Non-current assets due within one year		3,275,847,602.74		3,275,847,602.74
Other current financial assets		1,260,250.00	998,950.00	2,259,200.00
Other debt investments		14,340,348,882.97		14,340,348,882.97
Other equity instrument investments		4,669,455,797.90		4,669,455,797.90
Other non-current financial assets			4,428,003,204.49	4,428,003,204.49
Subtotal		50,714,222,878.81	8,296,205,518.01	59,010,428,396.82
Total	176,982,994,992.45	50,714,222,878.81	8,296,205,518.01	235,993,423,389.27

(Continued)

Item	Classification of financial liabilities		
	Financial liabilities measured at fair value with changes included in the current profits and losses	Other financial liabilities	Total
1. Measured at amortized costs			
Short-term borrowings		52,895,851,287.92	52,895,851,287.92
Notes payable		38,609,900,819.74	38,609,900,819.74
Accounts payable		32,856,071,488.87	32,856,071,488.87
Deposits from customers and interbank		219,111,069.61	219,111,069.61
Other payables		10,912,406,666.89	10,912,406,666.89
Non-current liabilities due within one year		188,387,613.61	188,387,613.61
Other current financial liabilities		3,412,127,253.85	3,412,127,253.85
Long-term borrowings		30,784,241,211.21	30,784,241,211.21

Item	Classification of financial liabilities		
	Financial liabilities measured at fair value with changes included in the current profits and losses	Other financial liabilities	Total
Lease liabilities		146,836,620.66	146,836,620.66
Long-term payables		104,644,415.20	104,644,415.20
Subtotal		170,129,578,447.56	170,129,578,447.56
2. Measured at fair values			
Derivative financial liabilities	184,811,894.98		184,811,894.98
Subtotal	184,811,894.98		184,811,894.98
Total	184,811,894.98	170,129,578,447.56	170,314,390,342.54

(2) Credit risks

Credit risk refers to a risk of financial losses suffered by one party due to the non-performance of obligations by the other party of financial instrument.

The Company only have transactions with recognized customers with a good reputation. Under the policies of the Company, all the customers who require the credit form for transactions shall undergo credit review. Besides, the Company continuous to monitor the balance of accounts receivable to ensure that the Company is not confronted with the major risk of bad debts.

Financial assets of the Company include monetary funds, receivables financing. The credit risks of these financial assets come from nonperformance of the transaction counterparty, and the maximum risk exposure is equal to the carrying amount of these instruments.

The monetary funds are deposited in state-owned financial institutions with high credit rating, minimizing the risk; the receivables financing is mainly banker's acceptance bills, and the risk exposure is rather small. The book values of notes receivable, receivables financing, accounts receivable, other receivables, contract assets, loans issued and advances, and long-term receivables in the Consolidated Balance Sheet are the highest credit risk with which the Company may be confronted.

As of the end of the report period, the Company's notes receivables, accounts receivable, receivables financing, other receivables, contract assets, loans issued and advances, and long-term receivables account for 12.96% of the total assets (the beginning balance is 14.11%), and the above amounts are mainly due within 1 year, so the Company has no significant credit risk. The Company's credit risk exposure arising from the above financial assets is disclosed in this Note "V. 4. Notes receivable", Note "V. 5. Accounts receivable", Note "V. 7. Receivables financing", Note "V. 9. Other receivables", Note "V. 6. Contract assets", Note "V. 14. Disbursement of loans and advances", and Note "V. 17. Long-term receivables".

(3) Liquidity risks

Liquidity risk refers to a risk of fund shortage generated when the enterprise performs the obligation to settle accounts by cash payment or other financial assets.

As indicated by changes in the Company's financial instruments at the beginning and end of the period, the proportion of the Company's "Financial assets" to "Financial liabilities" at the end of the report period was

1.52 (which was 1.39 at the beginning of the period), showing that the Company has adequate liquidity and the risk in shortage of liquidity is low.

(4) Market risks

Market risk refers to a risk of fluctuation in the fair value or future cash flow of financial instrument due to changes in the market price, including fair value fluctuation risk, exchange rate risk, and interest rate risk.

1) Fair value fluctuation risk

The Company's financial investments mainly involve products such as stocks, wealth management products, bonds, negotiable certificates of deposit, and forward settlement and sales. Except for the significant fluctuations in the fair value of stocks, the fair value of products such as wealth management products, bonds, negotiable certificates of deposit, and forward settlement and sales does not fluctuate significantly. The stocks held by the Company are mainly stocks traded on the open market, and the quality of the invested companies is relatively good.

As of the end of the report period, the Company's wealth management products, bonds, negotiable certificates of deposit, and forward settlement and sales account for 11.55% of the total assets (the beginning balance is 16.62%), which are measured at fair value. The Company's fair value risk exposure arising from the above financial assets is described in this Note "V. 2. Trading financial assets", Note "V. 3. Derivative financial assets", Note "V. 7. Receivables financing", Note "V. 13. Other current assets", Note "V. 16. Other debt investments", and Note "5. 19. Other equity instrument investments".

2) Exchange rate risk

Exchange rate risk refers to the risk of fluctuation in the fair value or future cash flow of financial instruments due to changes in the foreign exchange rate.

As of December 31, 2023, the amounts of foreign currency financial assets and liabilities held by the Company converted into RMB are presented in details in this Note "V. 74. (1). Monetary items in foreign currencies".

The Company minimizes the exchange rate risk by carrying out the forward exchange transaction business and controlling the scale of foreign currency assets and liabilities according to changes in the market exchange rate.

3) Interest rate risks

Interest rate risk refers to the risk of fluctuation in the fair value or future cash flow of financial instruments due to changes in the market interest rate.

As of December 31, 2023, the Company's liabilities with interests are as follows:

Statement Item	Amount	Interest Rate Range
Short-term borrowings	26,443,476,388.52	1.10%-7.32%
Deposits from customers and interbank	254,616,899.35	0.38%-3.65%
Other payables	1,654,225,040.13	4.35%-5.00%
Non-current liabilities due within one year	20,515,695,053.43	2.55%-5.30%
Long-term borrowings	39,035,742,535.09	2.00%-5.80%

Statement Item	Amount	Interest Rate Range
Long-term payables	27,028,498.30	4.67%-6.20%
Total	87,930,784,414.82	

X. Fair value disclosure

Ending fair value of assets and liabilities measured at fair value

Item	Ending Fair Value			
	Measurement of level 1 of the fair value hierarchy	Measurement of level 2 of the fair value hierarchy	Measurement of level 3 of the fair value hierarchy	Total
Continuous fair value measurement				
Trading financial assets	4,210,873,172.60	5,347,467,140.40	56,083,090.40	9,614,423,403.40
Derivative financial assets		108,919,513.22		108,919,513.22
Receivables financing		10,176,089,668.41		10,176,089,668.41
Non-current assets due within one year	82,482,033.30	2,275,251,779.59		2,357,733,812.89
Other current financial assets	8,582,825.00			8,582,825.00
Other debt investments	1,168,246,004.63	15,195,595,661.33		16,363,841,665.96
Other equity instrument investments	3,857,865,509.37		7,000,000.00	3,864,865,509.37
The total of assets measured at fair value continuously	9,328,049,544.90	33,103,323,762.95	63,083,090.40	42,494,456,398.25
Derivative financial liabilities		4,079,919.91		4,079,919.91
Total of liabilities measured at fair value continuously		4,079,919.91		4,079,919.91

The basis for determining market prices of items measured within the level 1 of the fair value hierarchy continuously and not continuously

Trading financial assets, other current assets, other debt investment – bonds, other equity instrument investments, and other non-current financial assets held by the Company and measured within level 1 of fair value hierarchy are determined based on the quotation of corresponding products and investment projects on the open market.

Qualitative and quantitative information on valuation techniques and important parameters for items measured within level 2 of the fair value hierarchy continuously and not continuously

Assets held by the Company measured within level 2 of the fair value hierarchy are determined using the market approach and income approach;

Receivables financing held by the Company measured within level 2 of fair value hierarchy are the bank acceptance bills and accounts receivable held by the Company, and their corresponding transfer and discounted amounts are used as the basis for determining their market prices.

Trading financial assets and derivative financial liabilities held by the Company measured within level 2 of fair value hierarchy are mainly forward hedging instruments and asset management plans, and the

determination of the fair value is based on the fair value confirmation letter issued by the trading institution at the end of the period;

Non-current assets and other debt investments held by the Company measured within level 2 of fair value hierarchy within one year are mainly negotiable certificates of deposit, and the fair value is determined based on the prices of the same or similar assets in the inactive market.

Qualitative and quantitative information on valuation techniques and important parameters for items measured within level 3 of the fair value hierarchy continuously and not continuously

Trading financial assets and non-trading equity instrument investments designated to be measured at fair value with their changes included in other comprehensive income held by the Company and measured within level 3 of the fair value hierarchy are mainly items that have no observable data validation in the active market and use their data to make financial predictions.

For continuous fair value measurement items, in case of conversion among different levels during the current period, the reasons for conversion and the policy for determining the timing for conversion

None.

Changes in valuation techniques and reasons for changes occurred during the current period

None.

Fair values of financial assets and liabilities not measured at fair value

None.

XI. Affiliated parties and affiliated transaction

Information on the Company's parent company

The Company has no controlling shareholders or substantial controllers.

Information on the Company's subsidiaries

For details, see Note “VII. 1. Equity in subsidiaries”.

Joint ventures and associates of the Company

- (1) For details of other joint ventures or associates that have affiliated party transactions with the Company in the current period, or have affiliated party transactions with the Company in the previous period to form a balance, please refer to this Note “V. 18. Long-term equity investments” and Note “VII. 3. (6) Excess losses incurred by joint ventures or associates”.

Other affiliated parties

Name of other affiliates	Relationship Between Other Related Parties and the Company
Wuhu Green Renewable Resources Recycling Co., Ltd.	Company that have a significant impact on it by the Company.
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Company in which the Company holds over 5.00% of its shares

Name of other affiliates	Relationship Between Other Related Parties and the Company
Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	Companies where directors of the Company act as executive directors and general managers
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Companies where directors of the Company act as executive directors
Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	Companies held by directors of the Company or where a director of the Company acts as chair of the board
Henan Gree Installation Engineering Co., Ltd.	Companies where directors of the Company act as executive directors
Shandong Jierui Logistics Co., Ltd.	Company held by the Company's supervisor
ETR Law Firm	Company where the Company's independent directors serve as its partner chair
Shandong Red April Holding Group Co., Ltd. and its holding companies	Company held by the Company's supervisor
Henan Huizhong Yifeng E-commerce Co., Ltd.	Company where the son of the Company's director acts as executive directors
Hunan Green Renewable Resources Recycling Co., Ltd.	Company that have a significant impact on it by the Company.
Chang'an Bank Co., Ltd.	Company where the Director and Vice President of the Company serve as a Director

Affiliated transaction

(1) Affiliated transactions of purchase and sale of commodities, provision and receiving labor services

1) Purchase of commodities/receiving labor services

Affiliated parties	Type of Affiliated Transaction	Content of Affiliated Transactions	Amount for the current period	Amount incurred for the previous period
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Material procurement	Raw materials	1,347,112,001.68	1,823,440,035.04
Beijing Gree Technology Co., Ltd.	Material procurement	Accessories	16,652,917.66	39,096,011.43
Sichuan Jinshi Leasing Co., Ltd. and its holding companies	Service procurement	Interest expenses and consulting services	14,709,472.85	28,480,495.00
Henan Yuze Finance Leasing Co., Ltd.	Service procurement	Interest expense	3,549,617.92	5,633,699.15
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Material procurement	Raw materials	488,645.15	
Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	Accept money deposits	Interest expense	62.23	83.91
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Accept money deposits	Interest expense	45.18	57.58
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Fixed asset procurement	Equipment procurement		531,000.00
Lanzhou Guangtong New Energy Automobile Co., Ltd.	Material procurement	Raw materials		530,973.42
Hunan Green Renewable Resources Recycling Co., Ltd.	Material procurement	Raw materials		15,284.03
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Service procurement	Transport service		711,075.42
DunAn (Tianjin) Energy Saving System Co., Ltd. and its holding companies	Service procurement	Design services		18,867.92
Total			1,382,512,762.67	1,898,457,582.90

2) Schedule of commodities sold/services provided

Affiliated parties	Type of Affiliated Transaction	Content of Affiliated Transactions	Amount for the current period	Amount incurred for the previous period
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Affiliated parties	Type of Affiliated Transaction	Content of Affiliated Transactions	Amount for the current period	Amount incurred for the previous period
Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	Sale of goods	Sales revenue	5,885,129,357.41	5,731,889,146.80
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Sale of goods	Sales revenue	4,673,380,959.10	4,142,114,712.28
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Sale of goods	Sales revenue	1,025,827,011.12	886,224,374.20
Henan Huizhong Yifeng E-commerce Co., Ltd.	Sale of goods	Sales revenue	22,940,080.25	101,355,077.81
Lanzhou Guangtong New Energy Automobile Co., Ltd.	Sale of goods	Sales revenue	1,747,290.45	569,555.04
Beijing Gree Technology Co., Ltd.	Loan	Interest income	647,429.80	939,755.42
Beijing Gree Technology Co., Ltd.	Sale of goods	Sales revenue	115,919.47	417,472.01
Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	Sale of goods	Sales revenue	74,808.34	
Eocell Limited	Sale of goods	Sales revenue	35,657.27	27,570.07
ETR Law Firm	Sale of goods	Sales revenue	2,779.94	10,250.01
Chang'an Bank Co., Ltd.	Sale of goods	Sales revenue	211.50	
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Loan	Interest income		11,901.29
Hunan Green Renewable Resources Recycling Co., Ltd.	Sale of goods	Sales revenue		2,160.00
Henan Yuze Finance Leasing Co., Ltd.	Sale of goods	Sales revenue		3,074.34
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Loan	Commission income		4.91
Total			11,609,901,504.65	10,863,565,054.18

(2) Associated trusteeship management/contracting or entrusted management/contract awarding

None.

(3) Associated lease

1) The Company as the Lessor:

None.

2) The Company as the Lessee:

None.

(4) Associated guarantee

None.

(5) Fund lending among affiliated parties

None.

(6) Asset transfer and debt restructuring of affiliated parties

None.

(7) Remunerations for key management personnel

Item	Amount for the current period	Amount incurred for the previous period
Remunerations for key management personnel	34,081,922.40	31,583,041.09

(8) Other affiliated transactions

None.

Receivables and payables of affiliated parties**(1) Receivables**

Item	Affiliated parties	Ending Balance		Beginning balance	
		Book balance	Bad debt reserves	Book balance	Bad debt reserves
Accounts receivable	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	246,543,051.23	12,327,152.54	287,911,901.16	14,395,595.07
Accounts receivable	Lanzhou Guangtong New Energy Automobile Co., Ltd.	168,267,904.76	138,251,251.48	180,395,669.13	94,149,507.45
Accounts receivable	Wuhu Green Renewable Resources Recycling Co., Ltd.	2,263,529.62	1,131,764.81	6,053,077.41	3,026,538.71
Receivables financing	Henan Shengshi Xinxing Gree Trade Co., Ltd.	435,297,317.29		1,336,259,825.18	
Receivables financing	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	189,472,820.55		748,666,894.28	
Receivables financing	Shandong Jierui Logistics Co., Ltd.	176,233,586.82		312,596,763.66	
Receivables financing	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	124,206,884.12		221,903,936.78	
Receivables financing	Henan Gree Installation Engineering Co., Ltd.	9,972,475.49			
Receivables financing	Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	5,634,448.65		54,569,724.30	
Receivables financing	Shandong Red April Holding Group Co., Ltd. and its holding companies			189,907,561.46	
Notes receivable	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	16,000,000.00	800,000.00		
Advance payments	Sichuan Jinshi Leasing Co., Ltd. and its holding companies	6,082,225.00		12,164,450.00	
Advance payments	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	5,641,887.98		2,349,194.19	
Advance payments	Beijing Gree Technology Co., Ltd.			21,117.45	
Other receivables	DunAn (Tianjin) Energy Saving System Co., Ltd. and its holding companies	172,325,809.58	129,244,357.19	172,380,562.38	86,190,281.19
Other receivables	Sichuan Jinshi Leasing Co., Ltd. and its holding companies	19,519,366.99	4,879,841.75	20,000,000.00	3,000,000.00
Other receivables	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	343,266.03	19,413.30	5,000.00	350.00
Other non-current assets	Sichuan Jinshi Leasing Co., Ltd. and its holding companies	18,500,000.00	4,625,000.00	18,500,000.00	2,775,000.00
Contract assets	Lanzhou Guangtong New Energy Automobile Co., Ltd.			4,866,569.63	1,946,627.85
Total		1,596,304,574.11	291,278,781.07	3,568,552,247.01	205,483,900.27

(2) Payables

Item	Affiliated parties	Ending Balance	Beginning balance
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Item	Affiliated parties	Ending Balance	Beginning balance
Accept money deposits	Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	16,192.56	16,124.33
Accept money deposits	Henan Shengshi Xinxing Gree Trade Co., Ltd.	12,068.59	11,323.41
Accounts payable	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	425,094,848.95	184,621,746.92
Accounts payable	Beijing Gree Technology Co., Ltd.	12,029,563.76	8,942,070.53
Accounts payable	Hunan Green Renewable Resources Recycling Co., Ltd.	2,437,065.09	2,437,065.09
Accounts payable	Henan Shengshi Xinxing Gree Trade Co., Ltd.	249,988.68	249,988.68
Accounts payable	DunAn (Tianjin) Energy Saving System Co., Ltd. and its holding companies	4,716.98	
Accounts payable	Lanzhou Guangtong New Energy Automobile Co., Ltd.		17,001,014.00
Accounts payable	Wuhu Green Renewable Resources Recycling Co., Ltd.		3,789,547.79
Other payables	Henan Huizhong Yifeng E-commerce Co., Ltd.	100,000.00	
Other payables	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	21,617.37	21,617.37
Other payables	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	14,200.00	12,200.00
Other payables	Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	204.24	204.24
Other payables	Shandong Jierui Logistics Co., Ltd.	0.26	0.26
Other payables	Henan Yuze Finance Leasing Co., Ltd.		20,065,000.00
Contract liabilities	Henan Shengshi Xinxing Gree Trade Co., Ltd.	566,925,018.21	589,585,262.00
Contract liabilities	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	277,427,020.12	368,281,472.85
Contract liabilities	Henan Huizhong Yifeng E-commerce Co., Ltd.	4,027,582.80	5,780,268.45
Contract liabilities	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	1,071,224.64	416,534.37
Contract liabilities	Eocell Limited	42,382.22	
Other current liabilities – value-added tax	Henan Shengshi Xinxing Gree Trade Co., Ltd.	73,700,252.37	76,646,084.07
Other current liabilities – value-added tax	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	36,065,512.62	47,876,591.48
Other current liabilities – value-added tax	Henan Huizhong Yifeng E-commerce Co., Ltd.	523,585.76	751,496.78
Other current liabilities – value-added tax	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	139,259.20	54,149.47
Long-term payables	Henan Yuze Finance Leasing Co., Ltd.	18,027,707.93	16,053,322.20
Long-term payables	Sichuan Jinshi Leasing Co., Ltd. and its holding companies	7,515,470.87	83,990,713.19
Non-current liabilities due within one year	Sichuan Jinshi Leasing Co., Ltd. and its holding companies	75,632,127.95	129,789,372.21
Non-current liabilities due within one year	Henan Yuze Finance Leasing Co., Ltd.	25,690,210.83	34,595,617.06
Total		1,526,767,822.00	1,590,988,786.75

Commitment of affiliated parties

None.

XII. Share-based payment

The overall situation of share-based payment

Item	Content
Total amount of equity instruments granted this year	On February 3, 2023, the Company's special securities account for repurchase transferred 77,163,880 shares to the special account of "Gree Electric Appliances, Inc. of Zhuhai – employee stock ownership plan phase II" through non-trading transfer. The total amount of equity instruments is RMB1,569,513,319.20.
Total amount of equity instruments exercised this year	According to the <i>Gree Electric Appliances, Inc. of Zhuhai Employee Stock Ownership Plan Phase I (Draft) (Revised Draft)</i> , the <i>Audit Report of ZHS ZI (2023) No. 0500065</i> issued by Union Power Certified Public Accountants (Special General Partnership), and the Company's relevant equity distribution, the company-level performance evaluation indicators of the Company's employee stock ownership plan phase I have been achieved, and the two phases of attributable stock rights can be vested and distributed. The total amount of equity instruments in the employee stock ownership plan phase I is RMB555,550,331.27.
Total amount of various equity instruments that have expired this year	None
The exercise price range and remaining contract term of shares issued to the public at the end of the period	RMB14.36/share; half a year.

No shares issued to the public or other equity instruments at the end of the period.

Equity settled share-based payments

Item	Content
Method for determining the fair value of equity instruments on the grant date	The Company determines the fair value of the employee stock ownership plan by deducting the grant price from the market price on the grant date.
The basis for determining the number of exercisable equity instruments	By assessing the company's performance and individual performance per year, the Company takes the number of equity instruments held by incentive targets achieving the assessment goals as the basis. On each balance sheet date during the vesting period, the Company makes the best estimate of subsequent information such as the latest change in number of vesting employees to correct the estimated number of vested equity instruments. On the vesting date, the final estimated number of exercisable equity instruments is consistent with their actual number.
Reasons for significant differences between estimates in the current year and the previous period	None
Accumulated amount of equity settled share-based payments recognized in capital reserves	1,257,651,176.82
Total expenses recognized for equity settled share-based payments this period	1,413,200,011.24

Cash settled share-based payments

None.

Amendment and termination of share-based payment

None.

XIII. Commitments and contingencies**Important commitments**

None.

Contingencies

(1) In accordance with the *Equity Transfer Agreement* entered into between Zhejiang DunAn Energy Saving Technology Co., Ltd. (hereinafter referred to as "Zhejiang Energy Saving"), a holding subsidiary of the Company, and Shuifa Energy Group Co., Ltd. (hereinafter referred to as "Shuifa Energy") on November 21, 2019, the transfer of other debts or payment obligations (hereinafter referred to as "contingent liabilities") of the target company DunAn (Tianjin) Energy Saving System Co., Ltd. (hereinafter referred to as "Tianjin Energy Saving") before the audit base date (May 31, 2019), including but not limited to contingent debts, and debts or liabilities arising after the base date due to the fault of Zhejiang Energy Saving before the base date, shall be borne by Zhejiang Energy Saving. If the above debts are borne by Tianjin Energy Saving in advance or Tianjin Energy Saving is punished as a result, Tianjin Energy Saving has the right to recover from Zhejiang Energy Saving. If Shuifa Energy has money payable to Zhejiang Energy Saving, Zhejiang Energy Saving agrees that Shuifa Energy will directly deduct the compensation to Tianjin Energy Saving. Tianjin Energy Saving has the right to continue to recover from the Company for the insufficient part. The aforementioned responsibilities of Zhejiang Energy Saving can be directly deducted from the equity transaction price payable by Shuifa Energy or the dividends of Zhejiang Energy Saving in Tianjin Energy Saving, and the shortfall will be compensated by Zhejiang Energy Saving.

(2) The Company provides guarantees for mortgage loans for homebuyers in accordance with industry practices, mainly in the form of phased guarantees. The guarantee period starts from the effective date of the guarantee contract and ends on the date when the real estate certificate and mortgage registration procedures for the products purchased by the customer are completed and delivered to the bank for management. As of December 31, 2023, the outstanding guarantee amount is RMB2,058.292 million.

Others

None.

XIV. Matters after the balance sheet date

Important non-adjustment matters

None.

Distribution of profits

Under the resolution at the 18th meeting of the 12th session of the Board of Directors, the Company's profit distribution plan for 2023 is as follows: Since the total shares entitled to profit distribution as of April 29, 2024, totaling 5,521,943,646 shares (share capital of 5,631,405,741 shares less 109,462,095 shares held in the Company's repo account), is proposed as the base temporarily, the Company plans to distribute a cash dividend of RMB23.80 (tax inclusive) per 10 shares to all shareholders, totaling RMB13,142,225,877.48. This distribution plan still requires approval of the General Meeting of Shareholders.

Sales return

No important sales return occurred after the balance sheet date.

Divided as held for sale after the balance sheet date

None.

Other important non-adjustment matters after the balance sheet date

None.

XV. Other important matters**Correction of accounting errors in the previous period**

None.

Important debt restructuring

None.

Asset replacement

(1) Exchange of non-monetary assets

None.

(2) Replacement of other assets

None.

Annuity plan

None.

Discontinued operation

Item	Revenue	Expense	Total profits	Income tax expenses	Net Profits	Profit from discontinued operation attributable to owners of parent company
Gree (USA) Sales Co., Ltd.		189,082.78	-189,082.78	5,638.96	-194,721.74	-194,721.74

(Continued)

Item	Net cash flows from operating activities	Net cash flows from investment activities	Net cash flows from financing activities
Gree (USA) Sales Co., Ltd.	-3,635,051.24		

Other important matters affecting investor decisions

(1) Company guarantee

As of December 31, 2023, the total amount of Gree Altairnano guarantees is RMB2,994,536,614.53, of which the total amount of guarantees provided by Gree Altairnano subsidiaries for short-term loans, long-term loans, accounts payable (E Xintong), and long-term payables is RMB1,010,834,713.96; the total

amount of guarantees provided to companies outside the consolidated statements is RMB1,983,701,900.57 (the stock guarantee provided by Gree Altairnano for the financial leasing and car purchase business of its bus company and other customers).

(2) Financial support

1) Gree Altairnano provided financial loans of RMB94,200, RMB681,400, RMB23,019,800, and RMB17,200 respectively to its original shareholder and its affiliated parties Wei Yincang, Sun Guohua, Zhuhai Yinlong Investment Holding Group Co., Ltd. As of the date of this Annual Report, the aforesaid loans have not been recovered.

2) On November 21, 2019, Zhejiang Energy Saving signed an equity transfer agreement with Shuifa Energy. Zhejiang Energy Saving agreed to transfer its 65% equity and related rights of creditor of Tianjin Energy Saving (and its subsidiaries and branches) to Shuifa Energy (hereinafter referred to as "Tianjin Energy Saving Equity Transfer"), with an equity transfer price of RMB390 million, a payment for rights of creditor transfer of RMB390 million, totaling RMB780 million; after the completion of the Tianjin Energy Saving Equity Transfer, the shareholding ratio of Zhejiang Energy Saving in Tianjin Energy Saving decreased from 100% to 35%, and Tianjin Energy Saving became a joint stock company of the Company. Zhejiang Energy Saving's credit of RMB600 million to Tianjin Energy Saving thereby formed passive financial support. Before Shuifa Energy paid for the rights of creditor transfer, Zhejiang Energy Saving had a credit of RMB600 million to Tianjin Energy Saving, forming financial support of RMB600 million; After Shuifa Energy paid RMB390 million for the rights of creditor transfer under the *Equity Transfer Agreement*, Zhejiang Energy Saving had a remaining credit of RMB210 million to Tianjin Energy Saving, forming financial support of RMB210 million.

XVI. Notes to main items of financial statements of the parent company

Accounts receivable

(1) Accounts receivable disclosed by account age

Account age	Ending Balance	Beginning balance
Within 1 year	5,093,333,514.94	2,801,488,718.60
1-2 years	99,365,598.67	122,421,456.35
2-3 years	72,800,967.64	19,975,735.77
Over 3 years	29,800,846.44	20,339,910.40
Subtotal	5,295,300,927.69	2,964,225,821.12
Less: Bad debt reserves	289,922,749.83	152,602,498.35
Total	5,005,378,177.86	2,811,623,322.77

(2) Bad debt accrual method by categories

Category	Ending Balance				Book Value
	Book balance		Bad debt reserves		
	Amount	Proportion (%)	Amount	Credit loss rate (%)	

Category	Ending Balance				Book Value
	Book balance		Bad debt reserves		
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Accounts receivable with bad debt reserves accrued by individual item	4,715,115.32	0.09	4,715,115.32	100.00	
Accounts receivable with bad debt reserves accrued by portfolios	5,290,585,812.37	99.91	285,207,634.51	5.39	5,005,378,177.86
Including: Account age portfolio	4,274,218,293.99	80.72	285,207,634.51	6.67	3,989,010,659.48
Free-risk portfolios	1,016,367,518.38	19.19			1,016,367,518.38
Total	5,295,300,927.69	100.00	289,922,749.83	5.48	5,005,378,177.86

(Continued)

Category	Beginning balance				Book Value
	Book balance		Bad debt reserves		
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Accounts receivable with bad debt reserves accrued by individual item	4,715,115.32	0.16	4,715,115.32	100.00	
Accounts receivable with bad debt reserves accrued by portfolios	2,959,510,705.80	99.84	147,887,383.03	5.00	2,811,623,322.77
Including: Account age portfolio	2,113,830,562.80	71.31	147,887,383.03	7.00	1,965,943,179.77
Free-risk portfolios	845,680,143.00	28.53			845,680,143.00
Total	2,964,225,821.12	100.00	152,602,498.35	5.15	2,811,623,322.77

1) Accounts receivable with bad debt reserves accrued by individual items:

Company Name	Ending Balance			
	Book balance	Bad debt reserves	Credit loss rate (%)	Reason for accruing
Unit 1	4,715,115.32	4,715,115.32	100.00	It is expected to be difficult to be recovered
Total	4,715,115.32	4,715,115.32	100.00	

(Continued)

Company Name	Beginning balance			
	Book balance	Bad debt reserves	Credit loss rate (%)	Reason for accruing
Unit 1	4,715,115.32	4,715,115.32	100.00	It is expected to be difficult to be recovered
Total	4,715,115.32	4,715,115.32	100.00	

2) In the portfolio, accounts receivable with bad debt reserves accrued by account age portfolio:

Account age	Book balance	Bad debt reserves	Credit loss rate (%)
Within 1 year	4,076,965,996.56	203,848,299.84	5.00

Account age	Book balance	Bad debt reserves	Credit loss rate (%)
1-2 years	99,365,598.67	19,873,119.73	20.00
2-3 years	72,800,967.64	36,400,483.82	50.00
Over 3 years	25,085,731.12	25,085,731.12	100.00
Total	4,274,218,293.99	285,207,634.51	6.67

(3) Bad debt reserves accrued, recovered or reversed in the current period

Category	Beginning balance	Accrual/recovery/transferring back in the current period	Ending Balance
Accrual by individual item	4,715,115.32		4,715,115.32
Account age portfolio	147,887,383.03	137,320,251.48	285,207,634.51
Total	152,602,498.35	137,320,251.48	289,922,749.83

[Note] There was no significant recovery or reversal of bad debt provisions during the current period.

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

None.

(5) Accounts receivable of the top 5 debtors in terms of ending balance collected by debtors

The total amount of accounts receivable and contract assets of the top 5 debtors in terms of ending balance collected by debtors is RMB2,721,408,204.31, accounting for 51.39% of the ending balance of accounts receivable and contract assets, and the amount of bad debt provision is RMB90,515,487.65.

Other receivables

Item	Ending Balance	Beginning balance
Other receivables [Note 1]	4,860,219,830.31	3,602,220,649.55
Total	4,860,219,830.31	3,602,220,649.55

[Note 1] Other receivables in the table above refer to other receivables after deduction of interest receivables and dividends receivable;

[Note 2] The Company has no beginning and ending balance of interests receivable and dividends receivable.

(6) Other receivables

1) Disclosure by account age

Account age	Ending Balance	Beginning balance
Within 1 year	4,863,865,345.66	3,593,232,529.73
1-2 years	6,358,344.91	8,697,524.27
2-3 years	1,650,917.24	8,176,823.31
Over 3 years	4,910,948.86	1,389,811.30
Subtotal	4,876,785,556.67	3,611,496,688.61
Less: Bad debt reserves	16,565,726.36	9,276,039.06

Account age	Ending Balance	Beginning balance
Total	4,860,219,830.31	3,602,220,649.55

2) Classification by nature of payment

Nature of payment	Ending book balance	Beginning book balance
Intercourse and free-risk funds	4,739,303,404.07	3,611,496,688.61
Asset transfer payments	137,482,152.60	
Subtotal	4,876,785,556.67	3,611,496,688.61
Less: Bad debt reserves	16,565,726.36	9,276,039.06
Total	4,860,219,830.31	3,602,220,649.55

3) Disclosure by classification of bad debt reserves accrual methods

Category	Ending Balance				
	Book balance		Bad debt reserves		Book Value
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Other accounts receivable with bad debt reserves accrued by individual item					
Other accounts receivable with bad debt reserves accrued by portfolios	4,876,785,556.67	100.00	16,565,726.36	0.34	4,860,219,830.31
Including: Account age portfolio	204,073,208.93	4.18	16,565,726.36	8.12	187,507,482.57
Free-risk portfolios	4,672,712,347.74	95.82			4,672,712,347.74
Total	4,876,785,556.67	100.00	16,565,726.36	0.34	4,860,219,830.31

(Continued)

Category	Beginning balance				
	Book balance		Bad debt reserves		Book Value
	Amount	Proportion (%)	Amount	Credit loss rate (%)	
Other accounts receivable with bad debt reserves accrued by individual item					
Other accounts receivable with bad debt reserves accrued by portfolios	3,611,496,688.61	100.00	9,276,039.06	0.26	3,602,220,649.55
Including: Account age portfolio	59,430,383.80	1.65	9,276,039.06	15.61	50,154,344.74
Free-risk portfolios	3,552,066,304.81	98.35			3,552,066,304.81
Total	3,611,496,688.61	100.00	9,276,039.06	0.26	3,602,220,649.55

In the portfolio, accounts receivable with bad debt reserves accrued by account age portfolio:

Account age	Ending Balance		
	Book balance	Bad debt reserves	Credit loss rate (%)
Within 1 year	191,152,997.92	9,557,649.90	5.00
1-2 years	6,358,344.91	1,271,668.98	20.00

Account age	Ending Balance		
	Book balance	Bad debt reserves	Credit loss rate (%)
2-3 years	1,650,917.24	825,458.62	50.00
Over 3 years	4,910,948.86	4,910,948.86	100.00
Total	204,073,208.93	16,565,726.36	8.12

4) Accrual of bad debt reserves

Bad debt reserves	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment occurred)	
Beginning balance	2,058,311.25		7,217,727.81	9,276,039.06
Accrual in the current period	7,499,338.65			7,499,338.65
Transferring back in the current period			209,651.35	209,651.35
Ending Balance	9,557,649.90		7,008,076.46	16,565,726.36

5) Other receivables that were actually written off in the current period

None.

6) Other receivables of top 5 debtors in terms of ending balance collected by debtors

The total amount of other receivables of top 5 debtors in terms of ending balance collected by debtors is RMB4,751,126,676.83, accounting for 97.42% of the total balance of ending balance of other receivables, and the amount of bad debt provision is RMB6,874,107.63.

7) Other receivables due to centralized fund management

None.

Long-term equity investments

Item	Ending Balance			Beginning balance		
	Book balance	Impairment provision	Book Value	Book balance	Impairment provision	Book Value
Investments to subsidiaries	26,797,640,354.59		26,797,640,354.59	25,037,260,734.86		25,037,260,734.86
Investments to associates and joint ventures	2,949,788,729.34	1,940,009.35	2,947,848,719.99	4,257,128,029.39	1,940,009.35	4,255,188,020.04
Total	29,747,429,083.93	1,940,009.35	29,745,489,074.58	29,294,388,764.25	1,940,009.35	29,292,448,754.90

(1) Investments to subsidiaries

Investee	Beginning balance		Increase/Decrease in the Current Period				Ending Balance	
	Original value	Impairment provision	Additional Investment	Decreased Investment	Accrual of impairment reserves	Others	Original value	Impairment provision
Gree (Chongqing) Electric Appliances Co., Ltd.	226,229,869.60					5,334,458.48	231,564,328.08	
Zhuhai Landa Compressor Co., Ltd.	980,129,791.43					14,845,009.28	994,974,800.71	
Zhuhai Gree Electric Enterprises Ltd.	1,688,925,419.46					2,224,720.67	1,691,150,140.13	
Zhuhai Gree Xinyuan Electronics Co., Ltd.	157,587,082.83					1,656,340.92	159,243,423.75	
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	88,488,390.23					4,535,602.87	93,023,993.10	
Gree (Hefei) Electric Appliances Co., Ltd.	508,118,662.16					3,378,930.69	511,497,592.85	
Gree (Zhongshan) Small Home Appliances Co., Ltd.	32,886,680.43					369,944.73	33,256,625.16	
Zhuhai Gree Group Finance Company Limited	4,405,435,403.58		34,675,548.68			536,699.68	4,440,647,651.94	
Gree Electric Appliances (Brazil) Co., Ltd.	660,779,779.97					949,253.68	661,729,033.65	
Hong Kong Gree Electric Appliances Sales Limited	472,879.08						472,879.08	
Shanghai Gree Air Conditioners Sales Co., Ltd.	1,800,000.00						1,800,000.00	

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Investee	Beginning balance		Increase/Decrease in the Current Period				Ending Balance	
	Original value	Impairment provision	Additional Investment	Decreased Investment	Accrual of impairment reserves	Others	Original value	Impairment provision
Zhuhai Gree Daikin Precision Mold Co., Ltd.	202,027,721.67					1,049,462.52	203,077,184.19	
Zhuhai Gree Dakin Device Co., Ltd.	283,117,574.47					489,431.25	283,607,005.72	
Green Refrigeration Equipment Engineering Research Center of Zhuhai Gree Group Co., Ltd.	676,040,000.00						676,040,000.00	
Gree (Zhengzhou) Electric Appliances Co., Ltd.	722,900,444.95					4,496,297.49	727,396,742.44	
Gree (Wuhan) Electric Appliances Co., Ltd.	602,507,444.72					3,450,613.97	605,958,058.69	
Zhengzhou Gree Green Renewable Resources Co., Ltd.	5,008,960.53		45,000,000.00			3,968.84	50,012,929.37	
Hunan Green Renewable Resources Co., Ltd.	5,089,645.23		45,000,000.00			32,628.75	50,122,273.98	
Wuhu Green Renewable Resources Co., Ltd.	2,083,410.43		48,000,000.00			213,637.59	50,297,048.02	
Gree (Shijiazhuang) Small Home Appliances Co., Ltd.	11,393,405.86					988,945.61	12,382,351.47	
Gree (Wuhu) Electric Appliances Co., Ltd.	22,956,278.38					1,999,023.88	24,955,302.26	
Shijiazhuang Green Renewable Resources Co., Ltd.	5,008,960.53		45,000,000.00			3,968.84	50,012,929.37	
Gree (Shijiazhuang) Electric Appliances Co., Ltd.	102,277,724.26					4,728,594.45	107,006,318.71	
Tianjin Green Renewable Resources Utilization Co., Ltd.	5,000,000.00		45,000,000.00				50,000,000.00	
Zhuhai Gree HVAC and Refrigeration Equipment Co., Ltd.	100,000,000.00						100,000,000.00	
Zhuhai Gree TOSOT Home Appliances Co., Ltd.	30,000,000.00						30,000,000.00	
Zhuhai Ligao Precision Manufacturing Co., Ltd.	30,365,623.06			30,365,623.06				
Zhuhai EWPE Information Technology Inc.	100,000,000.00						100,000,000.00	
Gree (Changsha) HVAC Equipment Co., Ltd.	52,571,759.08					3,535,799.68	56,107,558.76	

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Investee	Beginning balance		Increase/Decrease in the Current Period				Ending Balance	
	Original value	Impairment provision	Additional Investment	Decreased Investment	Accrual of impairment reserves	Others	Original value	Impairment provision
Gree TOSOT (Suqian) Home Appliances Co., Ltd.	141,167,674.13					884,952.12	142,052,626.25	
Wuhu Gree Precision Manufacturing Co., Ltd.	30,471,646.63					630,988.89	31,102,635.52	
Zhuhai Gree Intelligent Equipment Co., Ltd.	105,056,894.40					5,894,478.90	110,951,373.30	
Zhuhai Hengqin Gree Commercial Factoring Co., Ltd.	100,000,000.00					375,230.63	100,375,230.63	
Zhuhai Gree Precision Mold Co., Ltd.	109,346,308.91					15,129,558.73	124,475,867.64	
Gree HVAC and Refrigeration Equipment (Wuhan) Co., Ltd.	100,000,000.00					410,577.46	100,410,577.46	
Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.	50,026,881.58					591,066.84	50,617,948.42	
Gree New Material Co., Ltd.	30,773,083.23					2,488,168.72	33,261,251.95	
Gree Precision Mould (Wuhan) Co., Ltd.	100,570,444.23					1,143,147.20	101,713,591.43	
Zhuhai Gree Energy Environment Technology Co., Ltd.	202,771,064.85					1,069,037.59	203,840,102.44	
Gree (Hangzhou) Electric Appliances Co., Ltd.	550,772,403.79					494,235.62	551,266,639.41	
Gree Information Technology Co., Ltd. of Zhuhai	510,000.00						510,000.00	
Gree (Wu'an) Precision Equipment Manufacturing Co., Ltd.	210,319,941.16					268,496.80	210,588,437.96	
Zhuhai Gree Transportation Co., Ltd.	50,553,930.01					954,014.93	51,507,944.94	
Gree (Nanjing) Electric Appliances Co., Ltd.	700,681,927.25					890,716.00	701,572,643.25	
Gree (Luoyang) Electric Appliances Co., Ltd.	51,017,511.37					892,725.86	51,910,237.23	
Zhuhai Edgeless Integrated Circuit Co., Ltd.	50,000,000.00						50,000,000.00	
Zhuhai Lianyun Technology Co., Ltd.	40,300,301.54		10,000,000.00			1,691,787.92	51,992,089.46	
Gree (Chengdu) Electric Appliances Co., Ltd.	400,454,836.65					100,998.30	400,555,834.95	

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Investee	Beginning balance		Increase/Decrease in the Current Period				Ending Balance	
	Original value	Impairment provision	Additional Investment	Decreased Investment	Accrual of impairment reserves	Others	Original value	Impairment provision
Gree Material Supply Co., Ltd. of Zhuhai	150,000,000.00						150,000,000.00	
Zhuhai Gree Green Control Technology Co., Ltd.	270,000,000.00		280,000,000.00				550,000,000.00	
Hefei Kinghome Electrical Co., Ltd.	1,248,579,623.96					1,486,672.11	1,250,066,296.07	
Zhuhai Gree Mechanical and Electrical Engineering Co., Ltd.	149,843,449.82					3,245,579.86	153,089,029.68	
Gree Electric Appliances (Luoyang) Washing Machine Co., Ltd.	50,000,000.00						50,000,000.00	
Guochuang Energy Internet Innovation Center (Guangdong) Co., Ltd.	75,000,000.00						75,000,000.00	
Gree Precision Mould (Anji) Co., Ltd.	113,200,000.00		3,000,000.00				116,200,000.00	
Zhuhai Gree Green Renewable Resources Co., Ltd.	51,527,406.10		50,000,000.00			263,911.93	101,791,318.03	
Gree E-commerce Co., Ltd.	100,329,005.60					1,490,145.35	101,819,150.95	
Zhuhai Gejian Health Medical Technology Co., Ltd.	20,008,960.53					15,875.36	20,024,835.89	
Zhuhai Gree Electrical Intelligent Manufacturing Co., Ltd.	1,001,034,984.79					2,386,589.80	1,003,421,574.59	
Gree Chengdu Xinhui Medical Equipment Co., Ltd.	75,000,000.00					1,303,850.65	76,303,850.65	
SL Group Co., Ltd.	230,223,945.05						230,223,945.05	
Gree (Ganzhou) Electric Appliances Co., Ltd.	100,167,596.22					563,562.15	100,731,158.37	
Gree Electric Appliances (Linyi) Co., Ltd.	367,949,060.36		36,000,000.00			497,867.79	404,446,928.15	
Gree (Zhuhai Hengqin) Development Co., Ltd.	1,000,000,000.00						1,000,000,000.00	
Changsha Kinghome Electric Appliances Co., Ltd.	50,000,000.00					424,173.75	50,424,173.75	
Gree Altairnano New Energy Inc.	1,828,403,518.47		1,015,328,446.32			654,161.12	2,844,386,125.91	

Investee	Beginning balance		Increase/Decrease in the Current Period				Ending Balance	
	Original value	Impairment provision	Additional Investment	Decreased Investment	Accrual of impairment reserves	Others	Original value	Impairment provision
Zhuhai Mingruida Supply Chain Technology Co., Ltd.	35,000,000.00						35,000,000.00	
Zhejiang DunAn Artificial Environment Co., Ltd.	3,236,995,422.29						3,236,995,422.29	
Zhuhai Gree Electronic Components Co., Ltd.	100,000,000.00		V			1,533,335.29	101,533,335.29	
Zhuhai Gree Digital Technology Co., Ltd.	50,000,000.00		IX			1,142,006.25	51,142,006.25	
Zhuhai Gree Prefabricated Vegetable Equipment Technology Development Co., Ltd.			30,000,000.00				30,000,000.00	
Total	25,037,260,734.86		1,687,003,995.00	30,365,623.06		103,741,247.79	26,797,640,354.59	

(2) [Note] Changes in Others are the expenses allocated by the parent company for the subsidiaries, involving the employee equity incentive – employee stock ownership plan.

(3) Investments to associates and joint ventures

Investee	Beginning balance		Increase/Decrease in the Current Period						Ending Balance	
	Original value	Impairment provision	Additional investment/disinvestment	Profits and losses on investment recognized by equity method	Adjustment of other comprehensive income	Other changes in equity	Declared distribution of cash dividends or profits	Others	Original value	Impairment provision
Associated enterprise										
Gree (Vietnam) Electric Appliances, Inc.	1,940,009.35	1,940,009.35							1,940,009.35	1,940,009.35
Outlook All Media Co., Ltd.	35,478,374.26			509,236.20					35,987,610.46	
Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd.	15,239,073.92			301,716.52			150,000.00		15,390,790.44	

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Investee	Beginning balance		Increase/Decrease in the Current Period						Ending Balance	
	Original value	Impairment provision	Additional investment/disinvestment	Profits and losses on investment recognized by equity method	Adjustment of other comprehensive income	Other changes in equity	Declared distribution of cash dividends or profits	Others	Original value	Impairment provision
Coresing Semiconductor Technology Co., Ltd.	20,071,663.90			1,219,923.05					21,291,586.95	
Zhuhai Ronglin Equity Investment Partnership (Limited Partnership)	4,131,807,804.94		-279,197,890.11	-10,162,802.37	-1,020,652,263.34				2,821,794,849.12	
Henan Yuze Finance Leasing Co., Ltd.	52,591,103.02			1,627,073.67			1,642,181.50		52,575,995.19	
Zhuhai Jiayao Food Technology Co., Ltd.			989,000.00	-181,112.17					807,887.83	
Total	4,257,128,029.39	1,940,009.35	-278,208,890.11	-6,685,965.10	-1,020,652,263.34		1,792,181.50		2,949,788,729.34	1,940,009.35

Operating revenues and costs

Item	Amount for the current period		Amount incurred for the previous period	
	Revenue	Cost	Revenue	Cost
Main business	129,423,899,406.84	83,109,940,207.26	114,824,763,292.63	79,648,915,725.67
Other business	5,229,739,158.04	4,854,534,375.52	4,965,687,298.82	4,544,120,744.77
Total	134,653,638,564.88	87,964,474,582.78	119,790,450,591.45	84,193,036,470.44

Income from investment

Item	Amount for the current period	Amount incurred for the previous period
Dividend shares recognized for long-term equity investment measured in the cost method	3,818,312,481.64	3,932,671,473.40
Investment income obtained from trading financial assets	280,583,705.07	12,657,637.64
Investment income from derivative financial instruments	135,154,303.55	9,416,978.74
Long-term equity investment income measured by the equity method	-6,685,965.10	-13,564,461.54
Others	50,600,218.28	37,642,998.26
Total	4,277,964,743.44	3,978,824,626.50

XVII. Supplementary**Detailed statement of non-recurring profits and losses in this period**

Item	Amount	Description
Profits and losses from disposal of non-current assets (including the write-off of accrued asset impairment reserves)	324,413,866.77	For details, please refer to this Note V. 67, 68, and 69
Governmental subsidies included in the current profits and losses (but excluding the governmental subsidies closely relating to the normal business operations of the Company, conforming to	784,275,516.36	For details, please refer to this Note V.

Item	Amount	Description
national policies and regulations, and enjoyed by a fixed quota or a fixed amount in accordance with a certain standard)		62 and 68
Profits and losses from changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises, and profits and losses from disposal of financial assets and financial liabilities, except for the effective hedging business related to the Company's normal business operations	553,697,207.25	
Reversal of impairment reserves for the receivables under independent impairment test	72,395,388.85	
Non-operating revenues and expenditures other than the above items	-21,226,697.92	For details, please refer to this Note V. 68 and 69
Other profit and loss items conforming to the definition of non-recurring profits and losses	40,553,390.36	
Subtotal	1,754,108,671.67	
Less: Amount affecting income tax	301,917,937.60	
Amount affecting minority equity (after tax)	264,247.68	
Total	1,451,926,486.39	

[Note] The number "+" of the non-recurring profit and loss item means income, and "-" means loss or expenditure.

The recognition of the Company's non-recurring profit and loss items is implemented in accordance with the provisions of the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit and Loss (Revised in 2023) (CSRC Announcement [2023] No. 65).

ROE and earnings per share

Profits for the report period	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	26.53	5.22	5.22
Net profit deducting non-recurring profits and losses attributable to common shareholders	25.20	4.96	4.96

Gree Electric Appliances, Inc. of Zhuhai
April 30, 2024