

Gree Electric Appliances, Inc. of Zhuhai

2022 Annual Report

April 2023

2022 Annual Report

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 investment based on an awareness of risk factors attendant in 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 5,613,841,613 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 17,564,128 shares held in the repurchase account of the Company), the Company plans to distribute all shareholders a cash dividend of RMB10 (tax included) per 10 shares, but does not plan to give any bonus share or convert any capital reserves into share capital.

Contents

Section I Important Notice, Contents and Paraphrase	2
Section II Company Profile and Main Financial Indicators	7
Section III Management Discussion and Analysis	12
Section IV Corporate Governance	58
Section V Environmental and Social Responsibility	82
Section VI Important Matters	131
Section VII. Changes in Shares and Shareholders	155
Section VIII Preferred Share Related Information	166
Section IX Bond Related Information	167
Section X Financial Statements	170

References

(I) The accounting statements signed and sealed by Dong Mingzhu, the legal representative, Liao Jianxiong, responsible person in charge of accounting work and Liu Yanzi, the Accounting Department's responsible person.

(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 newspapers designated by CSRC and on CNINFO (<http://www.cninfo.com.cn>) 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)
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, 2022 to December 31, 2022

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	珠海格力电器股份有限公司		
Name Abbreviation in Chinese	格力电器		
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 City		
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 their 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 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 Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (CSDC) on February 3, 2020. The registration procedures for the share transfer under aforesaid 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	169 Donghu Road, Wuchang District, Wuhan City
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	2022	2021	Increase/Decrease Over the Previous Year	2020
Operating revenue (yuan)	188,988,382,706.68	187,868,874,892.71	0.60%	168,199,204,404.53
Net profits attributable to shareholders of the listed Company (yuan)	24,506,623,782.46	23,063,732,372.62	6.26%	22,175,108,137.32
Net profits attributable to shareholders of the listed Company less non-recurring profits and losses (yuan)	23,986,248,264.15	21,850,050,895.31	9.78%	20,285,816,036.00
Net cash flows from	28,668,435,921.27	1,894,363,258.72	1,413.35%	19,238,637,309.16

operating activities (yuan)				
Basic earnings per share (yuan/share)	4.43	4.04	9.65%	3.71
Diluted earnings per share (yuan/share)	4.43	4.04	9.65%	3.71
Weighted average return on equity	24.19%	21.34%	2.85%	18.88%
Item	At the End of 2022	At the End of 2021	Increase/Decrease Over the End of Previous Year	At the End of 2020
Total assets (yuan)	355,024,758,878.82	319,598,183,780.38	11.08%	279,217,923,628.27
Net assets attributable to shareholders of the listed Company (yuan)	96,758,734,892.25	103,651,654,599.87	-6.65%	115,190,211,206.76

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	35,259,628,917.19	59,962,697,105.04	52,266,633,176.32	41,499,423,508.13
Net profits attributable to shareholders of listed company	4,003,315,961.30	7,463,163,671.32	6,837,644,520.12	6,202,499,629.72
Net profits attributable to shareholders of	3,774,746,923.56	7,832,675,090.66	6,959,445,436.62	5,419,380,813.31

listed companies after deduction of non-recurring profits and losses				
Net cash flows from operating activities	3,394,256,789.15	9,750,003,578.44	9,314,360,824.83	6,209,814,728.85

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 2022	Amount in 2021	Amount in 2020	Description
Profits and losses from disposal of non-current assets (including the write-off of accrued asset impairment reserves)	-51,428,778.52	-7,498,891.48	-4,974,224.62	For details, please refer to this Note V. 67, 68, and 69
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, and enjoyed by a fixed quota or a fixed amount in accordance with a certain standard)	873,695,831.91	875,778,734.20	1,346,168,393.38	For details, please refer to this Note V. 62 and 68
Fund possession cost collected from the non-financial institution and included in the current profits and losses		6,234,097.19	883,505.62	
In addition to the effective hedging business related to the Company's normal business operations, the profits and losses from fair value changes generated by holding trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, and investment incomes obtained from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investment	300,034,685.05	369,460,356.97	877,450,950.74	
Reversal of impairment reserves for the receivables under independent impairment test	118,276,955.90	16,844,984.00		
Non-operating revenues and expenditures other than the above items	-25,299,493.59	58,510,843.19	50,024,914.68	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	-30,904,028.44	13,691,263.12	17,915,425.64	
Less: Amount affecting income tax	64,515,784.15	82,923,289.84	386,974,457.37	
Amount affecting minority equity (after tax)	-585,500.25	36,416,620.04	11,202,406.75	

Total	520,375,518.31	1,213,681,477.31	1,889,292,101.32	--
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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	Causes
Other profit and loss items conforming to the definition of non-recurring profits and losses	-30,904,028.44	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

1. Consumer field – multichannel promotion of consumption upgrading for overall pressure on the household appliance industry

In 2022, the overall pressure on sales in the household appliance industry has led to increasingly fierce market competition. The penetration rate of emerging channels continues to grow, accelerating the integration of online and offline channels. Gree's products in the consumption field cover residential air conditioners, HVAC, refrigerators, washing machines, water heaters, kitchen appliances, and environmental products, etc. In 2022, the Company worked hard in the face of challenges and changes. It has continuously improved its internal strength, upgraded its industry, deeply explored consumer demand, and continuously innovated products providing to users, achieving steady growth in overall performance.

(1) The industry size of the household appliance experienced declines

In 2022, both the export and domestic market sales of the household appliance industry experienced varying declines in the scale. The *2022 Annual Report of China's Household Appliance Industry* issued by the National Household Appliance Industry Information Center (NAIC) shows that the domestic sales volume of the household appliance industry in 2022 was RMB730.72 billion, with a year-on-year decrease of 9.5%. Affected by factors such as global inflation and the complex and volatile international situation, the export value of China's household appliances has decreased. In 2022, the export volume of the household appliance industry was RMB568.16 billion, with a year-on-year decrease of 10.9%.

(2) The market size of the air conditioner declined in 2022

In 2022, the global and Chinese external environment of air conditioner markets was poor, with a significant decline in the sales market size. The summary data released by All View Cloud (AVC) shows that the global market size of household air conditioners in 2022 was 160 million sets, with a year-on-year decrease of 3.1%, and the domestic market size was 80.22 million sets, with a year-on-year decrease of 1.6%. Aircon's statistics show a 2.6% year-on-year decline in the overall market capacity of central air conditioners in China in 2022.

(3) Increase in penetration rate of emerging channels changed the channel structure

With the changes in users' lifestyles, interests, and hobbies, the traditional offline sales have been shifting towards online. The *2022 Annual Report of China's Household Appliance Industry* issued by the NAIC shows that the online retail sales volume of China's household appliance industry reached RMB422.66 billion, with a contribution rate of 57.8%, indicating a further increase in the proportion of online channels. The rise of emerging channels such as short-form video and live streams has divided up the market share of traditional e-commerce channels, driving the adjustment of the channel structure.

2. Industrial field – steady progress of the industry with accelerated structural adjustment and transformation and upgrading

According to data from the Ministry of Industry and Information Technology (MIIT), in 2022, China's total industry's value added exceeded the RMB40 trillion, accounting for 33.2% of GDP. The manufacturing industry's value added accounted for 27.7% of GDP, and its size has ranked first in the world for 13 consecutive years; the high-tech manufacturing industry accounted for 15.5% of the value added of industries above designated size, while the equipment manufacturing industry accounted for 31.8% of the same. The production of new energy vehicles and photovoltaics has consistently ranked first in the world for many years. The transformation and upgrading of traditional industries have been accelerating, and as well as the development of new industries, the industrial system has been more sound, with the continuously optimized industrial structure.

The Company has actively promoted industrial transformation, with industrial products covering high-end equipment, precision molds, compressors, motors, industrial energy storage, new energy buses, renewable resources, etc., transforming and upgrading from "traditional manufacturing" to "intelligent manufacturing," striving to build a high-end, intelligent, and green technology-based enterprise.

(1) Intelligent manufacturing boosts industrial transformation and upgrading

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. Based on the strong support of the government, China's intelligent manufacturing industry has maintained a rapid growth, and it has become a new development direction for China's modern advanced

manufacturing industry. According to data from Shangpu Group, a market research institution, the market size of China's intelligent manufacturing industry in 2022 is USD540 billion, and it is expected to reach USD700 billion by 2024.

(2) The new energy sector maintains a continuous high prosperity

Driven by the "dual carbon (carbon peaking and carbon neutrality) policies", the new energy industry has an obvious growth trend. The *Action Plan for Carbon Peaking Before 2030* issued by the State Council clearly proposes to vigorously promote new energy vehicles, achieving the proportion of about 40% of new and clean energy-powered vehicles by 2030. According to the data released by the China Passenger Car Association (CPCA), the market penetration rate of new energy passenger vehicles reached 27.6% in 2022, which will further increase to 36% in 2023 based on predictions. It will continue to rapidly increase in the future. According to data from China Buses (www.chinabuses.org), in 2022, the sales of new energy buses above 6 m by key domestic bus companies increased by 21.49% year-on-year, marking the booming development of the new energy bus market.

(3) Energy storage industry develops continuously and rapidly

In 2022, China's energy storage industry still maintained a rapid development trend, while the policy system supporting energy storage continued to improve, and energy storage made breakthroughs. Its global market demand is strong, and the creation of energy storage standards is accelerating, providing strong support for its rapid development. According to data released by the National Energy Administration, as of the end of 2022, the installed capacity of new energy storage projects that have been put into operation in China has reached 8.7 GW, with a year-on-year increase of over 110%. In 2022, the National Energy Administration and the National Development and Reform Commission (NDRC) have introduced many policies with regard to energy storage development, coordinating the promotion of new energy storage pilot projects. Based on the *Guidance on Accelerating the Development of New Energy Storage* released by the National Energy Administration and the NDRC, it is expected that the installed capacity of new energy storage in China will increase to 30 GW by 2025. It is thus clear that new energy storage will continue to develop at a high speed, with a compound annual growth rate of 55%–70%, and the market size will repeatedly reach new highs.

(4) Production capacity growth of the air conditioning compressor is under pressure while upgrading and optimizing of efficient and energy-saving drive technology of the compressor

According to the data from ChinaIOL.com, the production of rotor compressors in 2022 was 232.61 million sets, with a year-on-year decrease of 2.4%, and sales were 233.26 million sets, with a year-on-year decrease of 2.2%. With the deepening implementation of China's new energy efficiency standards for air conditioners, the air conditioner industry has entered an era of high energy efficiency. The high-efficiency and energy-saving technologies such as inverters have become standard configurations. Products with inverters have occupied the absolute mainstream, of which meeting level 1 or level 3 in new energy efficiency standards has dominated the market. The summary data released by AVC shows that the sales of inverter air conditioners in the online and offline markets accounted for over 90% in 2022. The demand for inverters and high-efficiency and energy-saving air conditioner products has continued to drive the upgrading of compressor technology.

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, communication products, smart building systems, 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, and renewable resources. Gree's products are sold in more than 190 countries and regions, providing consumers with satisfactory products, services, and intelligent scene selection, to create a better life for consumers.

According to the *2022 Grassroots Research Report on China's Central Air Conditioner Industry* released in *HVAC and Heat Pumps* by icmzone.com, Gree ranked first in the central air conditioner market with a market size of over RMB20 billion in 2022, maintaining a leading position in market share for eleven consecutive years. In the chiller market, Gree firmly ranked first with a market share of 12.7%; in the VRF market, it led far with a market share of over 20%; in the unitary air conditioner market, it led with a market share of 35.6%; in the engineering project market, it led all other brands with a market share of over 15%, and ranked first in the central air conditioner industry in 2022 with market size of over RMB20 billion. Gree's central air conditioners has served more than 100,000 projects worldwide, while Gree's chiller sales leading

the industry and serving several large data centers with national influence and telecommunications operators' 5G centralized procurement projects. Gree has become the first central air conditioner brand worth billions in the industry.

In 2022, the Company has continued to improve its product line for household appliances, gradually forming a product image of "Gree for Making Better Appliance". According to data from AVC, Gree's electric fan had a market share of 20.68%, ranking first in the industry; the market share of electric heater products was 14.01%, ranking second in the industry.

Adheres to the corporate vision of "creating a world-class enterprise, achieving a century-old brand of Gree," the mission of "carry forward the spirit of industry, master the core technology, pursue perfect quality, provide professional services," and "Made in China, Loved by the World", and the business philosophy of "an enterprise without innovation is an enterprise without soul; an enterprise without core technology is an enterprise without backbone; an enterprise without fine products is an enterprise without future," Gree Electric Appliances has continuously accumulated technological strength and national R&D thinking to assist China in creating.

III. Core competence analysis

Faced with the opportunities and challenges of the development of China's household appliance industry, the Company takes the quality as the support and the brand as the carrier, firmly following the path of brand development, continuously increasing investment in scientific and technological R&D, and promoting intelligent manufacturing; also, it strengthens brand building and marketing promotion, and continuously improves product quality and competitiveness, achieving sustainable development and long-term competitiveness; moreover, relying on core advantages, it strengthens the deep layout of the industrial chain, and grasps the initiative of industrial chain layout; besides, it actively explores the international market and enhances international competitiveness, pursuing high-quality development with significant core competitiveness.

(I) A world-renowned brand of "Made in China, Loved by the World"

The Company firmly follows the path of brand self-development, and has established a great valuable brand with leading core technology, excellent product quality, and complete service system. It adheres to keeping up with the times, constantly absorbing new concepts, from "Gree, making better air conditioners," "Gree, the master of core technology" to "Made in China, Moved by the World," and from the leader in technology to service provider of the world, continuously refining and upgrading brand value.

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 2022, with its outstanding comprehensive strength, it was once again listed on the "Forbes Global 2000 List" and has been on the Global 500 issued by Fortune for four consecutive years. The Company has won many honors, such as the "World Brand", "Most Competitive Brand", "China Quality Award", "Enterprise for Exemption from Export Inspection", "China Brand Innovation Award", and won the 2nd "Chinese Brands Power Ceremony – Superior Products of Chinese Provenance", and "Guangdong Guangcai Program Contribution Award". In addition, it became the "Case of the Belt and Road Construction" in 2022. The Company builds and establishes its brand based on perfect quality and internationally leading technology, continuously creating value for society.

(II) Strong core technology and innovation capabilities, highlighting the leading position in the industry

Adhering to the concept of "self-research and development of core technologies" and the principle of "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", taken the innovation chain as the driver of the value chain while the value chain is the supporter, and implemented a leadership strategy, overall arranging a diversified development strategy.

It has established 16 research institutes, 152 research departments, 1,411 laboratories, and 1 State Key Laboratory centering on new energy and environment, intelligent equipment, freezers and refrigeration equipment, washing, and other technologies; also, it has the world's largest air conditioner research and development center, including 5 national research platforms, 1 academician workstation, and over a thousand laboratories. As of now, the Company has accumulated over 100,000 patents, becoming the only enterprise in the household appliance industry to enter the top 10 in China's invention patent authorization for seven consecutive years. It has 39 "world leading" technologies and has won 6 Chinese patent gold awards, 12 gold awards from Geneva Inventions, 9 gold awards from Nuremberg Inventors' Fair, and 106 important awards at national, provincial, and industry level. The number and quality of patents held by the Company have steadily increased, and the driving force of innovation and development has continued to strengthen. The forward-looking technological layout ensures that the Company's product power has always ranked at the forefront of the industry.

Its laboratory certification and accreditation has always adhered to international standards, showing that the Company has practiced the high-quality development of certification and accreditation. As of the end of 2022, Gree Electric Appliances has

1,041 sets of nationally recognized laboratory equipment and has 11 laboratories that obtained certification and accreditation from globally renowned third-party institutions such as CNAS, TUV, UL, CSA, and 7 external accreditation and evaluation laboratories.

(III) Leading in perfect quality management model, supporting the development of Chinese manufacturing

Pursuing the perfect quality, the Company takes consumer demand as the highest standard, adheres to the strategy of high-quality products, and continuously explores and innovates in concepts, methods, systems, technologies, and other aspects of quality management. 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 struggle", through the "Five-Step Method of Quality Prevention" and the "D-CTFP Cycle Method for Quality and Technology Innovation", it constructs a unique Gree Perfect Quality Management Model for its goal of "Made in China, Loved by the World", effectively solving the problem of the organization's path and methods for quality innovation and promoting the continuous improvement of the quality.

The Company actively participates in leading the standards building at home and abroad, demonstrating its leading position in the industry's standard construction, promoting high-quality product development with high standards, and leading the industry with strength. In 2022, the Company was listed in 2021 National Enterprise Standard "Leader" with 19 product categories including air conditioners, refrigerators, washing machines, rice cookers, air purifiers, electric fans and water purifiers, 385 product models, and 24 standards, as the enterprise with the most products included in the list in the household appliance industry. Gree Electric Appliances has become the first enterprise in the refrigeration industry to serve as the chair of the committee on international standardization. Dong Mingzhu, the chairperson and president of the Company, has successfully been re-elected as the chairperson of the Testing and Rating of Refrigerant Compressors of Technical Committee on Refrigeration and Air-Conditioning of International Standards Organization (ISO/TC86/SC4). Gree has been certified as the "Seven-Star Leading Laboratory for Air Conditioner Inspection and Testing," as one of the first enterprises in China to reach the seven-star rating, the highest level. The project of "Disinfection and Purification Technologies and Product Application Based on the CKER System" developed by the Company won the first prize in the Quality Innovation Award. The Company implements a "ten-year warranty" for household air conditioners, which to a greater extent protects consumer interests, as the longest warranty period in the Chinese household air conditioner industry. Since joining AHRI in 2009, it has been recognized multiple times by AHRI for its leading product technology and solid product quality.

(IV) Integrated layout of the industrial chain, comprehensively enhancing core competitiveness

While the Company is steadily developing household appliances, smart homes, and industrial manufacturing, it actively lays out green energy sectors centered around photovoltaic energy storage, lithium batteries, and new energy vehicles through acquisitions and self-research. Its industrial chain has expanded to fields such as intelligent equipment, numerical control (CNC) machine tool, robots, precision molds, new energy, cold chain, logistics, communication, and small household appliances, and is developing towards intelligence, specialization, high-end, and quality. Meanwhile, the Company has 6 renewable resource bases in Zhuhai, Changsha, Zhengzhou, Shijiazhuang, Wuhu, and Tianjin, covering the entire industrial chain from upstream production to downstream recycling and achieving green, circular, and sustainable development.

In the field of household appliances, the Company's products cover the full category of household appliances, including residential air conditioners, HVAC, refrigerators, washing machines, environmental appliances, kitchen appliances, and home appliances, providing consumers with high-quality solutions for intelligent life. The "ultra-low temperature at -38°C freezing and fresh-keeping technology" of the Kinghome refrigerator, the "efficient and uniform cooking technology" of the TOSOT rice cooker, the pioneering "circulating cooling fan with evaporative circulation system", and the self-developed "wet curtain hot drying technology" for impurity-free fogless humidifier have all led the industry. Gree has built its "healthy, smart and comfortable home" ecological home system for consumers from the all-round multi-system product lines of air conditioner, floor heating, fresh air, water purification and smart, combined with the six-constant system concept of "constant temperature, constant humidity, constant oxygen, constant cleanliness, constant mute and constant smart" in the new era.

In the field of core components, the Company has strong capabilities to support its products. Its wholly-owned subsidiaries of Landa Compressor, Kaibang Motor, Xinyuan Electronics, and Gree Electric Enterprises rank at the top in the industry in terms of production capacity, quality, and performance, which ensure the excellent quality of products and effective cost control of the Company. The reasonable layout of upstream and downstream industries guarantees a sound, stable, and efficient supply chain, strongly supporting the Company's leapfrog development. 10 products self-developed by the Company, including the "high-efficiency scroll compressor", "high-performance linear servo motor and driver", "high-performance servo motor and driver for industrial robot" and "rare-earth free permanent reluctance main drive motor system for new energy bus" were appraised as the "world-leading" level, marking that Gree has fully mastered the advanced technology from core components to products.

In the field of diversification, for industrial robots, the Company has completed the development of 1 kg–600 kg industrial robot products, which are suitable for various industrial usage scenarios under several conditions. For power batteries of new energy vehicles, body die-casting, etc., the Company has developed GR35/1.8 robots and GR50_2.0 robots, and GR200/3.2 robots with large arm span, further improving its ability to provide solutions for application scenarios such as high overload, high protection requirements, and deep exploration. For the heavy-duty series robots, the Company has developed the GR270/2.65 industrial robot, solved the vibration at the reducer during high-speed operation caused by its insufficient stiffness, and broken the absolute monopoly of foreign technology, promoting the localization of heavy-duty industrial robots in China, and achieving market breakthroughs; also, it has completed the development of the first robot motion control system with self-intellectual property rights. It has successfully developed core components for robots and machine tools, breaking the technological monopoly of foreign brands while improving the competitiveness of national brands.

In the field of smart home, adhering to self-innovation, self-research and development, and self-manufacturing, as well as a core technology for a zero-carbon healthy home, the Company has continuously upgraded the five major intelligent life systems of energy, air, health, security, and lighting for the whole house, and self-developed all series of intelligent home products, IoT platform, intelligent decision-making system, G-Voice interaction system, intelligent vision system, G-OS IoT operating system, G-Learning comfortable energy-saving algorithms and other intelligent IoT technologies, providing IoE solutions for family life, and creating a high-quality life with IoE technology.

In the field of supply chain, the Company adheres to the centralized procurement strategy. To build an industry-leading supply chain, it has established a comprehensive supply chain management system, fully played the role of the "chain owner" of the industrial chain, and enhanced the integration ability of the industrial chain, improving the competitiveness of the supply chain through mutual promotion with partners.

(V) Efficient retail transformation empowered by digitization, consolidating industry position

The Company has established self-control and win-win sales channels and sales models, and implemented a transformation of "new retail" marketing model integrating online and offline channels. Based on sales companies in 30 regions, over 30,000 offline stores, and official flagship stores on third-party e-commerce platforms, the Company has established a dual-line sales network covering the country, providing online-offline linkage services integrating offline experience, online ordering, and nationwide unified delivery and installation, activating channel advantages, and achieving all win for the Company, distributors, and consumers.

In the domestic market, channels have been expanding towards diversification and flattening, and agents have been transforming into service providers. Focusing on the layout of the sinking channel, the Company has continuously expanded the second and third-tier markets and county and town markets through online procurement and cooperation with e-commerce and logistics enterprises of sinking channels. It has attached importance to new retail e-commerce such as live stream and used new media platforms to lay out new retail channels through sales by live stream, community marketing, etc., gradually creating a new media matrix to enhance its influence among young people. At present, the reform of new retail channels has achieved phased results, and the emerging market for household appliances has accelerated its expansion through online channels. In terms of overseas markets, the Company has actively adopted various methods of "online and offline" to expand its sales channels. It has established overseas production bases in South America and Asia, expanding its overseas air conditioner market through self-brands and OEM. Currently, Gree air conditioners have been exported to more than 190 countries and regions.

(VI) Precise production capacity layout and leading intelligent manufacturing, responding to market demand rapidly

At present, aiming to the market demand characteristics of different products, differences in regional production factor endowments, and other factors, Gree has established production and manufacturing bases for air conditioners, home appliances, and industrial products in Zhuhai, Chongqing, Hefei, Zhongshan, Zhengzhou, Wuhan, Shijiazhuang, Wuhu, Changsha, Hangzhou, Suqian, Luoyang, Nanjing, Chengdu, Ganzhou, Linyi, Brazil, and Pakistan. Its reasonably arranged production base effectively ensures the ability to fulfill contracts, allowing each base to flexibly arrange the production and deliver products on time, which reduces logistics costs and improves product competitiveness.

The Company has formed a mature production process for intelligent manufacture, with advanced technologies such as industrial robots, CNC machine tools, 5G, and AI integrated into production scenarios; the virtual simulation of the entire production line has realized the digitization of the entire process from product design, production planning to manufacture. On the production line, industrial robots complete various quality inspections with high quality instead of traditional manual labor; on the workshop channel, the use of AGV and intelligent electronic warehouses achieve intelligent scheduling and precise delivery. To sum up, high automation has become the norm in Gree factories. The Zhuhai Base of Gree Electric Appliances has been recognized by the Department of Industry and Information Technology of Guangdong Province as the first batch of 5G+ Industrial Internet application demonstration parks in Guangdong Province.

Gree Intelligent Equipment has not only served within the group, but also actively exported its experience in automation transformation to markets, leveraging intelligent manufacturing to promote the overall upgrading of China's industry. In the future, Gree Electric Appliances will continue to deeply explore intelligent manufacturing, strengthen its core industry advantages, and achieve independent and controllable core technologies, leading the transformation and upgrading of intelligent manufacturing through innovation.

(VII) Independent cultivation of talents, winning an early lead in development with talent advantages

Adhering to the concept of "independently cultivating talents centering on the Company's strategic layout", the Company has gradually formed an independent talent cultivation model with strong strength to attract talents, independent innovation to cultivate talents, and generous welfare for talents. An independent talent cultivation model centered around channels for introducing independent talents, mechanisms for independent training and development, and a comprehensive incentive and guarantee system has gradually been formed.

The Company's talent team has been growing, and its talent structure has been upgraded. As of the end of 2022, it had about 72,000 employees, including 2 leading talents in science and technology innovation under the National Ten Thousand Talents Program, 3 experts enjoying special allowances from the State Council, 1 National Technical Expert, 1 winner of the Award of Outstanding Contribution to Nanyue, 94 high-level talents of Zhuhai, 548 outstanding young talents, 948 scientific and technological experts evaluated inside the Company, and more than 30,000 skilled workers.

With its social resources and industrial chain advantages, the Company has actively established Gree Vocational College to provide excellent talents for the enterprise and the entire industry. Meanwhile, based on the independent cultivation of talents, it has accelerated the cultivation of applied skilled talents, integrated the resource advantages of Guangdong technicians, skilled master studios, and technician workstations, empowering production through training and boosting innovation through competition, and selecting and cultivating a group of "high-tech and cutting-edge" skilled talents through a series of measures such as skill training, skill competition, and skill grade evaluation. As of now, the Group has 14,000 newly assessed skilled talents, of which, 8 have won the title of "Guangdong Provincial Technical Expert", 2 have won the title of "Nanyue Technical Expert", and 5 have won the title of "Zhuhai Municipal Technical Expert", 4 "Zhuhai Municipal Post Technical Expert Pacesetter", 12 "Zhuhai Municipal Chief Technical Expert", 10 "Zhuhai Special Artisan", and 232 "Zhuhai Artisan".

Adhering to the continuous cultivation of innovative, composite, and applied skilled talents, the Company has sought benefits for employees through multiple channels such as employee stock ownership plans, talent subsidies, talent housing, and Gree schools, continuously improving employee satisfaction and happiness. As a result, it has been listed on the *Forbes* "World's Best Employers" for 8 consecutive years, marking obvious talent advantages in talent cultivation and talent benefits system.

IV. Analysis of main business

1. Overview

2022 is still a challenging year. Hit by the complex and severe global economic situation and continuous fluctuations in raw material prices, the overall sales of the household appliance industry are under pressure. Following the general principle of pursuing progress while ensuring stability, the Company has efficiently and orderly promoted various tasks. It has continued to promote technological innovation and achieve breakthroughs in core and world leading technologies; continued to consolidate the construction of a high-quality enterprise and create Gree perfect quality management model; continued to optimize sales channel models and deepened diversification strategies, continuously improving profitability. In 2022, it achieved the total operating revenue of RMB190,151 million, with an increase of 0.26% year-on-year, and a net profit attributable to the parent company of RMB24,507 million, an increase of 6.26% year-on-year.

(I) Center on demand of market, continuously provide users with innovative products

1. Air conditioner sector – improving the product line in the air conditioner field and consolidating market position

(1) Residential air conditioner sector - tapping market potential and developing new products for segment

In 2022, the Company has continuously developed residential air conditioner aiming at different consumer levels, improved new platforms and panels, and launched mid to high-end Airy series highlight products; also, it has developed a new generation of flagship floor standing air conditioner with upper and lower air outlets, achieving upper air outlet for cooling and lower air outlet for heating, ushering in the era of zero temperature difference air supply; moreover, it has launched split air conditioner to expand upgrade products of Silent King+ and About Time, upgraded the air deflector from the original closed single air deflector to a large air deflector with 360° movement, enhancing the competitiveness of mid-end models; the developed inverter window air conditioner adopting drainage-free technology has the ability to replace existing gas or electric heating equipment in North America; and the newly developed cold air dehumidifier has been exported to Japan, which achieving self-cleaning of the filter screen and breaking the monopoly of Japanese brands. In various overseas household

markets, the Company has switched refrigerants for products and added new product lines. In the North American market, following the development of ultra-low temperature inverter window air conditioner, it has supplemented ultra-low temperature inverter PTAC and successfully transformed the refrigerant of new products to R32; in the European market, it has developed R290 pilot split units; in the Middle East market, its inverter and non-inverter enthalpy-increasing compressors have further improved their high-temperature performance to meet specific high-temperature environments. According to the 2022 domestic sales data of air conditioners published by ChinaOL.com, Gree air conditioners ranked the first in the field with a share of 33.9%, taking the lead for 28 years.

(2) HVAC equipment sector – improving product lines and promoting product structure upgrading

At present, for central air conditioners, Gree has launched over a thousand categories of 13 major series, including centrifugal chiller, VRF, screw chiller, chiller, unit chiller, household chiller, precision air conditioner, which can meet the equipment demands of different working conditions, scenarios, and industries, and serve major benchmarking projects.

① Residential central air conditioner sector – innovating and creating a comfortable home space

In 2022, Gree created a new concept of "Gree Smart Comfortable Home" in the field of comfortable residence. For the mid to high-end consumer group mainly composed of customers in the factory-installed products market, Gree has created a space that "covers scenes with products and drives experiences with scenes", and deeply integrated online and offline forms to bring customers a brand new and comfortable consumption experience. It has solemnly launched the ultimate central floor heating and air conditioners of "GMV Tops CCHP Air Conditioner" and "Enjoy FCH Air Conditioner", with one air conditioner to meet users' various needs of "air conditioning + heating + domestic hot water"; also, it has innovatively launched the Real Fresh Energy Recovery Ventilation System, with a plasma sterilization module that effectively meets users' indoor air sterilization and cleaning demands, of which has a purification rate of up to 99%, creating a comprehensive high-quality life for users and providing a healthy home environment.

② Commercial VRF sector – creating intelligent new products with core technology

Gree regards technology as its root, with the concept of technology serving life. In 2022, Gree has launched the Gree GMV 6S+ artificial intelligence VRF, combining artificial intelligence with VRF, enabling the air-conditioning unit to learn and optimize independently, further creating private customized products; its system's energy efficiency has been further improved, far exceeding the first level of energy efficiency, making it the preferred units for various commercial projects. Meanwhile, the Company has upgraded the Gree GMV EM DC inverter VRF units, which has equipped with CAN network VRF communication technology, with faster and more reliable communication response, achieving non-polarity free wiring and automatic addressing of indoor units, as well as automatic addressing of outdoor units when multiple outdoor units are in parallel. The Company has continued to make efforts in expanding projects in the data communication, real estate, and rail transit industries, and signed strategic cooperation agreements with multiple industry leaders, continuously outputting VRF and commercial VRF, and creating sample projects in multiple fields.

③ Heating product sector – creating a full building heating product system to achieve innovative and sustainable development

In response to national demands, the Company is committed to developing full scene high-efficient thermal energy system solutions based on advanced heat pump technology and equipment, creating 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 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. In 2022, Gree introduced multiple industry-leading technologies with its heat pump technology to improve the annual energy efficiency of air-source heat pumps, expanding the application of air-source heat pump technology in cold regions; also, it has formed a large capacity and efficient high-temperature heat pump compressor system, and achieved a breakthrough in high-pressure oil-free steam compressors; moreover, it has launched K-series Hongbing air-source heat pump heat unit, which is used for heating projects in hotels and schools with hot water tank, or used for central heating, residential heating renovation and other commercial places with fan trays, radiators, and other terminals; besides, it has launched Huofenghuang Supreme Household Heating and Cooling (Integrated) Unit, meeting the heating needs in winter of cold regions in the north. Gree's heat pump air conditioners provide an optimization option for northern heating, opening up a new direction for research on comfort and energy conservation of heat pump heating. By improving heating technology

and successfully signing large coal-to-electricity projects, it has provided green development with a new directions and strategies.

④ Precision air conditioner sector – actively self-developing its brand to ensure that the equipment environment meets usage requirements

In 2022, the Company launched the JQF series of air conditioners dedicated to cabinet, which may be widely used for cooling in 5G base stations, ensuring the stable operation of base station equipment and assisting the development of 5G; it also launched JKLC series chilled water inter train air conditioners, JHPQ series cabinet-level heat pipe air conditioners, and JKLF series air-cooled inverter inter train air conditioners. The above units have the advantages of safety, reliability, efficiency, and energy-saving, and may be widely used in various data centers, effectively reducing the PUE of data centers.

⑤ Freezers and refrigeration equipment sector – empowering the full cold chain series of products by core technology, accelerating the development of the industry

The Company has deeply developed in the freezing and refrigeration industry, promoted its product research and development, continuously improved and developed products that meet market demands, and developed a full cold chain series of products. From the frozen storage fields of factory-end origin warehouses, transit logistics centers, and sales and distribution warehouses, to the fields of ocean and land refrigeration transportation, as well as the cold chain terminals closest to consumers, the Company has provided customers with the best solution by its core technology of low-temperature storage and preservation. In 2022, it covered the diverse demands of consumers in North America and other regions through product line expansion, housing optimization and upgrading, and other means; the Company has innovatively launched an integrated photovoltaic direct drive inverter refrigeration unit, which perfectly combines photovoltaic direct drive technology with photovoltaic power generation technology and condensing units, providing continuous power for refrigeration in cold storage through photovoltaic power generation, forming a clean, safe, reliable, intelligent, and efficient multi-energy comprehensive application system, and solving user pain points by generating energy through light and providing a wide range of applicability; it has also launched a single machine dual-stage ultra-low temperature refrigeration unit, mainly used for ultra-low temperature quick freezing of aquatic products, meat, etc., which can achieve reliable and uninterrupted refrigeration throughout the year. As the main responsible unit, Gree has participated in the revision of national standards for condensing units, accelerating the development of the freezing and refrigeration industry. Its self-developed high-speed direct drive vertical processing center and intelligent hot fluorine defrosting technology for cold storage won the silver medal at the 2022 Nuremberg Inventors' Fair. At present, the Company's freezers and refrigeration products have successfully served the National Banquet Kitchen of the Great Hall of the People, the Cold Storage of the People's Bank of China, JD, SF Fresh Logistics, South China Sea Islands and Reefs, and other scenes, bringing quality upgrades to the industry and consumers with new technology.

⑥ Compressor sector – delving into market demand, continuously innovating technology, and becoming an industry leader

In 2022, the Company launched large compressor series products with independent intellectual property rights such as electromagnetic suspension centrifugal compressor, ultra-high efficiency permanent magnet synchronous inverter screw compressor for efficient machine rooms, single unit two-stage refrigeration screw compressor with dual slide valve coordinated capacity regulation and a minimum evaporation temperature of -65°C , and high-efficient refrigeration screw compressor that can achieve regional air supply. They have been widely used in working conditions such as air-conditioning refrigeration, heat pump, freezing and refrigeration, ultra-low temperature quick freezing, and meeting the needs of different users.

In 2022, the Company provided more than 40,000 sets of air conditioning equipment for multiple gymnasiums and stadiums such as the Education City Stadium, Stadium 974, and Martina Fan Village of the Qatar World Cup, including multiple product types such as split units, GMVs, fan coil units, combination cabinets, U-match units, and rooftop units. With high-quality product services, it provided "Gree Cool Breeze" to world's top events. As the exclusive supplier of chillers for Beijing Fengtai Station, the "largest railway hub in Asia", the Company has provided 8 electromagnetic suspension centrifugal units, providing strong guarantees for the opening of Fengtai Station with core technology and high quality. It has also provided low-temperature air-cooled screw units, Gree permanent magnet synchronous inverter centrifugal units, Gree GMV6 artificial intelligence VRF central air conditioners and other products for the 2022 Beijing Winter Olympics, comprehensively providing products and services, including the main building intelligent cold source system and BIM models, for the National Speed Skating Oval. Pursuing the Green Olympics, it perfectly ensured the construction quality and progress of major national landmark projects.

2. Home appliances sector – making products valuable by technological advantages, achieving steady growth in performance

The Company has established a healthy, intelligent, and personalized positioning for its products, and implemented a systematic layout, achieving full coverage of industries such as kitchen appliances, environmental appliances, and refrigerators, washing machines, and other refrigeration and cleaning household appliances.

(1) Environmental appliances sector – launching new products and upgrading olds, meeting the application needs of different scenarios

Gree's cooling fan series products have received unanimous praise from users in the Middle East and North America, and have become the preferred brand products for users. Gree's pioneering circulating cooling fan 03X60DgZ, equipped with an evaporative circulation system, can deliver coolness to the whole house and effectively circulates indoor air. It has 8-speed precise wind control and 3 air supply modes, intelligently matching various usage scenarios, while adopting a DC inverter motor, reducing the low-end noise to 30 dB. In response to consumers' demands for healthy household appliances, health products such as disinfectant generators and formaldehyde removal air conditioners of Real Purify have been launched, creating a comprehensive healthy life for consumers. The V-Lasso series antivirus purifier won the first prize of the 2022 Quality Innovation Award, the first prize of the Science and Technology Progress Award of the China Light Industry Council, and the first prize of the Science and Technology Progress Award of Guangdong Light Industrial Council.

(2) Kitchen appliances sector – enriching product lines, forming a systematic layout

The Company has launched a "Gree Green Kitchen" strategy, shaping a healthy culinary lifestyle covering all aspects from three dimensions: preparation, cooking, and kitchen waste. New products have been continuously launched in 5 categories: range hoods, stoves, gas water heaters, steam ovens, and dishwashers. In terms of the steam oven, aiming at the daily dietary nutritional needs of Chinese people, the Company has innovatively developed multi-ingredient nutritional synergistic regulation technology and a nutritional package including three dishes and staple food, providing users with a delicious and nutritious food experience. The product has won the gold award at the Special Exhibition of the International Exhibition of Inventions of Geneva and the second prize of the Technical Invention Award of the Guangdong Light Industrial Council. In terms of the Star series range hoods, the 10-years cleaning free technology for internal has been applied to solve the difficult disassembly and cleaning of the range hood and strong odor for users. In terms of gas stoves with dry-burning protection, the Company has invented multi-gear dry-burning temperature control technology, providing differential temperature control protection for different recipes, making the cooking process more reassuring. In terms of gas water heaters, the Shunmuwang no cold water series products have been equipped with Gree triple constant temperature multi-stage control technology, achieving a large water volume and meeting the water demand of the whole family, while the fluctuation of water temperature only of $\pm 0.5^{\circ}\text{C}$, thus winning the Good Product Award of the China Household Electric Appliance Research Institute (CHEARI). According to monitoring data from All View Cloud, in 2022, Gree's air source water heater's online retail market share reached 23.4%, ranking second in the industry.

(3) Refrigerator sector – optimizing products and technologies in multi-dimension, customizing preservation and storage solutions

In 2022, based on a precise grasp of consumer demand, Gree has been driven by innovative technology, achieving high-quality development of its refrigerator business. It has launched a series of healthy and fresh refrigerator products with fine storage, achieving continuous upgrades from product functions to scene experiences, and becoming a creator and leader of high-quality life. The Gree's Kinghome continues to deepen its efforts in preservation of refrigerators, and firmly grasped the pain points of preservation demand, providing healthy preservation solutions for different ingredients such as meat and fruits and vegetables. The ultra-low temperature at -38°C freezing (456 or BCD-456WPSG) refrigerator, as the first product of the Kinghome refrigerator -38°C series, is equipped with a newly upgraded technology of ultra-low temperature at -38°C freezing and fresh-keeping. Through the industry's first broadband fully sealed piston compressor and upgrade of inverter control technology, the maximum operating speed of the compressor has increased by 50% compared to the industry, effectively retaining the flavor and color of the ingredients, and keeping more juices for a longer time. It is equipped with cell micro-dormancy moisturizing and refreshing technology, which can make fruits and vegetables enter a "micro-dormancy" state, reducing the loss of nutrients and vitamins in fruits and vegetables, and delaying their deterioration. It is also equipped with PLASMA full-space sterilization and odor purification technology, with a sterilization rate of up to 99%, keeping the interior of the refrigerator clean and hygienic. The BCD-448WPSGA cell-grade fresh-keeping series refrigerator is equipped with the Company's preservation technology of cell-grade fresh-keeping technology, which has three advantages: no loss of nutrition, good taste preservation, and easy to cut by a knife. It has 5 independent storage zones and 18 preservation spaces, meeting the demand for meticulous storage of assorted ingredients such as meat, vegetables, and fruits, regardless of raw or cooked.

(4) Washer and dryer combo sector – inheriting core technologies, leading 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 consumer demand, it has been committed to product research and development aiming at customer demands. The Gree heat pump washer and dryer combo products are equipped with a 100% self-developed soft drying customized dual rotor inverter compressor and low-frequency torque control technology, of which the latter has won the "National Science and Technology Progress Award". In 2022, Gree launched the Ruchu heat pump washer dryer combo products, a mid to high-end heat pump washer dryer featuring embedded installation, which integrates heat pump drying, steam care technology, and intelligence; it also launched an upgraded heat pump washer dryer of the Ruxin series, which utilizes heat pump technology and is equipped with a molecular-level steam care program, allowing for the direct care of clothing without washing or drying; besides, it launched the Zhibo washing machine, which can conduct intelligent perception and AI decision-making from multiple dimensions such as users, clothing, and environment, comprehensively improving the washing effect.

(II) Comprehensively develop industrial products, achieve independent and controllable industrial and supply chains

The Company has strong R&D and manufacturing capabilities for core components of household appliances, covering various sectors such as Landa Compressor, Kaibang Motor, and Xinyuan Electronics, laying a solid foundation for the Company's high-quality development. In 2022, the Company focused on advanced technology and strived to break through the "bottleneck" technology, achieving leapfrog growth in the field of industrial products. In terms of compressors, it targeted elite customers and formulates domestic and overseas sales strategies based on seasonal changes in products. In terms of motors, the sales of servo motors increased nearly threefold, and the top domestic and foreign customers of high-efficiency reluctance motors have progressed batch orders. In terms of enameled wires, the Company focused on exploring high value-added segmented markets such as new energy vehicles and electronic components, driving an overall increase in profits. In terms of capacitors, the sales of DC thin film capacitors have increased by three times year-on-year, and new customers of industries benchmark such as industry, water pumps, new energy wind power, and photovoltaics have been successfully developed.

1. Compressor sector – innovative technology and excellent intelligent manufacturing, accelerating localization

Gree has five major compressor production bases, including 13 series of products of C39/C44/C48/C49/C55/C63, etc., covering over 300 varieties of high-efficiency, energy-saving, and environmental protection 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 products are at the forefront of the industry in fields such as two-stage enthalpy increasing compressors and three-cylinder two-stage variable capacity compressors.

In 2022, aiming at the high-temperature environment in the Middle East where the highest temperature reaches 60°C, a high-temperature refrigeration enthalpy-increasing rotor compressor was developed through technologies such as "high-temperature and large cooling output structure" and "patented air supply structure design based on ejection principle", achieving a significant increase in the refrigeration capacity of the compressor at high-temperature. The refrigeration capacity increased by 8.8% under outdoor conditions of 46°C, 14.7% under 48°C, and 23.6% under 54°C. The products developed have been widely used in split units, window units, floor standing units, cassette units, duct type units, and floor ceiling units for the Middle East, and were widely favored and praised by customers.

Through long-term big data analysis of the actual operating characteristics of household VRF, the Company has combined research on the "exclusive dual-cylinder start variable capacity technology" and innovative design of the "low load and high energy efficiency compression structure of compressors", developing a new generation of variable capacity rotor compressors for household VRF. The APF of the compressor has been increased by 8%, the operation under low load has been further improved by 20%, the cooling or heating speed at startup has been doubled, achieving efficient operation under full load. The new generation of variable capacity compressors will be applied to 12 kW–18 kW wide-load and full-scene efficient household VRF, leading the energy-saving upgrade of household VRF in the industry.

Through innovation and breakthroughs in the electromagnetic suspension system, the Company has proposed a radial-axial integrated bearing with 3 degrees of freedom structure, effectively reducing the bearing volume. It has also successfully developed a 50-120RT small cooling capacity electromagnetic suspension compressor, expanding the application range of the Company's electromagnetic suspension products and improving its market competitiveness in electromagnetic suspension centrifugal units.

2. Motor sector – deepening technological innovation and becoming a high-quality pioneer in the industry

The efficient rare-earth free reluctance motor produced by Gree has entered various fields and channels of the Company's layout. At present, the Company has developed and launched products in 5 major categories, 24 series, and over 1,000 variety specifications, with 2,235 national patents. The self-developed rare-earth free bus reluctance main drive motor system has

been recognized as a "world leading" technology; the high-efficiency and low-noise permanent magnet assisted synchronous reluctance motor has won 2 gold medals at the Invention & New Product Exposition (INPEX), and the R&D of a new high-efficiency rare-earth free reluctance motor and its application in inverter compressors and air conditioner have won the special prize of Guangdong Science and Technology Award. It has achieved fruitful professional scientific and technological research and development results. From variable inverter air conditioners to new energy commercial vehicles, logistics vehicle main drive motor systems, and engineering machinery motors, the Kaibang's series products have been widely used and recognized by multiple clients in China. Currently, its annual production capacity is over 80 million sets, ranking among the forefront of the same industry in China.

The rare-earth free reluctance main drive motor system developed by the Company has achieved rare-earth free, with high cost-effectiveness, and has reached or exceeded the level of rare-earth permanent magnet main drive system in terms of comprehensive energy efficiency and reliability, promoting the new energy vehicle drive industry to break free from rare-earth resource constraints and achieve healthy, stable, and sustainable development. The first 200 kW rare-earth free reluctance main drive motor system was successfully developed in the industry, promoting and applied in new energy buses.

3. Refrigeration components sector – empowering DunAn and improving the layout of core components

In 2022, the Company strengthened its diversified layout by acquiring DunAn Environment, improving its supply chain. DunAn Environment, as a leading enterprise in the global refrigeration (component) industry, has a product series covering the entire HVAC&R industry, fully supporting segments such as residential air conditioners, commercial air conditioners, air source heat pumps, freezing and refrigeration, and new energy vehicle thermal management. DunAn Environment 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 conditioners. The energy efficiency of its inverter direct drive centrifuge has far exceeded the national primary energy efficiency. By being equipped with advanced technology, its thermosiphon/steam compression composite air conditioning unit can efficiently run in both thermosiphon cycle and steam compression cycle modes, obtaining world-leading recognition.

During the report period, DunAn Environment actively expanded the application of refrigeration and heating equipment in emerging industries such as electronic purification, new energy, high-end precision manufacturing, hospital medicine, agriculture, forestry, animal husbandry and fishery, and regional energy, continued to deepen the market penetration of special industries such as nuclear power, communications, rail transit, and cold chain, and launched customized solutions around the demands of emerging industries, achieving remarkable results. In 2022, the operating revenue of DunAn Environment was RMB10,144 million, with a year-on-year increase of 3.12%, and the net profits attributable to the parent company was RMB839 million, with a year-on-year increase of 106.98%. Its market share of cut-off valves ranked first in the world, that of four-way valves ranked second in the world, and that of electronic expansion valves ranked third in the world. Moreover, its core component industry of new energy vehicle thermal management has entered a new stage of rapid growth.

4. Precision mold sector – vigorously developing precision machining and building a leading mold enterprise

Precision mold is an integral part of the Company's industrial sectors. Adhering to the strategy of "Refinement, Standardization, Specialization and Productization", Gree Precision Mold Co., Ltd. established mold centers in all production bases of Gree Electric Appliances. Now it possesses 4 R&D platforms, 1 national-level skilled master studio, 1 municipal-level skilled master studio, 1 municipal-level skill workstation, and 12 technical manufacturing service centers. By the end of 2022, Gree Precision Mold Co., Ltd. had more than 1,500 employees and over 600 technicians, with 586 patents applied in total.

In 2022, Gree Precision Mold Co., Ltd. continued to exert its strength in the fields of household appliances, automobiles, batteries, energy storages, 3C products, medical devices, optical devices, motor cores, etc. And it focused on launching projects including *New Energy Vehicle Battery Mold + Injection Molded Products Project*, *Intelligent Factory (Turnkey) Project*, *Precision Mold of Automobile Interior and Exterior Trim Project*, and *Battery PACK Project*. Its high-speed stamping mold can reach 380 stroke times per minute, equalling the leading level at home and abroad. At present, Gree Precision Mold Co., Ltd. has provided services to high-quality and stable customers in many fields, effectively driving the development of upstream and downstream industries, strengthening market competitiveness, and consolidating its industry position.

(III) Adhere to innovation-driven development, make breakthrough in technical difficulties, and boost China Creation

1. Focus on core technologies, and continue to promote the driving force for innovation and development

In 2022, according to the market demand and pain points, new technological breakthroughs and innovations had been made in the heat pump floor heating and deep mine heat injury. The Company's "Key Technology and Application of High-

efficiency Heat Pump Based on Thermal Mass" project had solved the problems of domestic heat pump floor heating industry, including mismatch between supply and demand of floor heating, low energy efficiency in actual operation, and large energy efficiency attenuation under frosting conditions. The "Key Technology and Application of New Complete Refrigeration Equipment for Heat Injury Control in Deep Mines" project had overcome poor refrigeration and dehumidification effect of local cooling equipment in mines, large consumption of fresh air and water resources, poor effect of ventilation and heat transfer, narrow operating range of compressors, etc. According to authoritative technical evaluation, these two technologies had reached the international leading level.

In 2022, the Company took the lead in undertaking two national projects, and Gree Advanced Refrigeration Compressor Development Team was approved as Zhuhai Innovation and Entrepreneurship Team. The national key R&D program – "R&D and Application of Industrial Interconnection Platform for Large-scale Manufacturing Industry" initiated by the Ministry of Science and Technology provided support for elements integration, structural optimization, and operation control of large-scale manufacturing industry chain. The industrial internet pilot demonstration project – "Gree G-FIEMS Energy Internet Factory System" piloted by the Ministry of Industry and Information Technology, assisted factories to save energy and reduce emissions, and promoted low-carbon transformation and technological innovation of enterprises.

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

Taking satisfying consumer needs as its core concept and standard, the Company implements the standard leading strategy oriented to consumer needs and social responsibilities to promote the high-quality development of enterprises and industries with technical standards. Since 2018, Gree has been listed as National Enterprise Standard "Leader" for five consecutive years, with its enterprise standards in the past three years pioneering the industry. At the same time, more than 2,500 Gree components and parts standards have been formulated into the industrial chain, driving nearly 100 small and medium-sized manufacturing enterprises to become industry leaders. Gree has actively led and participated in the formulation of 756 international and national standards, contributing to that "standards going global" drives "products going global" with practical action.

In 2022, in terms of domestic standards, Gree Electric Appliances served as the leader of the first domestic DC Controller Working Group (SAC/TC212/WG11) of the Household Automatic Controls. The national energy-saving standardization demonstration project – "Energy-saving Standardization Demonstration Creation of Low-temperature Heating Air-source Heat Pump Technology" successfully passed the national examination and acceptance with outstanding results, demonstrating Gree's position as an industry benchmark in standard setting of energy conservation and environmental protection. The Research and Evaluation Base of Technical Trade Measures for Refrigeration Equipment has passed the official assessment of the General Administration of Customs of the People's Republic of China, becoming one of the first batches of six research and evaluation bases with national technical trade measures that are officially designated in China. With high scores, it passed the AAAAA-level enterprise review evaluation of "Standardized Good Behavior", once again gaining the authoritative recognition in standardization work.

In 2022, with regard to international standards, as the first Chinese entrepreneur in the refrigeration industry to serve as the chairwoman of the Refrigerant Compressor Sub-Committee, Dong Mingzhu convened the 10th plenary meeting (ISO/TC86/SC4) with representatives from 9 countries, and took the lead in proposing two international standards for refrigeration compressors, namely *Performance Rating of Positive Displacement Refrigerant Compressor* (ISO/NP 18501) and *Performance Rating of Centrifugal Refrigerant Compressor* (ISO/NP 18483) that are successfully approved as projects, providing scientific and reasonable solutions of energy efficiency evaluation for positive displacement refrigerant compressors and centrifugal refrigerant compressors. The 2022 international standard *Photovoltaic Direct-driven Appliance Controllers – Part 2: Operation Modes and Graphic Display* (IEC TS 63349-2) led by Gree Electric Appliances was officially released, filling the international gap. It is expected that *Photovoltaic Direct-driven Controllers – Part 1: General Requirements* (IEC 63349-1) will be officially released in 2023. Six ISO international standards, such as multifunctional heat pump water heaters and refrigerant compressors, have been well-off established, spreading and exchanging new ideas and technologies from China with the outside world in a timely manner.

3. Improve the intellectual property protection system, and gain a firm foothold in the competition of scientific and technological innovation

The Company attaches great importance to the protection of intellectual property to ensure its leading position in the field of intellectual property rights, and enhance its core competitiveness. In order to improve intellectual property management, the Company has developed a "whole process intellectual property management system", which implements the electronic management of the whole life cycle of intellectual property. It has set up the scientific intellectual property incentive mechanism and a high amount of scientific and technological progress incentive fund to reward each year the units and individuals that have made outstanding achievements in management and technological innovation, greatly stimulating the

innovation enthusiasm of scientific researchers. In 2022, Gree Electric Appliances applied for a total of 12,520 patents at home and abroad, including 7,508 invention patent applications and 3,270 invention patent authorizations, highlighting its independent property advantages.

4. Optimize product design ability, and enhance product design value

Centering on users' demands, the Company builds unique design concepts in the product manufacturing, and on no account takes consumers as the product test samples. After the design of new products, Gree will officially put them into market after long-term testings including trial-production, long-term operation experiments, and redesign, aiming to provide consumers with a more safe, reliable, intelligent, convenient, natural and comfortable use experience. In order to improve the product design, the Company has developed a "scientific and technological innovation platform", which includes product patent data, and updates the data information in real time to improve the starting point of R&D. In 2022, Gree products won 12 international design awards (1 German iF Industrie Forum Design Award, 6 German Red Dot Design Awards, 5 American IDEA Awards) and 1 China Excellent Industrial Design Award (Bronze Award).

(IV) Provide high-quality products and user-oriented professional services to create a good brand

1. Construct a perfect quality management mode to promote the continuous improvement of enterprise quality

During the report period, the Company continuously improved the quality management system, innovated the quality control mode, and promoted the system process reengineering. The Company established a leading laboratory that meets the R&D and testing needs of diversified electrical products, and houses many advanced instruments and testing talents, to protect the quality of products. In 2022, it became the world's first "International Certification Enterprise Laboratory" and was awarded as the "Seven Star Leading Laboratory of Air Conditioner Inspection and Testing Service", which contributed to Gree to become one of the first group of enterprises in China to reach the highest level. The project *Construction of Data-driven Product Life Cycle Quality Management System and Its Application in Central Air Conditioner* won the first prize of Quality and Technology Award of China Association for Quality. The project *Research and Application of Key Technology for Quality Improvement of Air Conditioner R&D Based on Edge Computing* won the excellence award of Quality and Technology Award of China Association for Quality. The two projects of *Research and Application of Key Quality Technology of GREE Altairnano Energy Storage System* and *Research on Key Technology for Reliability Improvement of Domestic Chips and Devices of Household Appliances Based on TSQ* won the second prize of Quality and Technology Award of China Association for Quality. The technical team of Commercial Air Conditioner Testing Center won the nomination award of Guangdong Provincial Government Quality Award. The Company continued its superb level in quality management, and the professionalism and internationalization of certification and testing capabilities, and technicians.

2. Provide high-quality services to upgrade quality

In 2022, the Company launched the "recycling of used air conditioners" and "old for new" activities. Based on the household appliance recycling system linking the consumers and recycling units, Gree applied "old for new" as a long-term stable preferential project, which would undertake the target recycling volume of 5.12 million household appliances and continue to exert its strength in recycling used air conditioners. Consumers could enjoy high-quality services such as preferential prices of replacing the old machines with new ones and free disassembly and assembly of air conditioners, or they could choose to report the old machines for cash subsidies, enjoying better products at preferential prices. In 2022, Gree was selected as the "Leading Organization of Quality Consumption". According to the survey results published by the Customer Satisfaction Evaluation Center of China Institute of Standardization, Gree Electric Appliances ranked first in the industry in customer satisfaction and loyalty among air conditioning products for 11 consecutive years, manifesting customers' recognition to Gree.

3. Actively promote logistics and warehousing constructions to improve data service capacities

The Company made efforts in building warehousing construction, trunk logistics self-construction, branch and intercity logistics outsourcing, and online channel e-commerce platform logistics. At the same time, Gree Cloud Wholesale was launched to spread and update online channel information. With respect to warehousing, 17 base warehouses had been built, with supporting regional warehouses being added in various provinces to achieve full coverage of warehousing. In terms of logistics, a logistics company had been established with the mode of "trunk self-construction logistics + branch/intercity third-party outsourcing". It adopted e-commerce platform logistics in online sales, which made full use of social logistics resources, effectively reduced logistics losses, and improved response speed. The digital system was represented by "Gree Cloud Wholesale", which connected channel system, warehousing system, logistics system, and labor dispatching system, achieved informatization and comprehensive Internet access, and empowered channels through digitalization. When it came to order management process, continuous efforts had been made in digitization and warehouse network improvement. In view of intelligent dispatching, intelligent dispatching was used instead of traditional manual dispatching to improve the efficiency of dispatching service. With a view to predictive maintenance, data acquisition equipment ID cards had been installed for the sold multi-split air conditioners, covering various provinces and cities across China. The VRF air

conditioners returned the machine operation data to the big data platform every day, which assisted Gree to dynamically grasp the operation of the equipment, timely carry out maintenance, and provided more accurate and effective services by more reasonable and intelligent deployment of maintenance personnel and maintenance accessories in the sales area. With regard to smart property, Gree Talent Smart Community was established to integrate property services such as security, facilities, personnel, energy efficiency, and environment by using the Internet, IoT, and artificial intelligence technology. Therefore, it was created a comprehensive service platform from part intelligence to overall intelligence, providing a new mode of convenient service and smart lives for the community.

(V) Develop diverse businesses to promote innovation and diversification thriving in an all-round way

The diversified layout of the Company ranges from intelligent equipment and precision molds in the vertical direction of the industrial chain, and refrigerators, washing machines, water heaters, and water dispensers in the horizontal direction of products, to new energy, renewable resources, and pre-cooked food equipment. In 2022, with intelligent equipment and new energy as the key directions of diversified development, Gree entered a new stage of mature multi-industry sectors and gradually released performance, showing the world a multi-faceted and stereoscopic enterprise structure, and competitive strength.

1. Intelligent equipment – Master core technologies and promote high-end and intelligent development

At present, the products independently developed by Zhuhai Gree Intelligent Equipment Co., Ltd. have exceeded 100 specifications, covering more than ten fields such as servo manipulators, industrial robots, intelligent warehousing equipment, intelligent detection, special machine tools for heat exchangers, unmanned automatic production lines, numerical control machine tools, etc. And it basically completes the industrial layout from industrial robots to core parts and numerical control (CNC) machine tools, providing solutions for customized integrated applications of industrial robots and large-scale automatic production lines. In 2022, prioritizing technologies in intelligent equipment and adopting marketing strategies of market and model breakthroughs, the Company made breakthroughs in CNC machine tools, industrial robots, logistics and warehousing, and overseas markets.

CNC machine tools: The Company focused on the lightweight market of automobiles, and the bar machine tools occupied the die-casting market, involving into the integration project of automobile field. Besides, the large kilogram industrial robot had won the bid for a number of industry demonstration projects.

Robots: The Company had made great breakthroughs in the four core components of controller, driver, servo motor and reducer, and launched a full series of products including five-axis linkage CNC machine tools, vertical CNC machine tools, horizontal CNC machine tools, and gantry machining centers. Five-axis linkage CNC machine tools could process complex curved surface materials, which were widely used in energy, automobile, general machinery, etc. Gree Heavy-duty High-rigidity Six-axis Industrial Robot won the Silver Award of International Exhibition of Inventions of Geneva 2022. Zhuhai Gree Intelligent Equipment Co., Ltd. was rated as High-tech Enterprise and National Intellectual Property Advantage Enterprise, and won various awards such as the Silver Award of IENA and Guangdong Patent Excellence Award.

Overseas market: The Company had successfully entered the high-end markets in North America and Europe, and built high-end CNC machine tool demonstration projects in North America and Europe to enhance its influence of its intelligent equipment in overseas market.

2. Green energy – "Zero carbon source" promotes the realization of green energy strategy

The Company continued to exert its strength in green energy, and was committed to the research and product development of key technologies in new energy appliances and near-user energy Internet systems, so as to jointly build a new ecology of energy informatization and DC, and promote the transformation of green economy.

(1) Photovoltaic (storage) air conditioner – Integration of light, storage, and air, pioneering a new zero-carbon ecosystem

Nowadays, Gree photovoltaic air conditioning system has achieved full coverage of VRF, screw, centrifuge, condenser, module, and split air conditioner, which effectively fits more scenarios. They have covered many typical climate zones around the world, and served many countries and regions, with more than 12,000 projects completed. Gree photovoltaic direct-driven air conditioning system and optical storage full DC air conditioning system have been successfully upgraded to "zero carbon source" air conditioning system, which develops the technology of parallel step compression refrigeration. The photovoltaic (storage) DC air conditioning system is equipped with the photovoltaic direct-driven frequency conversion technology pioneered by Gree Electric Appliances, and has been appraised as an "international leading" scientific and technological achievement, realizing DC air conditioning, energy informatization, and refined management, and creating a zero-carbon DC ecosystem with multi-commutation of "source-storage-network-charge". It can not only promote self-use of electricity, but also supply surplus electricity to other electrical equipment to realize self-sufficiency in electric energy. Gree's "zero carbon source" air conditioning technology won the highest award in the Global Cooling Prize. The related

technologies of photovoltaic (storage) DC air conditioning system have won the first Chinese Patent Gold Award in the household appliance industry, the British RAC Annual Achievement Award, the Geneva International Invention Gold Award, etc.

(2) New energy – Preempt the layout of new energy industry and contribute to new energy force

Improving further the layout of the new energy industry, the Company built an integrated industrial chain covering lithium battery materials, lithium batteries, modules/PACK, core components of new energy vehicles (NEVs) and downstream NEVs, industrial and commercial energy storage, and energy internet systems. GREE Altairnano NEVs and lithium-titanate batteries were recognized as "Famous High-tech Products in Guangdong Province", and won again the award of "Most Influential Enterprise in China's Energy Storage Industry of the Year".

① NEV – Accelerate the commercialization of scientific and technological achievements, and assist in building green and efficient transportation

Insisting on independent innovation and R&D, the Company launched two series of products, namely commercial vehicles and special vehicles, according to the needs of different industries. The GREE Altairnano NEVs have been operated in more than 230 cities across China, including Beijing, Shanghai, Guangzhou, Chengdu, Nanjing, Tianjin, and Wuhan. In 2022, GREE Altairnano products won the "Bus Technology Innovation and Application Achievement Award" and "Annual Hydrogen Fuel Cell Vehicle Award", etc., and have been reputed as "Influential Brand in China's New Energy Vehicle Industry", "Top Ten Influential Brand in China's Photovoltaic Industry", "Top Ten Quality Brand in China's Charging Facility Industry", "Pioneer Enterprise in Comprehensive Energy Service Innovation", "National New Energy Vehicle Industry Quality Leading Enterprise", "National Product and Service Quality Integrity Demonstration Enterprise" and "National Product and Service Quality Integrity Brand", etc.

GREE Altairnano commercial vehicles are mainly urban buses and city road vehicles (commuter vehicles), including antique trolley cars, dolphin buses, double-decker buses, hydrogen fuel cell buses, and micro-buses. According to the characteristics of urban and rural areas, GREE Altairnano has laid out in advance micro-circulation buses that meet diversified transportation needs, giving full play to the synergistic effect of micro-routes and large bus networks, and solving the pain points of urban and rural traffic operation. In 2022, after the operation of the 18 m dolphin buses, antique trolley cars, double-decker buses, classic road cars and facial mask road cars in Beijing, GREE Altairnano new energy classic buses were further affirmed to serve many routes in Beijing. They have also been put into use in Ganzhou, Ma'anshan, Weinan, Linfen, Yantai, Weihai, Shijiazhuang, Zunyi, and Xixian New District to help build green and efficient public transportation systems. GREE Altairnano hydrogen fuel cell bus was named the Hydrogen Fuel Cell Bus of the Year by the Qingyun Cup.

GREE Altairnano airport ferry received the "Aviation Ground Equipment Inspection Certificate" issued by the National Construction Machinery Quality Supervision and Inspection Center, becoming a special vehicle for civil airports certified by the testing agency designated by the Civil Aviation Administration of China. At present, GREE Altairnano NEVs have been operating in many airports, providing safe, fast, and economical services for airport passenger transport.

② Lithium battery – Adhere to independent innovation to provide strong support for the development of new energy

Based on lithium battery technology, with advanced battery management system (BMS) and thermal management system, the Company has a variety of energy storage products, including battery modules, container energy storage system, rack energy storage system, and photovoltaic parallel off-grid energy storage system, covering KW to MW levels, which provide efficient solutions for industrial peak shaving, power grid frequency modulation, communication base station, data center, rail transit, wind and light consumption, commercial complex, etc. In 2022, Gree actively expanded the research and application of key technologies in various fields of new energy, and improved the bottleneck performance of traditional lithium batteries in battery safety, low temperature resistance, and high rate. GREE Altairnano energy storage system laid the technical foundation for the integration development of source, network, charge and storage in high altitude localities with large temperature differences such as Tibet. GREE Altairnano was awarded the "2023 'Polaris Cup' Energy Storage Influential Battery Supplier", and its project "R&D and Application of Key Technology of High-safety and Large-rate Energy Storage System" was awarded the Guangdong Science and Technology Progress Award, the first prize of Science and Technology Award of Chinese Mechanical Engineering Society, and the first prize of the Mechanical Industry Science and Technology Award.

In 2022, GREE Altairnano New Energy's "A Lithium Titanate Composite Material and Its Preparation Method, Negative Electrode and Lithium-ion Battery" successfully won the 23rd China Patent Award, which was the "First Gold" of invention patent in the lithium-ion battery industry and also the first and only lithium battery product technology selected in the new energy industry. Through the golden patent technology, GREE Altairnano pioneered a new type of lithium titanate composite material with high conductivity and GREE Altairnano cylindrical battery, which essentially improved the safety performance of the battery, and made the breakthrough in the technical bottleneck that large-rate charging and discharging and long

cycling life cannot be taken into account. It is of great significance and remarkable social benefits for expanding the application range of lithium battery products in the new energy field. The hydrogen-titanium powertrain technology independently developed by GREE Altairnano was rated as the "international leading" key technology of high-safety and large-rate energy storage systems. It had been successfully adopted in the world's first empirical experimental platform for photovoltaic energy storage, providing effective scientific solutions for the stable application of energy storage systems in the consumption scenarios of renewable resources power development in high altitude and ultra-low temperature areas. And it had also been utilized in optical storage projects such as oil stations in Qinghai and Xinjiang. By the end of 2022, GREE Altairnano had applied for 3,463 patents in total, and achieved a leap from an enterprise with superior intellectual property rights to a demonstration enterprise, which contributed to it being selected as a "National Intellectual Property Demonstration Enterprise".

3. Diversified layout – Secure transformation and innovation to create a diversified industrial ecosystem

(1) Semiconductor – Improve the layout to solve the upstream bottleneck

The Company had developed products including 32-bit MCU, AIoT SoC, and power semiconductors. The 32-bit MCU series had achieved batch application in series products such as household air conditioners, commercial VRF units, wire controllers, remote controls, etc., with annual consumption exceeding ten million. It was widely used in consumer electronics, wearable devices, household products, health care support, commercial utility-type units, industrial sensing, high-performance motor control, etc. As for power semiconductors, the mass production of FRD, IGBT, and IPM series of products had been completed, which had been applied in batches on inverter air conditioners. They were widely used in household appliances, intelligent equipment, new energy, etc. The cumulative shipment of the Company's products had exceeded 100 million, and the power semiconductor products were reputed as "Famous High-tech Products of Guangdong Province in 2022" and "Specialized and Special New Enterprise in Guangdong Province", and won the second prize of Quality and Technology Award issued by China Quality Association in 2022.

(2) Renewable resources – Carry out social responsibilities with green renewable resource system

The Company had established a mature household appliance recycling system, and had successively set up six renewable resources environmental protection treatment plants in Zhuhai, Changsha, Zhengzhou, Shijiazhuang, Wuhu and Tianjin. With rich green treatment technologies, it promoted the development of the national environmental undertakings in the concept of low-carbon development.

In 2022, the Company actively responded to the call of China. As one of the six enterprises to carry out *Notice on Doing a Good Job in Recycling Target Responsibility System of Household Appliance Manufacturers in 2022* of the General Office of the National Development and Reform Commission, and the General Office of the Ministry of Industry and Information Technology, it undertook the recycling target of 5.12 million waste household appliances, implemented the target responsibility system for recycling used household appliances, built Gree's reverse logistics recycling system, and integrated the reuse of social recycling resources. At the same time, the Company carried out and upgraded the "old for new" activity, eliminated backward household appliances with potential safety hazards, promoted the upgrading of household appliance consumption, and replaced new products with higher efficiency, better quality and more reliability for customers, which contributed to a green and high-quality development path of "scientific and technological innovation-green management-recycling". During the report period, 6.7 million units (sets) of waste household appliances have been disposed of, and over 46.7 million units (sets) of various waste electrical and electronic products have been processed in total.

(3) Health care – Lay out new racetracks to enhance comprehensive strength and anti-risk ability

The Company had successively established a number of medical equipment companies, such as Zhuhai Gejian Health Medical Technology Co., Ltd. and Gree Chengdu 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 promoted its diversified layout.

(4) Pre-cooked food equipment – Develop refrigeration equipment and production equipment to open up the industrial chain

In 2022, the Company initiated the establishment of Guangdong Pre-cooked Food Equipment Industry Development Association, founded Zhuhai Gree Pre-cooked Food Equipment Technology Development Co., Ltd., and continuously promoted the financial service alliance, providing supporting specialized cold equipment of manufacturing, storage, and transportation for upstream and downstream pre-cooked food enterprises. Centering on the three themes of intelligent production, digital management and intelligent decision-making, the Company built intelligent factories for pre-cooked food enterprises featuring automation, information operation, and intelligent customization in combination with automatic production equipment, intelligent logistics equipment, and high-end refrigeration equipment.

(VI) Deeply specialize the IoT to improve the omni-channel ecological layout

In 2022, the Company focused on channel layout and expansion in the quantity and quality. Fastening on major projects, it had obtained fruitful orders in public buildings, traditional manufacturing, clean heating, public transportation, data centers, high-end manufacturing, medical and health care, etc. As for users, it had in-depth cultivated different layers of users, and explored and promoted the diversity, professionalism, and the complementarity between different channels.

1. Deeply lay out smart homes to lead smart and healthy lives

In 2022, the Company made an in-depth layout in smart home system, smart home network, smart voice interaction, smart scenario scheme, smart product technology, etc., and continuously upgraded the five smart living systems of energy, air, health, security and lighting in the whole house. Gree developed personalized space intelligent solutions for different living spaces such as living room, bedroom and kitchen. In view of different scenarios including villas, large flat floors and commercial residential buildings, it furthered the research and development planning of intelligent central products and intelligent interconnection solutions for the whole house, so as to better meet the demands of different users for creating a green, efficient, convenient, and safe home with Internet of Everything. According to the "2022 Top 100 Global Smart Home Invention Patents" published by IPR daily, Gree ranked forth in the world, and its R&D strength in smart homes was once again recognized by professionals.

In terms of smart products, Gree had independently created a whole series of smart home products, IoT platform, intelligent decision-making system, G-Voice voice interaction system, intelligent vision system, G-OS IoT operating system, G-Learning comfort and energy-saving algorithm, etc., providing Internet of Everything solutions for high-quality family lives. Gree centralized management platform provided one-stop management services, which had been accessed into hotel, apartment and dormitory management systems, realizing the leasing, centralized management, control and data statistics of air conditioners, door locks, drinking machines etc. It had served many operators all over the country and been accessed to more than 100,000 devices.

In marketing, the Company integrated smart home into Gree stores to display Gree Smart Comfortable Home linking the whole house. In 2022, it had launched nearly 20 Gree Smart Comfortable Homes in Guangzhou, Foshan, Chengdu, Chongqing, Nanning, Ganzhou, Zhengzhou, etc. "Gree Smart Comfortable Home" integrated five systems of central air conditioning, floor heating, fresh air, healthy water and smart home. And it covered the whole series of Gree smart products by the six technologies of intelligent connection, intelligent perception, intelligent interaction, intelligent cloud platform, intelligent energy, and artificial intelligence laid out by Gree.

In respect to smart home ecological interconnection, Gree Standard Cloud cooperated with domestic manufacturers such as Baidu, Tmall, and Huawei, and overseas manufacturers including Google and Amazon. By providing authorized services for cooperative manufacturers, Gree Standard Cloud provided convenient inquiry and control of Gree equipment for plenty of users, which improved its influences and brand effect.

2. Promote the construction of digital stores to create a new omni-channel retail model

In 2022, the Company built an efficient new retail system in combination with digital tools, which promoted the integration of sales and services, the equivalence of security rights and responsibilities, and the specialization of procurement and distribution.

In the matter of offline specialty stores, Gree promoted the construction of digital stores. Through the introduction of digital equipment such as intelligent shopping guide screen, cloud shelf, and electronic price tag, and upgrading of the store image, offline stores not only possess offline and online sales functions, but also become space for experience, reception, and communication. Consumers will deeply feel the technological convenience, health, and comfort brought by Gree products in the stores.

Gree Terminal's new retail stores will create a new omni-channel retail model based on the experience of ten thousand stores. According to different local situations, the corresponding reform plans were formulated and promoted throughout the country. Informatization, digitalization, and intelligent technology have been deeply applied in the new retail marketing model.

3. Overweight diversified channel layout to promote omni-channel strategic layout

In 2022, the Company continued to exert its strength online and through sinking channels, settled in the whole networks and platforms, strengthened the layout of outlets, effectively covering the whole market. The Company deeply cooperated with the three-party e-commerce platforms, settled in major home appliance stores such as Maoxiang Channel and Miaosuda united with Alibaba, built Gree + JD joint stores, put into investment continuously, actively promoted the online distribution model, and enriched the e-commerce sales channels. According to All View Cloud, Gree's online share increased to 28.9% in 2022. Relying on distributor resources, Gree established a self-built store system to reach the third-and fourth-tier markets in depth. At the same time, it had jointly developed sinking channels with JD and opened up nearly 600 Gree + JD joint stores. JD specialty stores and Tmall premium sales continued to improve, further expanding the market scale of the sinking

channels. In the meantime, Gree took "Dong Mingzhu's Store" as the focus to expand the customer flow. "Dong Mingzhu's Store" had been successfully transformed into an open platform, which served as a docking terminal retailer for all categories of e-commerce platforms, laying a foundation for online and offline integration and the promotion of online wholesale model.

4. Vigorously develop self-owned brands to seize overseas markets

In 2022, Gree products had been sold to more than 190 countries and regions, with its overseas operating revenue achieving RMB23.27 billion. Self-owned brand sales accounted for 57%, with the sales growth of nearly 20% year-on-year. The Company deeply exploited overseas markets, continuously improved the R&D capabilities of overseas products through the industrial advantages of internal and external cooperation, achieving sustained and steady growth in markets of the Middle East, Europe, and Southeast Asia by subdividing products more suitable for local consumers. Through overseas offline exhibitions, and diverse online and offline product promotion activities, Gree enhanced brand effect, and operated its full matrix overseas social media platforms. And it also piloted the new bonded warehouse model overseas to promote steady business growth. Gree had won a number of large-scale overseas model projects, including Oman Ministry of Education, Emaar Villa-clusters in Dubai, BAND TV Station in Brazil, La Rinconada Baseball Stadium in Venezuela, and Paddington Square in Britain, which had secured fruits in various fields such as public facilities and commercial buildings, establishing Gree's international brand image.

(VII) Make breakthroughs in the data operation of the whole value chain to enable sustainable development of digital intellectualization

In 2022, based on the principle of "efficiency and effectiveness", Gree vigorously promoted the digital and intelligent transformation, carried out an integrated supporting design for organizational processes, informatization and automation, and clearly defined the informatization efficiency points and implementation paths, forming an overall informatization blueprint for connectivity of "1 platform, 1 standard system and 18 fields". Gree successfully carried out the whole value chain operation driven by software and data, completely covering all links of the whole value chain such as planning and R&D, order booking, intelligent scheduling, flexible manufacturing, collaborative supply, quality tracking, logistics, customer services, etc.. It maintained the end-to-end collaborative connection, real-time delivery data, order customization, process visualization, intelligent production scheduling, timely push of abnormal reminders, supplier collaboration, intelligent warehousing and logistics, and delivery collaboration, promoting efficiency, value creation, and business objectives with digitalization.

1. Build a benchmarking enterprise of "intelligent manufacturing" to achieve quality and efficiency improvement, and cost reduction

During the report period, the Company actively responded to the call of the state and government to vigorously promote the high-quality development of intelligent manufacturing, and focused on building and cultivating intelligent factories and manufacturing demonstration scenarios. Gree Changsha Intelligent Manufacturing Factory was selected into *Fortune's* "Most Innovative IoT Companies". Gree Electric Appliances (Hefei) Co., Ltd. was recognized as "Excellent Scene of Intelligent Manufacturing" by the Ministry of Industry and Information Technology. Gree TOSOT (Suqian) Home Appliances Co., Ltd. was rated as the benchmark factory of industrial Internet in Jiangsu Province. Gree Electric Appliances (Luoyang) Co., Ltd. was identified as a provincial "smart factory". Gree Electric Appliances (Nanjing) Co., Ltd. was evaluated as a provincial "Intelligent Manufacturing Demonstration Workshop".

The Company made full use of new information technologies such as industrial Internet, cloud platform, artificial intelligence, big data, blockchain and 5G, accelerated the construction of "Lighthouse" Demonstration Intelligent Factory in Gaolan Port, and gradually formed a golden triangle of digital intelligence transformation centered on Zhuhai, Changsha and Hangzhou bases. Gree Gaolan Port Unmanned Factory aspired to build a demonstration project of 5G converged application smart factory, focusing on production lines that developed 5G + AI intelligent application solutions, and further increased AI scenarios. There are over 300 AI application points in the factory, including parts defect detection and automatic positioning assembly. The 5G + AI intelligent detection platform provides a brand-new working mode for quality inspection, which is applied into scenarios including high-precision positioning guidance and multi-modal quality inspection analysis, effectively improving the detection accuracy. Gaolan Port Unmanned Factory, based on Gree Digital Twin Virtual Factory Platform, aims to achieve intelligent equipment management, in combination with equipment online diagnosis, predictive maintenance and other applications. It will take 5G + MEC as the base, and carry security applications such as AI video surveillance and mobile robot inspection in smart park, so as to secure comprehensive security prevention and control, accelerate the landing of artificial intelligence application schemes, and realize quality and efficiency improvement.

2. Persist in systematic innovation to promote breakthroughs in key links

In 2022, the Company established an intelligent labor dispatching center for manufacturing process management by building a Gree spot inspection platform of intelligent manufacturing and pre-production preparation system to realize intelligent

management and distribution of static tasks. On the basis of networking, the group equipment intelligent management platform was built for equipment data collection and analysis, real-time monitoring and intelligent decision-making, solving a series of problems including incomplete data collection, and inadequate operation and maintenance of data supervision. Major breakthroughs had been made in independent development and application of the two-device intelligent production line. The industry's first set of integrated equipment for condenser penetration and expansion had been put into operation smoothly, boosting fully automatic production of condensers without landing. The first evaporator automatic pipe piercing machine had been finished off from the factory, which solved the problem of automatic pipe piercing of special-shaped fins and filled the technical gap.

3. Continue to improve the level of intelligence, and create a new trend of "industrial Internet enterprises"

In 2022, by building an industrial Internet platform, the Company integrated various information technologies such as industrial big data, IoT and artificial intelligence, and data resources of existing information systems in the factory, thus improving the comprehensive supervision ability of factories. In many fields, such as quality control, data management, rapid development, automatic production scheduling, digital means were used to improve the work efficiency and management accuracy of internal sections. Therefore, it achieved the goals of non-manual intervention in the whole process and unified business and platform, and provided customers with intelligent factory solutions. The efficient intelligent environmental control system project, which Gree is responsible for, has been officially put into use in Shenzhen Metro Line 12. As the first batch of intelligent environmental control system projects in China, Shenzhen Metro Line 12 adopts Gree high-efficiency frequency conversion equipment under all working conditions, including permanent magnet synchronous frequency conversion direct-driven chillers, full frequency conversion air conditioning water pumps, and permanent magnet direct-drive cooling towers. At the same time, 458 air treatment units in the whole line are all equipped with EC fans.

(VIII) Forge talents in an all-round way to promote the high-quality development of the Company

In 2022, the Company thoroughly implemented the guidelines for independent training of talents, continuously promoted the reform and construction of talent team, comprehensively promoted the systematic project of talent training, strengthened the training of application-oriented skills, and accelerated the establishment of competitive advantages in talent resources.

1. Promote talent training in all directions, and strengthen the training of talents with application-oriented skills

On the one hand, the Company took the "Millions of Talents Strengthening Enterprises Project" as the core, focused on the goal of training "10,000 technicians, 1,000 engineers and 100 expert leaders", promoted the formation of a 2 + 2 (theory + practice, skill + awareness) training mode for industrial workers, creatively put forward the "three-three system" and "one talent and one standby" skills training methods, and actively adapted to the automation and intelligent transformation of production mode. On the other hand, relying on 17 innovation studios for model workers and craftsmen and 9 skill master studios, the Company established training bases for industrial workers, carried out regular skills training, deepened the collaborative training mechanism for high-skilled talents, and continuously optimized the training path for employees. In 2022, about 14,000 special trainings were conducted at all levels throughout the year, involving about 670,000 participants. Besides, the Company built a platform for learning, training and competition, a multi-level skill competition echelon, and a progressive vocational skill competition mechanism. By promoting learning, training, and electing talents by competition, Gree discovered elites and technical experts successfully.

2. Deepen the path of integration of production and education to train high-skilled talents

During the report period, the Company carried out talent training in three majors (precision mold intelligent manufacturing, intelligent manufacturing technologies, refrigeration technologies and services) in national and municipal high-skilled talent training bases, broadened the channels and forms of skill training, and built a collaborative mode for training new high-skilled talents. With its achievements in vocational education, it became one and only enterprise that won the Seventh Huang Yanpei Vocational Education Award, the only national award in the field of vocational education. The Company will speed up the implementation of smart campus construction and make full use of its own R&D centers, laboratories, innovation platforms and production bases to achieve deep integration and seamless transformation of teaching scenarios. Relying on Gree's characteristic culture and industrial cluster advantages, and responding to the major national development strategy and Greater Bay Area's talent demand, the Company will connect with strategic emerging industries such as intelligent equipment, artificial intelligence and Internet of Things, build a Chinese enterprise school-running brand with deep integration of production and education and international characteristics, and strive to train more new high-quality skilled talents for the development of the real economy.

3. Carry out diversified training modes to build an efficient talent team

During the report period, the Company strengthened leaders' all-round abilities, and continued to build a leader team with well-formed structure and high efficiency. Gree built a precise talent inventory and introduction mechanism based on project planning, adopted the recruitment strategy featuring project actuation, stratified planning and detailed recruitment, started

autumn recruitment in advance, and determined key scarce talents as early as possible. It further deepened the university-enterprise cooperation, introduced talents in vocational schools, continued to promote the "Gree Class", and focused on outstanding talents in advance.

4. Improve talent incentive mechanism to maximize the value of talents

On the one hand, the Company improved its internal management mechanism, stimulated the core driving force of employees, promoted the high-quality long-term development, and further enhanced its intrinsic values. It set up scientific and technological progress award, management innovation award, rationalization proposal award, quarterly award, 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 in all positions to innovate and give full play to their strengths in various ways. The Company also invested hundreds of millions of yuan to build Gree Kangle Residential Area 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. On the other hand, the Company made full use of policy resources to complete the evaluation and reward applications such as High-level Talents in Zhuhai, Zhuhai Craftsmen, Industrial Development and Innovation Talents.

5. Implement employee stock ownership plan to promote long-term, stable, and healthy development

The Company launched the shareholder return plan for the next three years (2022–2024) and the second employee stock ownership plan, further improving the benefit sharing and risk bearing mechanism among shareholders, management layer, middle-level leaders and core employees. It fully mobilized the enthusiasm and creativity of employees, and boosted the cohesion of employees and the competitiveness of the Company, promoting the long-term, stable and healthy development of the Company.

2. Revenue and cost

(1) Composition of operating revenue

Unit: yuan (RMB)

Item	2022		2021		Year-on-year Increase/Decrease
	Amount	Proportion to Operating Revenue	Amount	Proportion to Operating Revenue	
Total operating revenue	188,988,382,706.68	100%	187,868,874,892.71	100%	0.60%
By industries					
Manufacturing industry	153,165,839,566.10	81.05%	144,840,537,601.90	77.10%	5.75%
Other business	35,822,543,140.58	18.95%	43,028,337,290.81	22.90%	-16.75%
By products					
Air conditioner	134,859,394,542.06	71.36%	131,712,664,218.81	70.11%	2.39%
Home appliance	4,567,901,238.21	2.42%	4,881,607,693.72	2.60%	-6.43%
Industrial product	7,599,259,996.39	4.02%	3,194,552,084.04	1.70%	137.88%
Smart device	432,085,871.36	0.23%	857,741,120.95	0.46%	-49.63%
Green energy	4,701,188,530.73	2.49%	2,907,445,769.91	1.55%	61.69%
Other main business	1,006,009,387.35	0.53%	1,286,526,714.47	0.68%	-21.80%
Other business	35,822,543,140.58	18.95%	43,028,337,290.81	22.90%	-16.75%
By regions					
Domestic sales – main business	129,895,113,805.01	68.74%	122,305,111,567.10	65.10%	6.21%
Export sales – main business	23,270,725,761.09	12.31%	22,535,426,034.80	12.00%	3.26%
Other business	35,822,543,140.58	18.95%	43,028,337,290.81	22.90%	-16.75%

(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	153,165,839,566.10	105,573,859,862.27	31.07%	5.75%	4.51%	0.82%
Other business	35,822,543,140.58	34,210,528,020.51	4.50%	-16.75%	-17.03%	0.32%
By products						
Air conditioner	134,859,394,542.06	91,116,284,416.91	32.44%	2.39%	0.60%	1.21%
Other business	35,822,543,140.58	34,210,528,020.51	4.50%	-16.75%	-17.03%	0.32%
By regions						
Domestic sales – main business	129,895,113,805.01	85,650,631,599.13	34.06%	6.21%	6.13%	0.05%
Export sales – main business	23,270,725,761.09	19,923,228,263.14	14.39%	3.26%	-1.94%	4.55%
Other business	35,822,543,140.58	34,210,528,020.51	4.50%	-16.75%	-17.03%	0.32%

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	2022		2021		Year-on-year Increase/Decrease
		Amount	Proportion to	Amount	Proportion to	

			Operating Cost		Operating Cost	
Household appliance manufacturing	Raw materials	89,062,003,824.55	88.01%	86,226,905,186.28	88.27%	3.29%
	Labor costs	4,487,688,687.68	4.43%	4,402,642,502.15	4.51%	1.93%
	Depreciation	1,963,862,221.35	1.94%	1,734,054,331.37	1.78%	13.25%
	Energy	923,522,729.23	0.91%	708,881,983.14	0.73%	30.28%

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

Yes No

1. Business combination not under common control

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	Basis for Determining the Acquisition Date	Operating Revenue from the Acquisition Date to the Statement Date	Net Profits from the Acquisition Date to the Statement Date
Zhejiang DunAn Artificial Environment Co., Ltd.	2022/4/30	2,423,031,350.00	29.48%	Purchase by cash	2022/4/30	Acquisition of control	7,124,335,200.38	719,774,347.64

2、Disposal of subsidiaries

Unit: yuan (RMB)

Company Name	Equity Disposal Price	Equity Disposal Proportion (%)	Equity Disposal Method	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 Remaining Equity on the Date of Losing Control	Fair Value of Remaining Equity 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	Amount of Other Comprehensive Income Related to Equity Investment of the Original Subsidiary Transferred into Investment Profits and Losses
Shanxi Yinlong Guangtong New Energy Vehicle Sales Co., Ltd.		100.00	Cancelled	2022/11/8	Business registration	-317,466.94						None
Songliang (Shenzhen) South China Agricultural Development Co., Ltd.		100.00	Cancelled	2022/7/28	Business registration	-165,104.22						None

3. 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
Pinquan Gree Altairnano New Energy Co., Ltd.	2022/2/16	2,009,569.41	-390,430.59
Gree (Luoyang) Mechanical and Electrical Engineering Co., Ltd.	2022/3/28	31,454,357.36	1,454,357.36
Gree (Xinzhou) Mechanical and Electrical Engineering Co., Ltd.	2022/6/20	20,701,097.80	20,701,097.80
Zhuhai Gree Electronic Components Co., Ltd.	2022/7/6	96,101,744.50	-3,898,255.50
Mingruida Supply Chain Technology (Linyi) Co., Ltd.	2022/8/12	-110.22	-110.22
Tieling Fengyu Agricultural Technology Co. Ltd.	2022/8/16	225,574.59	125,574.59
Tianjin Gree Renewable Resources Recycling Co., Ltd.	2022/10/27	10,019,500.43	-499.57
Zhuhai Gree Prefabricated Vegetable Equipment Technology Development Co., Ltd.	2022/12/8		
Zhuhai Gree Digital Technology Co., Ltd.	2022/12/21	50,000,000.15	0.15

(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)	30,349,647,586.13
Proportion of total sales amount of top five customers to the total annual sales	15.96%
Proportion of sales amount of related parties in the sales amount of top five customers to the total annual sales	3.01%

Information of top five customers

S/N	Customer Name	Sales Amount (RMB)	Proportion to Total Annual Sales
1	First	8,529,824,320.45	4.49%
2	Second	5,800,810,078.93	3.05%
3	Third	5,731,889,146.80	3.01%
4	Fourth	5,639,891,459.23	2.97%
5	Fifth	4,647,232,580.72	2.44%
Total	--	30,349,647,586.13	15.96%

Other description of major customers

Applicable Not Applicable

Main suppliers of the Company

Total purchase amount of the top five suppliers (RMB)	31,758,159,599.30
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Proportion of total purchase amount of top five customers to the total annual purchases	24.43%
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
1	First	13,063,455,368.06	10.05%
2	Second	6,932,333,838.02	5.33%
3	Third	4,865,274,173.26	3.74%
4	Fourth	4,036,728,666.47	3.11%
5	Fifth	2,860,367,553.49	2.20%
Total	--	31,758,159,599.30	24.43%

Other description of major suppliers

Applicable Not Applicable

3. Expenses

Unit: yuan (RMB)

Item	2022	2021	Year-on-year Increase/Decrease	Significant Changes Description
Sales expenses	11,285,451,112.27	11,581,735,617.31	-2.56%	
Administrative expenses	5,267,999,733.62	4,051,241,003.05	30.03%	Business combination not under common control
Financial expenses	-2,206,764,591.65	-2,260,201,997.18	-2.36%	
R&D expenses	6,281,394,430.40	6,296,715,941.03	-0.24%	

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 and application of new generation of distributed air-supply zero temperature-difference heating-and-cooling distribution technology	Gree Supreme floor standing air conditioner is developed to solve large vertical temperature difference and discomfort caused by buoyancy of hot air when traditional air conditioners start heating, as well as the low heat utilization efficiency, poor	Completed with products available on the market	1. This project adopts the design of reversible air ducts that the cold air is supplied from the upper refrigeration outlet, so the cold air does not blow people; and that the hot air is supplied from the lower heating outlet, so the hot air act like underfloor heating,	Gree Supreme floor standing air conditioner has a number of international leading technologies. Its large-scale production can not only upgrade applied technologies, innovate independent brands, ensure the overall leading of core technologies, and

	temperature regulation, high energy consumption, and low energy saving effect in human activity area.		controlling the vertical temperature difference between refrigeration and heating rooms within 0.3°C. 2. When heating, the heat is directly sent to the human activity area at the lower part of the room, which greatly improves the temperature regulation effect, reduces the energy loss caused by arising hot air, and achieves energy saving. Combined with the optimal configuration of the system, the annual performance factor (APF) of the air conditioner reaches 4.56, 8.6% higher than the 4.20 stipulated by the new national standard level 1 energy efficiency rating (EER).	bring new profit growth to enterprises, but also drive the development of related industries, and lead the air conditioners in the direction of high efficiency, energy saving, environmental protection, health and comfort, which is of great significance for promoting technological progress, energy saving and emission reduction, environmental protection, and sustainable development.
Key technology and application of new complete refrigeration equipment for heat injury control in deep mines	This project is developed to achieve efficient cooling and dehumidification, improve the working environment, reduce the consumption of production resources such as fresh air and water, and expand the operation range and reliability of refrigeration equipment.	Completed with products available on the market	The thermal comfort level reaches Grade II with zero fresh air consumption, and the water consumption is reduced by more than 90%. The core parts and components such as Class I explosion-proof semi-closed screw compressor for mine are developed to improve the reliability.	This project, by adopting the core technology of mine explosion-proof refrigeration equipment, promotes the technological progress of the industry, greatly improves the mine working environment, realizes miners' pursuit of a better life, enhances the mine safety, effectively solves the problem of deep mine heat injury, and provides scientific and technological support for the national development strategy of coal resources and other mineral resources. In February 2023, the technology was appraised by China Machinery Industry Federation and

				Appraisal Committee that it had completely independent intellectual property, with its overall technology reaching the international leading level, among which the ultra-high pressure Class I explosion-proof semi-closed screw compressor filled the industry gap.
Key technology and application of high-efficiency heat pump based on floor heat storage	The heat pump heating control system for the traditional building can not recognize the thermal inertia of the building, which leads to time difference between the heat supply demand in the building, the unsteady and unmatched heat supply to users, large room temperature fluctuation, poor thermal comfort, and high energy consumption.	Completed with products available on the market	<p>1. This project independently develops Gree algorithm chips, further upgrades the intelligent predictive control technology based on weather data, achieves adaptive predictive control by linking future weather changes and peak-valley electricity prices, so as to supply heat on time and on demand;</p> <p>2. This project, based on the virtual capacity model, constructs a global optimization algorithm of multi-objective functions to drive the cooperative action of each load, accurately distribute and adjust refrigerant, and keep the units at the optimal operating point under all working conditions;</p> <p>3. It achieves more than 20% energy saving in operation.</p>	This technology has been successfully applied to air source heat pump floor heating system. Based on this technology, it has developed the high-efficiency heat pump floor heating system including external unit, hot water generator, floor heating adapter. Meanwhile, several series of central floor heating and air conditioning products including Zunshu, Jingxiang and Yuxiang, have been formed to provide consumers with efficient heating solutions.
Development of circulating cooling fan	Improve the existing cooling fans, better meet the needs of users, and realize availability across the year.	Completed with products available on the market	1. The circulating cooling fan adopts the composite technology of circulating air, cooling and humidification to realize three-in-one use of air circulation, physical cooling, evaporation and humidification;	As a high-end image product, it can continuously promote the market popularity and competitiveness of cooling fans in the Company.

			2. It develops new sub-categories and maintains the first position in the cooling fan industry.	
Research on high-end fabric washing technology and application of heat pump washer dryer	Improve the drying efficiency and high-end fabric washing effect, and reduce clothing damage	Completed with products available on the market	1. This project adopts compressor direct cooling and evaporator spray load reduction technologies, improving drying efficiency by 30%; 2. It provides 37°C somatosensory soft drying to avoid damaging high-end fabrics such as wool and silk; 3. It also provides full range ultra-micro steam care, improving performance such as sterilization, odor removal, wrinkle removal in an all-round way.	Heat pump core technology and high-end fabric washing technology are combined to create the brand image of professional washing and protection machine.
Research and application of -38°C ultra-freezing fresh-keeping technology	Meet consumers' demand for higher quality storage and preservation of frozen food or high-end ingredients.	Limited-run trial production	This project effectively avoids the oxidation and discoloration of meat, and better retains its original smell and color.	Improve the fresh-keeping technology of refrigerators, and enhance the market competitiveness.
Development and application of high speed scroll compressor	Develop a series of high energy efficiency scroll compressor products.	Completed with products available on the market	It achieves leading position, and meets the APF Level 1 energy efficiency of commercial air conditioners while ensuring high cost performance.	It provides core power for the new generation commercial air conditioning system, and enhances the market competitiveness of the Company in refrigeration.

Company R&D personnel

	2022	2021	Change Ratio
Number of R&D personnel (persons)	12,977	14,233	-8.82%
Proportion of number of R&D personnel	17.93%	17.38%	0.55%
Educational structure of R&D personnel			
Bachelor	8,312	8,610	-3.46%
Master	1,263	1,449	-12.84%
Doctor	31	34	-8.82%
Age composition of R&D personnel			

Under 30	7,323	8,855	-17.30%
30-40	4,529	4,345	4.23%

R&D investment of the Company

Item	2022	2021	Change Ratio
Amount of R&D investment (RMB)	6,429,702,080.04	6,528,680,941.53	-1.52%
Proportion of R&D investment to the operating revenue	3.40%	3.48%	-0.08%
Capitalization amount of R&D investment (RMB)	148,307,649.64	231,965,000.50	-36.06%
Proportion of capitalized R&D investment to R&D investment	2.31%	3.55%	-1.24%

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 decreased by 36.06% year-on-year, mainly due to the decrease in capitalized investment such as fixed assets engaged in R&D activities.

5. Cash flow

Unit: yuan (RMB)

Item	2022	2021	Year-on-year Increase/Decrease
Subtotal of cash inflows from operating activities	198,587,680,806.39	177,201,260,717.00	12.07%
Subtotal of cash outflows from operating activities	169,919,244,885.12	175,306,897,458.28	-3.07%
Net cash flows from operating activities	28,668,435,921.27	1,894,363,258.72	1,413.35%
Subtotal of cash inflows from investment activities	10,527,205,021.13	55,391,360,332.62	-80.99%
Subtotal of cash outflows from investment activities	47,584,037,812.54	25,639,376,773.27	85.59%
Net cash flows from investment activities	-37,056,832,791.41	29,751,983,559.35	-224.55%
Subtotal of cash inflows from financing activities	102,978,746,831.03	89,991,092,450.05	14.43%
Subtotal of cash outflows from financing activities	93,055,954,517.92	115,321,676,340.53	-19.31%
Net cash flows from financing activities	9,922,792,313.11	-25,330,583,890.48	139.17%

Net increase in cash and cash equivalents	1,802,912,937.61	5,726,694,119.85	-68.52%
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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 1,413.35% year-on-year, mainly due to the increase in cash received in connection with sales goods and labor services.

2. Net cash flows from investment activities decreased by 224.55% year-on-year, mainly due to the decrease in other cash received in connection with investment activities.

3. Net cash flows from financing activities increased by 139.17% year-on-year, mainly due to the increase in cash received in connection with borrowings and the decrease in other cash paid in connection with financing activities.

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

Applicable Not Applicable

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 2022		At the Beginning of 2022		Proportion Increase or Decrease	Significant Changes Description
	Amount	Proportion to Total Assets	Amount	Proportion to Total Assets		
Monetary funds	157,484,332,251.39	44.36%	116,939,298,776.87	36.59%	7.77%	
Accounts receivable	14,824,742,623.45	4.18%	13,840,898,802.76	4.33%	-0.15%	
Contract assets	1,047,739,817.94	0.30%	1,151,228,472.63	0.36%	-0.06%	
Inventory	38,314,176,763.90	10.79%	42,765,598,328.01	13.38%	-2.59%	
Investment real estate	634,689,201.98	0.18%	454,854,822.63	0.14%	0.04%	
Long-term equity investments	5,892,290,568.81	1.66%	10,337,008,014.57	3.23%	-1.57%	
Fixed assets	33,817,019,391.36	9.53%	31,188,726,142.99	9.76%	-0.23%	
Construction in progress	5,966,678,892.16	1.68%	6,481,236,333.38	2.03%	-0.35%	
Usufruct assets	207,344,779.05	0.06%	14,603,282.99	0.00%	0.06%	
Short-term borrowings	52,895,851,287.92	14.90%	27,617,920,548.11	8.64%	6.26%	The main reason for the increase in short-term

						borrowings in this period is to meet the daily production and operation requirements of the Company.
Contract liabilities	14,972,336,715.45	4.22%	15,505,499,178.75	4.85%	-0.63%	
Long-term borrowings	30,784,241,211.21	8.67%	8,960,864,258.30	2.80%	5.87%	The main reason for the increase in long-term borrowings in this period is to meet the construction fund demand of long-term assets such as fixed assets.
Lease liabilities	146,836,620.66	0.04%	3,313,452.52	0.00%	0.04%	

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)		35,084,363.52			7,384,218,000.00	3,569,739,000.00	17,640,000.00	3,867,203,363.52
2. Derivative financial assets	198,773,198.65	-210,212,858.47					11,439,659.82	
3. Other debt investments	5,910,056,891.62	-18,341,537.07	-4,334,981.20		11,712,655,138.75	350,000,000.00	-2,914,021,610.33	14,340,348,882.97
4. Other equity instrument investments	10,114,246,030.05	-5,471,380,691.11	-142,505,615.03			36,115,153.83	62,705,612.79	4,669,455,797.90
5. Receivables financing	25,612,056,693.07	71,122,180.43	-11,514,065.48	-12,440,164.58	1,754,110,341.75		990,021,129.95	28,427,310,345.20
6. Other non-current financial assets	81,309,327.39	24,503,877.10			4,322,190,000.00			4,428,003,204.49
7. Others	12,376,325,374.41	-42,116,395.72	1,260,250.00			12,160,000,000.00	3,103,897,824.05	3,278,106,802.74
Subtotal of financial assets	54,292,767,515.19	-5,611,341,061.32	-157,094,411.71	-12,440,164.58	25,173,173,480.50	16,115,854,153.83	1,271,682,616.28	59,010,428,396.82
Total above	54,292,767,515.19	-5,611,341,061.32	-157,094,411.71	-12,440,164.58	25,173,173,480.50	16,115,854,153.83	1,271,682,616.28	59,010,428,396.82

Financial liabilities		-179,278,964.79					5,532,930.19	184,811,894.98
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Other changes

Other changes are mainly due to the impact of business combination not under common control, reclassification of statement items, conversion differences in foreign currency statements, 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 at the end of the report period

Unit: yuan (RMB)

Item	Book Value at the End of the Period	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	

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
13,467,910,481.50	18,154,432,702.74	-25.81%

2. Significant equity investments obtained during the report period

Applicable Not applicable

Unit: yuan (RMB)

Name of Investee	Main Business	Investment Manner	Investment Amount	Shareholding Proportion	Capital Source	Partner	Investment Horizon	Product Type	Progress as of the Balance Sheet Date	Projected Income	Profit and Loss on Investments for the Current Period	Whether It Is Involved in A Lawsuit	Disclosure Date (if any)	Disclosure Index (if any)
Zhejiang DunAn Artificial Environment Co., Ltd.	Parts manufacturing and intelligent equipment	Acquisition	2,423,031,350.00	29.48%	Own funds	None	Long term	Refrigeration valves, heat exchangers, pressure vessels, special air conditioners, and cold chain equipment	Completed	--	212,824,968.59	No	April 2, 2022	Gree Electric Appliances: Announcement on the progress of foreign investment (2022-034)
Total	--	--	2,423,031,350.00	--	--	--	--	--	--	--	212,824,968.59	--	--	--

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	-	Ronghui Single Asset Management Plan	4,374,190,000.00	Measured at fair value	81,309,327.39	22,976,350.05		4,353,190,000.00	60,000,000.00	24,188,128.13	4,397,475,677.44	Trading financial assets	Own funds
Stocks listed on domestic and overseas stock exchanges	600745	WINGTECH	884,999,996.60	Measured at fair value	4,636,568,053.50	-2,751,102,096.40	1,000,465,960.50			7,308,063.18	1,885,465,957.10	Other equity instrument investments	Own funds
Stocks listed on domestic and overseas stock exchanges	600703	San'an Optoelectronics	2,000,000,000.00	Measured at fair value	4,302,405,489.72	-2,336,769,754.80	-34,364,265.08			11,454,753.70	1,965,635,734.92	Other equity instrument investments	Own funds
Others	-	Structured	700,000,000.00	Measured		2,522,948.29		700,000,000.00		2,522,948.2	702,522,948.29	Trading	Own

		deposits under macro composite index		at fair value						9		financial assets	funds
Stocks listed on domestic and overseas stock exchanges	600619	Highly	1,144,957,085.72	Measured at fair value	755,079,703.46	-236,320,941.49	-622,751,369.10			14,421,390.05	522,205,716.62	Other equity instrument investments	Own funds
Others	-	Anxin Lixiang Asset Management Plan	500,000,000.00	Measured at fair value		153,496.56		500,000,000.00		153,496.56	500,153,496.56	Trading financial assets	Own funds
Bonds	160017	16 coupon-bearing bond 17	288,405,500.00	Measured at fair value	304,947,682.20	1,053,812.46	8,502,797.87			10,511,100.00	307,238,782.20	Other debt investments	Own funds
Bonds	200408	20 Nongfa 08	199,203,000.00	Measured at fair value	206,912,210.97	-455,234.54	5,163,144.86			6,600,400.00	206,612,610.97	Other debt investments	Own funds
Bonds	-	22 Huafa Group MTN006	180,000,000.00	Measured at fair value		-6,371,280.00	-6,371,280.00	180,000,000.00		1,193,197.82	178,827,514.51	Other debt investments	Own funds
Bonds	-	22 Huafa Group MTN009B	180,000,000.00	Measured at fair value	0.00	-7,647,120.00	-7,647,120.00	180,000,000.00		3,820,270.69	176,199,455.33	Other debt investments	Own funds
Other securities investments held at the end of the period			1,051,550,136.79	--	628,924,504.04	-147,873,240.13	-489,838,465.28	197,640,000.00	166,115,153.83	19,602,206.49	569,747,538.97	--	--
Total			11,503,305,719.11	--	10,916,146,971.28	5,459,833,060.00	-146,840,596.23	6,110,830,000.00	226,115,153.83	91,749,017.89	11,412,085,432.91	--	--
Announcement disclosure date of board's meeting for approval of securities investment			April 30, 2022										

Announcement disclosure date of shareholders' meeting for approval of securities investment (if any)	June 8, 2022
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(2) Derivative investments

Applicable Not applicable

1) Derivative investment for speculative purposes during the report period

Applicable Not applicable

Unit: 10,000 yuan

Derivatives Investments Type	Initial Investment 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	4,393.05	-4,166.17	126.99			219.02	0.00%
Forward financial contracts	19,877.32	-38,949.18				-18,481.19	-0.19%
Total	24,270.37	-43,115.35	126.99			-18,262.17	-0.19%
Description of whether there was any significant change in the accounting policies for hedging business and specific principles for financial accounting during the report period as compared	No change						

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 was RMB56,842,600, and that of forward financial contracts during the report period was RMB5,308,200.
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 futures 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	During the report period, the loss from changes in fair value of derivatives was RMB431,153,500.

and the setting of relevant assumptions and parameters	
Involvement in lawsuits (if applicable)	Not applicable
Announcement disclosure date of board's meeting for approval of derivative investment (if any)	April 30, 2022
Announcement disclosure date of shareholder's meeting for approval of derivative investment (if any)	June 8, 2022
Special opinions of independent directors on the Company's derivative Investments and risk control	The independent directors of the Company are of the view that: The Company's hedging business of futures on bulk materials is conducive to determining production costs and operational risks, and improving operation management. Through foreign exchange derivatives trading business, it is helpful in further enhancing the Company's risk management capability on foreign exchange, and realizing the value preservation and appreciation of foreign exchange assets. 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 has 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
Zhuhai Gree Group Finance Company Limited	Subsidiary	Financial service	3,000,000,000.00	49,339,588,860.24	6,664,115,585.64	1,359,499,663.03	422,447,693.72	319,949,791.42
Zhuhai Gree Electric Enterprises Ltd.	Subsidiary	Enameled wire manufacturing	1,669,315,586.15	9,183,159,046.07	3,125,266,311.22	39,789,117,854.96	81,081,620.09	54,123,316.36
Gree (Hefei) Electric Appliances	Subsidiary	Air conditioner manufacturing	150,000,000.00	12,412,922,987.16	5,472,943,087.83	9,564,855,864.88	770,100,866.70	656,926,901.37

Co., Ltd.								
Zhuhai Landa Compressor Co., Ltd.	Subsidiary	Compressor manufacturing	93,030,000.00	12,995,366,982.46	8,229,998,878.75	11,190,976,117.66	784,724,473.71	652,899,965.09
Zhuhai Gree Xinyuan Electronics Co., Ltd.	Subsidiary	Capacitor manufacturing	126,180,000.00	3,150,476,333.47	981,190,598.08	2,062,793,713.69	233,221,074.05	198,574,843.11
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Subsidiary	Motor manufacturing	82,000,000.00	4,111,604,337.19	1,177,957,534.32	2,918,165,247.55	7,666,401.39	12,003,006.53
Gree (Zhongshan) Small Home Appliances Co., Ltd.	Subsidiary	Small household appliance manufacturing	30,000,000.00	1,164,862,862.73	590,934,577.07	981,856,410.03	37,393,554.61	33,798,384.65

Information about 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
Zhuhai Gree Electronic Components Co., Ltd.	New	-3,898,255.50
Zhuhai Gree Digital Technology Co., Ltd.	New	0.15
Pinquan Gree Altairnano New Energy Co., Ltd.	New	-390,430.59
Gree (Luoyang) Electromechanical Engineering Co., Ltd.	New	1,454,357.36
Gree (Xinzhou) Electromechanical Engineering Co., Ltd.	New	20,701,097.80
Mingruida (Linyi) Supply Chain Technology Co., Ltd.	New	-110.22
Tieling Fengyu Agricultural Technology Co. Ltd.	New	125,574.59
Tianjin Gree Renewable Resources Recycling Co., Ltd.	New	-499.57
Zhuhai Gree Prefabricated Vegetable Equipment Technology Development Co., Ltd.	New	
Zhejiang DunAn Artificial Environment Co., Ltd.	Acquisition	719,774,347.64
Shanxi Yinlong Guangtong New Energy Vehicle Sales Co.,	Cancelled	-73,939.58

Ltd.		
Songliang (Shenzhen) South China Agricultural Development Co., Ltd.	Cancelled	-107,571.37

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 strategies of the Company

Adhering to the vision of "To Create a World-class Enterprise and Achieve a Century-old Brand of Gree", Gree insists on Xi Jinping Thoughts on Socialism with Chinese Characteristics for a New Era as the guidance, remains true to original aspiration and keeps mission firmly in mind, sticks to the real economy, adhere to the road of self-reliance and independent innovation and development, speeds up the implementation of management informatization, production automation and product intelligence, continuously strives in the fields of intelligent equipment, communication equipment and molds, and continues to lead the technological development of global HVAC industry, constantly meeting the aspirations of global consumers for a better life.

(II) 2023 business plan

1. Be committed to high-quality party building and promote the Company's continuous innovation and development

Gree will insist on Xi Jinping's Thoughts on Socialism with Chinese Characteristics for a New Era as the guidance, fully implement the spirit of the 20th National Congress of the Communist Party of China, strengthen the construction of party organizations and party members, and deeply integrate party building with Gree's development; by promoting the standardization and normalization of party organizations, fully leverage the exemplary role of party members, actively explore new modes of talent cultivation, and promote continuous innovation and development of the Company with high-quality party building work.

2. Improve the multi-dimensional business pattern and create new growth engines

Gree will follow closely the national strategic demands, and be closely connected to the industrial ecology based on its own advantages; keep its main business and focus on diversified development of industrial products, intelligent equipment, home appliances, and new energy, and promote the gradual formation of numerous products from Gree, Kinghome, and TOSOT brands such as heat pump water heaters and high-end equipment, continuously entering and making breakthrough in the market; and establish good cooperation relationships with more than 190 countries and regions dominated by the countries covered by "the Belt and Road Initiative" to achieve joint progress, mutual benefit and win-win results.

3. Adhere to independent innovation, strengthen core industry advantages, and promote high-quality development

Gree will continue to conduct in-depth technical research, with key core technologies as its main focus, adhere to original and leading technological breakthroughs, continuously improve a professional global certified technical team and advanced experimental facilities, achieve technological iteration and upgrading, develop more efficient and energy-saving system solutions and equipment, thus ensuring the autonomy and controllability of key technologies in products, and consolidating Gree's advantageous position as an industry leader; fully leverage technological innovation capabilities, provide assistance throughout the entire lifecycle from R&D, design, and research to marketing and service, optimize product lifecycle, and promote high-quality development through technological innovation.

4. Continuously consolidate product quality and establish industry quality management benchmarks

Guided by consumer demand and based on consumer satisfaction, Gree will pursue perfect quality, continuously optimize the quality management system, build a digital and intelligent quality control mode, establish an automatic inspection and testing system to improve inspection capabilities and promote product quality and efficiency with advanced standards; build a first-class laboratory to provide leading testing capabilities and rich services for the innovative development and large-scale application of high-quality products in the industry.

5. Accelerate industrial transformation and upgrading, and deepen the integration of digital technology and industry

Gree will strengthen the top-level planning of the group's informatization and build a full scene digital application platform for the marketing sector that is leading in the industry and in line with Gree's business format; with data as the key element, value release as the core, and data empowerment as the main line, give full play to the advantages of Internet of Things, AI, big data, cloud and other technologies in the industrial transformation and upgrading, accelerate the upgrading, transformation and reconstruction of all factors of the industry, create intelligent manufacturing full industry chain application solutions, provide enterprises with automatic production solutions for cost reduction, consumption reduction, quality improvement and efficiency increase in digital transformation, and accelerate the construction of digital smart plants to build an advanced demonstration base of the Group.

6. Improve the efficiency of internal organizational management and promote the healthy development of the Company

Gree will strengthen internal construction, improve the functional systems of departments, and deepen the collaborative development of departments to improve overall work efficiency and management level; strengthen the maintenance and operation of information systems to ensure efficient and controlled information systems, establish an internal control system for comprehensive risk management, and enhance risk management and control; continuously improve the cost management system, strengthen the awareness of cost reduction and efficiency increase, achieving the reasonable utilization of enterprise resources, promoting the reasonable and orderly management of office activities, and finally promoting the healthy development of the Company.

7. Establish a model for China's manufacturing talent training industry with a targeted talent introduction strategy

Gree will implement a precise talent introduction strategy based on the cultivation and supply characteristics of talents, focus on cultivating cutting-edge technology talents in fields such as automation equipment, precision molds, intelligent equipment, experimental testing, quality management, etc., and cultivating new skilled talents who adapt to new industries and fields and have comprehensive technical practical abilities, providing high-quality talent supply for the stable development of the Company.

(III) Main risks to future development

1. Risks of macroeconomic fluctuations

The products of Gree are mainly consumer appliances such as HVAC and consumer household appliances. Macroeconomic changes may affect consumers' income status, leading to adjustments in their spending on household appliances. Meanwhile, as a post-cycle industry of real estate, real estate policies have a significant impact on the demand for household appliances.

2. Risk of fluctuations in production factor prices

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 businesses 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.

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
May 31, 2022	Sharetronic of Shenzhen Exchange Stock	Others	Others	Institutional and individual	Company operations	Please refer to <i>Gree: 000651 Gree Performance Presentation and</i>

	(http://irm.cninfo.com.cn), Value Online (https://eseb.cn/UOIkIGJ5GE)			investors		<i>Roadshow Activity Information 20220601</i> disclosed by the Company on June 1, 2022 on CNINFO (http://www.cninfo.com.cn/new/index)
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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 from the largest shareholder, Zhuhai Mingjun, in business operation, personnel, assets, organization and finance, 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
The First Interim General Meeting of Shareholders in 2022	Interim general meeting of shareholders	43.81%	February 28, 2022	March 1, 2022	<i>Announcement on the Resolutions of the 1st Interim General Meeting of Shareholders in 2022</i> (Announcement No.: 2022-013) on CNINFO (http://www.cninfo.com.cn/new/index)
2021 Annual General Meeting of	Annual General Meeting of	41.42%	June 7, 2022	June 8, 2022	<i>Announcement on the Resolutions of 2021 Annual General Meeting of Shareholders</i> (Announcement No.: 2022-041) on CNINFO

Shareholders	Shareholders				(http://www.cninfo.com.cn/new/index)
The 2nd Interim General Meeting of Shareholders in 2022	Interim general meeting of shareholders	38.55%	August 16, 2022	August 17, 2022	<i>Announcement on the Resolutions of the 2nd Interim General Meeting of Shareholders in 2022</i> (Announcement No.: 2022-051) on CNINFO (http://www.cninfo.com.cn/new/index)
The 3rd Interim General Meeting of Shareholders in 2022	Interim general meeting of shareholders	38.57%	December 28, 2022	December 29, 2022	<i>Announcement on the Resolutions of the 3rd Interim General Meeting of Shareholders in 2022</i> (Announcement No.: 2022-064) on CNINFO (http://www.cninfo.com.cn/new/index)

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	Title	Employment Status	Sex	Age	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	Chairperson & President	Incumbent	Female	68	May 25, 2012	February 28, 2025	44,488,492				44,488,492	
Zhang Wei	Secretary of the Party Committee, director	Incumbent	Male	46	January 16, 2019	February 28, 2025						
Guo Shuzhan	Director	Incumbent	Male	66	January 16, 2019	February 28, 2025						
Zhang Jundu	Director	Incumbent	Male	62	May 25, 2012	February 28, 2025						
Deng Xiaobo	Director, Vice President, Secretary of the Board of Directors	Incumbent	Male	47	December 26, 2020	February 28, 2025						
Liu Shuwei	Independent director	Incumbent	Female	70	January 16, 2019	February 28, 2025						
Wang Xiaohua	Independent director	Incumbent	Male	61	January 16, 2019	February 28, 2025						
Xing Ziwen	Independent director	Incumbent	Male	60	January 16, 2019	February 28, 2025						
Zhang Qiusheng	Independent director	Incumbent	Male	55	March 1, 2022	February 28, 2025						
Cheng Min	Supervisor	Incumbent	Female	42	November 2, 2020	February 28, 2025						

Duan Xiufeng	Supervisor	Incumbent	Male	59	January 16, 2019	February 28, 2025	447,525				447,525	
Wang Fawen	Employee supervisor	Incumbent	Female	39	January 16, 2019	February 28, 2025						
Zhuang Pei	Vice President	Incumbent	Male	58	May 25, 2012	February 28, 2025	5,955,202				5,955,202	
Tan Jianming	Vice President and Chief Engineer	Incumbent	Male	58	August 31, 2017	February 28, 2025	1,297,300				1,297,300	
Shu Lizhi	Vice President	Incumbent	Male	53	December 26, 2020	February 28, 2025						
Liao Jianxiong	Finance Chief, President Assistant	Incumbent	Male	49	August 6, 2020	February 28, 2025						
Fang Xiangjian	Vice President	Incumbent	Male	45	November 19, 2021	February 28, 2025	167,400				167,400	
Total	--	--	--	--	--	--	52,355,919	0	0	0	52,355,919	--

Whether there are any director or supervisor resigned, or any senior executive in office dismissed during the reporting period.

Yes No

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

Applicable Not applicable

Name	Position	Type	Date	Reason
Dong Mingzhu	Chairperson & President	Be elected	February 28, 2022	
Zhang Wei	Secretary of the Party Committee, director	Be elected	February 28, 2022	
Deng Xiaobo	Director, Vice President, Secretary of the Board of Directors	Be elected	February 28, 2022	
Zhang Jundu	Director	Be elected	February 28, 2022	
Guo Shuzhan	Director	Be elected	February 28, 2022	
Liu Shuwei	Independent director	Be elected	February 28, 2022	
Wang Xiaohua	Independent director	Be elected	February 28, 2022	
Xing Ziwen	Independent director	Be elected	February 28, 2022	
Zhang Qiusheng	Independent director	Be elected	February 28, 2022	
Cheng Min	Chairman of the Board of Supervisors	Be elected	February 28, 2022	
Duan Xiufeng	Supervisor	Be elected	February 28, 2022	
Wang Fawen	Employee representative supervisor	Be elected	February 25, 2022	
Zhuang Pei	Vice President	Appointed	February 28, 2022	
Tan Jianming	Vice President and Chief Engineer	Appointed	February 28, 2022	
Shu Lizhi	Vice President	Appointed	February 28, 2022	
Fang Xiangjian	Vice President	Appointed	February 28, 2022	
Liao Jianxiong	Finance Chief, President Assistant	Appointed	February 28, 2022	

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, 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 chairperson of the UNDP Commission on Sustainable Development, and Chairperson of the ISO/TC86/SC4.

She was awarded the "National Model Worker", "National May 1 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, 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", and was listed in *Fortune* "World's Most Influential Women in Business" for 17 times.

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 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 Gree Group from 2013 to 2020, 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 General Manager 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, he has been concurrently serving as the General Manager of Zhejiang Shengshi Xinxing Gree Trade Co., Ltd., and has been serving as director of the Company since May 2012.

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 November 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, Vice President and Secretary of the Board of Directors 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 Shuwei graduated from Peking University in 1986 with a Master's degree in Economics. She studied under renowned Chinese Economists, Professor Chen Daisun and Professor Li Yining, and is a renowned scholar in the field of finance. In 2002, she was awarded "Economic Personality of the Year" and "Touching China – 2002 Person of the Year" by CCTV. She is currently an independent director of China Vanke Co., Ltd., an independent director of Costar Group Co., Ltd., and a researcher on Chinese enterprises at the Central University of Finance and Economics. She has been serving as an independent director of the Company since January 2019.

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 Compressor Technology, 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 grade 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, supervisory judicatory advisor of Standing Committee of Guangdong Provincial People's Congress, director of Guangdong Province Law Society, President of Guangzhou Alumni Association of Zhongnan University of Economics and Law, and concurrently an independent director of Guangdong Shirong Zhaoye Co., Ltd., CantonTower Cultural Tourism 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 member of the 9th All China Youth Federation, President of Guangzhou Lawyers Association, and a legal consulting expert and legal advisor of the Guangzhou Municipal People's Government. Over the past 34 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-authors, 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 of the School of Economics and Management, Beijing Jiaotong University, the Director of the National

Institute of Transportation Development, the director of the Research Center for Merger and Acquisition of Chinese Enterprises of Beijing Jiaotong University, and an independent director of Jinneng Holding Shanxi Coal Industry Co., Ltd.

Mr. Zhang Qiusheng has undertaken various provincial and ministerial research projects from, 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 has served as the Director of the Overall Planning Department of Zhuhai Convention & Exhibition Bureau, a member of the Party Group of Zhuhai Convention & Exhibition 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 been serving as a supervisor of the Company since January 2019.

Ms. Wang Fawen, with a Master's degree, is an intermediate economist and human resource management professional, and currently serves as the employee representative supervisor 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 Deputy Director 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 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. Since December 2020, he has been serving as the Vice President of the Company.

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 1 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 7th Academic Committee of the China Association for Quality, and Vice Chairman of the Green and Efficient Energy Products Professional Committee of the China Energy Conservation Association.

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 been serving as the Finance Chief and President Assistant of the Company since August 2020.

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.	Chairman and Legal Representative	August 1, 2006		Yes
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	Zhuhai Xima Mingzhu New Media Co., Ltd.	Director	October 1, 2015		No
Guo Shuzhan	Beijing Qianyuan Hengjiuhe Liquor Co., Ltd.	Director	April 25, 2014		No
Guo Shuzhan	Xiahe Hengsheng Hydropower Co., Ltd.	Director	May 1, 2007		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	Executive	March 10, 2021		No

	Installation Engineering Co., Ltd.	Director			
Guo Shuzhan	Luqu Hengshun Hydropower Co., Ltd.	Supervisor	September 9, 2009		No
Guo Shuzhan	Henan Sanli Real Estate Development Co., Ltd.	Supervisor	November 6, 2006		No
Guo Shuzhan	Henan Ruige Warehousing Co., Ltd.	Other personnel	July 1, 2005		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 Gree Electric Appliance Co., Ltd.	Director	November 1, 2008		No
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	September 14, 2025	Yes
Wang Xiaohua	ETR Law Firm	Partner Chairman	June 1, 2017		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
Wang Xiaohua	Guangdong Shirong Zhaoye Co., Ltd.	Independent director	March 26, 2019	March 26, 2022	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
Duan Xiufeng	Beijing Detai Hengrun Investment Co., Ltd.	Manager	July 3, 2014		No
Duan Xiufeng	Beijing Rongzhi Xingwei Management Consulting Co., Ltd.	Manager	July 2, 2013		No
Duan Xiufeng	Shandong Jierui Logistics Co., Ltd.	Executive Director and General Manager	August 11, 2010		No
Duan Xiufeng	Jinan Qihui Small Loan Co., Ltd.	Director	February 4, 2009		No
Duan Xiufeng	Shandong Electric Appliance Customer Service Co., Ltd.	Executive Director and General Manager	August 2, 2012		Yes
Duan Xiufeng	Shandong Binzhou Dongsheng Real Estate Co., Ltd.	Executive Director	June 26, 2009		No
Duan Xiufeng	Shandong Blue Economy Industrial Fund Management Co., Ltd.	Chairman	November 5, 2014		No
Duan Xiufeng	Shandong Uber Network Technology Co., Ltd.	Executive Director	October 27, 2015		No
Duan Xiufeng	Jinan Jierui New Energy Technology Co., Ltd.	Executive Director and General Manager	December 21, 2016		No
Duan Xiufeng	Shandong Red April Brand Management Co., Ltd.	Executive Director and General Manager	August 1, 2017		No
Duan Xiufeng	Shandong Red April E-commerce Co., Ltd.	Executive Director and General Manager	August 30, 2017		No
Duan Xiufeng	Zhongfu Huaxia Management Consulting Co.,	Chairman	December 23, 2005		No

	Ltd.				
Duan Xiufeng	Shandong Red April Holding Group Co., Ltd.	Executive Director and General Manager	May 5, 2015		No
Duan Xiufeng	Shandong Red April Venture Capital Co., Ltd.	Executive Director and Manager	April 24, 2017		No
Duan Xiufeng	Shandong Red April New Energy Technology Co., Ltd.	Executive Director and Manager	December 13, 2017		No
Duan Xiufeng	Jinan Rural Commercial Bank Co., Ltd.	Supervisor	May 22, 2020		No
Cheng Min	Zhuhai Gexin Development Co., Ltd.	Chairman	September 1, 2018		Yes
Description of incumbent in the other companies	None				

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

Applicable Not Applicable

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, the Board of Directors of the Company appraised the performance and resumption of senior executives on an annual basis and implemented an appraisal system based on the results of their work in ethics, competence, attendance and performance. The Company adhered to the principle of reasonableness, fairness and justice and laid emphasis on combination of material incentive and spiritual incentive. In terms of material incentives, the Company paid attention to reasonably controlling the reward grade and properly widening the reward gap and emphasizing the timing and frequency of rewards. In terms of spiritual incentives, the Company paid attention to combining the corporate objectives with the spirit of dedication, sense of social responsibility and career achievement of the senior management personnel.

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

Unit: 10,000 yuan

Name	Title	Sex	Age	Employment Status	Total Pre-tax Remuneration Received From the Company	Receive Remuneration From a Related Party of the Company or Not
Dong Mingzhu	Chairperson & President	Female	68	Incumbent	1,142	No
Zhang Wei	Director and Secretary of the Party Committee	Male	46	Incumbent	400	No
Guo Shuzhan	Director	Male	66	Incumbent		Yes
Zhang Jundu	Director	Male	62	Incumbent		Yes
Deng Xiaobo	Director, Vice President, Secretary of the Board of Directors	Male	47	Incumbent	237.36	No
Liu Shuwei	Independent director	Female	70	Incumbent	19.17	Yes

Wang Xiaohua	Independent director	Male	61	Incumbent	19.17	Yes
Xing Ziwen	Independent director	Male	60	Incumbent	19.17	No
Zhang Qiusheng	Independent director	Male	55	Incumbent	16.67	No
Cheng Min	Supervisor	Female	42	Incumbent		Yes
Duan Xiufeng	Supervisor	Male	59	Incumbent		Yes
Wang Fawen	Employee supervisor	Female	39	Incumbent	68.31	No
Zhuang Pei	Vice President	Male	58	Incumbent	240	No
Tan Jianming	Vice President and Chief Engineer	Male	58	Incumbent	400	No
Shu Lizhi	Vice President	Male	53	Incumbent	200	No
Liao Jianxiong	Finance Chief, President Assistant	Male	49	Incumbent	116.46	No
Fang Xiangjian	Vice President	Male	45	Incumbent	280	No
Total	--	--	--	--	3,158.31	--

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 31st Meeting of the 11th Board of Directors	January 24, 2022	January 25, 2022	For details, please refer to <i>Announcement of Resolutions of the 31st Meeting of the 11th Board of Directors</i> (Announcement No.: 2022-001) on CNINFO (http://www.cninfo.com.cn/new/index)
The 32nd Meeting of the 11th Board of Directors	February 13, 2022	February 14, 2022	For details, please refer to <i>Announcement of Resolutions of the 32nd Meeting of the 11th Board of Directors</i> (Announcement No.: 2022-010) on CNINFO (http://www.cninfo.com.cn/new/index)
The 1st Meeting of the 12th Board of Directors	February 28, 2022	March 1, 2022	For details, please refer to <i>Announcement of Resolutions of the 1st Meeting of the 12th Board of Directors</i> (Announcement No.: 2022-014) on CNINFO (http://www.cninfo.com.cn/new/index)
The 2nd Meeting of the 12th Board of Directors	March 31, 2022	April 2, 2023	For details, please refer to <i>Announcement of Resolutions of the 2nd Meeting of the 12th Board of Directors</i> (Announcement No.: 2022-020) on CNINFO (http://www.cninfo.com.cn/new/index)
The 3rd Meeting of the 12th Board of Directors	April 29, 2022	April 30, 2022	For details, please refer to <i>Announcement of Resolutions of the 3rd Meeting of the 12th Board of Directors</i> (Announcement No.: 2022-022) on CNINFO (http://www.cninfo.com.cn/new/index)
The 4th Meeting of the 12th Board of Directors	April 29, 2022	April 30, 2022	For details, please refer to <i>2022 First Quarter Report</i> (Announcement No.: 2022-033) on CNINFO

			(http://www.cninfo.com.cn/new/index)
The 5th Meeting of the 12th Board of Directors	May 20, 2022	May 21, 2022	For details, please refer to <i>Announcement of Resolutions of the 5th Meeting of the 12th Board of Directors</i> (Announcement No.: 2022-037) on CNINFO (http://www.cninfo.com.cn/new/index)
The 6th Meeting of the 12th Board of Directors	July 29, 2022	July 30, 2022	For details, please refer to <i>Announcement of Resolutions of the 6th Meeting of the 12th Board of Directors</i> (Announcement No.: 2022-047) on CNINFO (http://www.cninfo.com.cn/new/index)
The 7th Meeting of the 12th Board of Directors	August 22, 2022	August 23, 2022	For details, please refer to <i>Announcement of Resolutions of the 7th Meeting of the 12th Board of Directors</i> (Announcement No.: 2022-052) on CNINFO (http://www.cninfo.com.cn/new/index)
The 8th Meeting of the 12th Board of Directors	August 30, 2022	August 31, 2022	For details, please refer to <i>Announcement of Resolutions of the 8th Meeting of the 12th Board of Directors</i> (Announcement No.: 2022-056) on CNINFO (http://www.cninfo.com.cn/new/index)
The 9th Meeting of the 12th Board of Directors	October 28, 2022	October 31, 2022	For details, please refer to <i>2022 Third Quarter Report</i> (Announcement No.: 2022-058) on CNINFO (http://www.cninfo.com.cn/new/index)
The 10th Meeting of the 12th Board of Directors	December 12, 2022	December 13, 2022	For details, please refer to <i>Announcement of Resolutions of the 10th Meeting of the 12th Board of Directors</i> (Announcement No.: 2022-062) 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	12	2	10	0	0	No	4
Zhang Wei	12	2	10	0	0	No	4
Guo Shuzhan	12	1	11	0	0	No	4
Zhang Jundu	12	2	10	0	0	No	4
Deng	12	2	10	0	0	No	4

Xiaobo							
Liu Shuwei	12	1	11	0	0	No	4
Wang Xiaohua	12	2	10	0	0	No	4
Xing Ziwen	12	1	11	0	0	No	4
Zhang Qiusheng	10	0	10	0	0	No	4

Information about directors who failed to attend two consecutive Board meetings in person.

Not applicable

3. Directors' objection to relevant matters of the Company

Whether the directors raised objections 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, 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 29, 2022	Deliberation of the following proposals: I. <i>2021 Financial Statements</i> II. <i>2021 Annual Report and its Summary</i> III. <i>Proposal on the Proposed Appointment of the Company's Audit Agency in 2022</i>			
			April 29,	Deliberation of the			

			2022	<i>2022 First Quarter Report</i>			
			August 30, 2022	Deliberation of <i>2022 Semi-annual Report and its Summary</i>			
			October 28, 2022	Deliberation of the <i>2022 Third Quarter Report</i>			
Remuneration and Appraisal Committee	Wang Xiaohua, Liu Shuwei, and Zhang Wei	3	April 29, 2022	Deliberation of the <i>2021 Compensation Distribution Plan for Directors, Supervisors and Senior Executives</i>			
			May 20, 2022	Deliberation of the <i>Phase II Employee Stock Ownership Plan of Gree Electric Appliances, Inc. of Zhuhai (Draft)</i>			
			July 29, 2022	Deliberation of the following proposals: I. <i>Proposal on Adjusting the Voluntary Lockup Period after the Attribution of Shares in the Phase I Employee Stock Ownership Plan of the Company</i> II. <i>Proposal on Adjusting the Voluntary Lockup Period after the Attribution of Shares in the Phase II Employee Stock Ownership Plan of the Company</i>			
Nominating Committee	Xing Ziwen, Wang Xiaohua, and Zhang Wei	1	January 24, 2022	Deliberation of the following proposals: I. <i>Proposal on Ms. Dong Mingzhu's Qualification as a Non-Independent Director of the Company</i> II. <i>Proposal on Mr. Zhang Wei's</i>			

				<p><i>Qualification as a Non-Independent Director of the Company</i></p> <p>III. <i>Proposal on Mr. Deng Xiaobo's Qualification as a Non-Independent Director of the Company</i></p> <p>IV. <i>Proposal on Mr. Zhang Jundu's Qualification as a Non-Independent Director of the Company</i></p> <p>V. <i>Proposal on Mr. Guo Shuzhan's Qualification as a Non-Independent Director of the Company</i></p> <p>VI. <i>Proposal on Ms. Liu Shuwei's Qualification as an Independent Director of the Company</i></p> <p>VII. <i>Proposal on Mr. Wang Xiaohua's Qualification as an Independent Director of the Company</i></p> <p>VIII. <i>Proposal on Mr. Xing Ziwen's Qualification as an Independent Director of the Company</i></p> <p>IX. <i>Proposal on Mr. Zhang Qiusheng's Qualification as an Independent Director of the Company</i></p>			
Nominating Committee	Zhang Qiusheng, Xing Ziwen, and Deng Xiaobo	1	February 28, 2022	<p>Deliberation of the following proposals: I. <i>Proposal on Ms. Dong Mingzhu's Qualification as the President of the Company</i></p> <p>II. <i>Proposal on Mr. Deng Xiaobo's</i></p>			

				<i>Qualification as the Vice President of the Company</i> <i>III. Proposal on Mr. Zhuang Pei's Qualification as the Vice President of the Company</i> <i>IV. Proposal on Mr. Tan Jianming's Qualification as the Vice President of the Company</i> <i>V. Proposal on Mr. Shu Lizhi's Qualification as the Vice President of the Company</i> <i>VI. Proposal on Mr. Fang Xiangjian's Qualification as the Vice President of the Company</i> <i>VII. Proposal on Mr. Deng Xiaobo's Qualification as the Secretary of the Board of Directors of the Company</i> <i>VIII. Proposal on Mr. Liao Jianxiong's Qualification as the Finance Chief of the Company</i>			
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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)	21,994
Number of on-the-job employees of the main subsidiaries at the end of the report period (person)	50,386
Total number of on-the-job employees at the end of the	72,380

report period (person)	
Total number of employees receiving salaries for the current period (person)	72,380
Number of retired employees for whom the parent company and main subsidiaries need to bear expenses (person)	411
Specialties	
Category of specialties	Number (person) of employees of specialties
Manufacturing personnel	51,931
Sales personnel	3,002
Technician	12,977
Financial personnel	1,126
Administrative personnel	3,344
Total	72,380
Educational level	
Education level category	Number of employees (person)
Bachelor degree or above	16,893
College degree	11,999
Technical secondary school and below	43,488
Total	72,380

2. Remuneration policy

Faced with the uncertainty and complexity of the macroeconomic environment, the Company attaches great importance to and safeguards the vital interests of employees, optimizes and adjusts compensation plans, and continuously improves the position based and performance oriented compensation mechanism. At the same time, Gree focuses on high-quality talent, continues to implement the project-based evaluation mechanism for scientific and technological talents to encourage scientific and technological personnel and technological breakthroughs in R&D; Gree strengthens the main responsibilities of employers, implemented wage reform pilot, stabilizes core teams, optimizes talent echelon construction, and promotes the improvement of organizational effectiveness.

3. Training plan

(1) Achieve high-quality talent supply with a targeted talent recruitment strategy and independent talent training system

Gree will always adhere to the principle of "focusing on the strategic layout of the Company and adhering to independent training of talents", expand and form independent channels for introducing talents based on the cultivation and supply characteristics of talents. The Company will establish an employer brand operation system that covers image promotion, activity propagation, and candidate experience optimization, carried out promotion through a three-in-one network and talent recommendation channel of "teachers of employment office + campus ambassadors + counselors of graduating classes", leverages the channel resource advantages of the government or third-party platforms to effectively transform them into employment results through specialized job fairs, precise information push, and other methods. Meanwhile, the Company will dynamically obtain recruitment data online in real-time, apply data to feed back recruitment decisions, and improve efficiency through full chain recruitment, achieving cost reduction and efficiency increase in campus recruitment. The Company will focus on 985/211 universities and university students in scarcity direction, and combine the advantages of training and development mechanisms, comprehensive living and welfare security to accurately attract students from key universities and improve the recruitment quality.

The Company will introduce a group of vocational and technical talents who recognize the Company's corporate culture, have high comprehensive quality, and have a solid foundation in professional skills through various forms such as campus recruitment lectures, Gree "order class", Gree "title sponsorship class", and school-enterprise cooperation talks, to achieve order based training for technical workers; on the other hand, the Company will fully invest in and independently build the "Zhuhai Gree Polytechnic", and strive to create an "incubator" of skilled talents, cultivating and supplying outstanding graduates for enterprises and society.

(2) Continuously optimize the talent structure through building a competitive talent team

Gree's talent team has been growing, and its talent structure has been upgraded over the years. By the end of 2022, the Company had about 72,000 employees, including 2 leading talents in science and technology innovation under the National Ten Thousand Talents Program, 3 experts enjoying special allowances from the State Council, 1 National Technical Expert, 1

winner of the Award of Outstanding Contribution to Nanyue, 94 high-level talents of Zhuhai, 548 outstanding young talents, 948 scientific and technological experts evaluated inside the Company, and more than 30,000 skilled workers.

In order to adapt to the transformation of the production model to automation and intelligence, the Company will accelerate the training of applied-skilled talents. The Company will vigorously promote the spirit of model workers and craftsmen in the new era, integrate the resource advantages of Guangdong technicians, skilled master studios, and technician workstations to empower production through training and boost innovation through competition, and select and cultivate a group of "high-tech and cutting-edge" skilled talents through a series of measures such as skill training, skill competition and skill grade evaluation. As of now, the Group has 14,000 newly assessed skilled talents, of which, 8 have won the title of "Guangdong Provincial Technical Expert", 2 have won the title of "Nanyue Technical Expert", and 5 have won the title of "Zhuhai Municipal Technical Expert", 4 "Zhuhai Municipal Post Technical Expert Pacesetter", 12 "Zhuhai Municipal Chief Technical Expert", 10 "Zhuhai Special Artisan", and 232 "Zhuhai Artisan".

In order to improve talent cultivation and evaluation mechanisms at all levels, promote the construction of information platforms, and strengthen digital control of human resources, the Company has promoted the online operation of performance systems in headquarters units and subsidiaries in 2022, achieving monthly performance evaluation group control and data integration of results, and quickly identifying talents.

Talent is an important impetus for development, the Company will adhere to the continuous cultivation of innovative, interdisciplinary, and practical skilled talents, enabling employees to have the ability to independently "generate blood" to cope with the rapidly changing external environment. The Company will focus on key talent needs and seek benefits for employees through multiple channels such as employee stock ownership plans, talent subsidies, talent housing, and Gree schools, continuously improving employee satisfaction and happiness. To stimulate employee vitality, the Company will unplug the career development path of employees through aspects such as professional qualification recognition, professional title appraisal, technician level assessment, and vocational training, to enhance employees' self-worth and professional identity.

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

2021 Semi-annual Equity Distribution Plan: With the shares after deducting the 377,791,307 shares in the repurchase account from the Company's total share capital of 5,914,469,040 shares as the base quota, distribute a cash dividend of RMB10 (tax inclusive) to all shareholders for every 10 shares, without bonus shares or conversion of capital reserves into share capital, totaling RMB5,536,677,733 of cash shares distributed.

2021 Annual Equity Distribution Plan: With the shares after deducting the 377,791,307 shares in the repurchase account from the Company's total share capital of 5,914,469,040 shares as the base quota, distribute a cash dividend of RMB20 (tax inclusive) to all shareholders for every 10 shares, without bonus shares or conversion of capital reserves into share capital, totaling RMB11,073,355,466 of cash shares distributed.

2022 Mid-term Equity Distribution Plan: With the 5,613,841,613 shares after deducting 17,564,128 repurchased shares from the Company's existing total share capital as the base quota, distribute a cash dividend of RMB10 (tax inclusive) to all shareholders for every 10 shares, without bonus shares or conversion of capital reserves into share capital, totaling RMB5,613,841,613 of cash shares distributed.

The cash dividend distribution ratio of the Company since its listing is in line with the provisions of the *Articles of Association of Gree Electric Appliances, Inc. of Zhuhai*, the 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 their legitimate rights and interests 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 resolutions:	Yes
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
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:	Not applicable

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

Dividends per 10 shares (yuan) (tax inclusive)	10.00
Share capital base for the distribution plan (shares)	5,613,841,613
Cash dividends (yuan) (tax inclusive)	5,613,841,613.00
Total cash dividends (including other methods) (yuan)	5,613,841,613
Distributable profits (yuan)	52,303,785,737.73
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 5,613,841,613 shares (deducting 17,564,128 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 RMB10 per 10 shares to all shareholders (tax inclusive), without bonus shares or conversion of capital reserves into share capital, totaling RMB5,613,841,613 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
Directors (excluding independent directors), supervisors and senior executives of the Company, as well as middle-level cadres and core employees of the Company and its holding subsidiaries recognized by the Board of Directors as playing an important role in the overall performance and medium- and long-term development of the Company	4,845	46,334,473	On May 20, 2022, the 5th meeting of the 12th Board of Directors and the 4th meeting of the 12th Board of Supervisors were held, and the <i>Proposal on Adjusting the Performance Evaluation Indexes of Phase I Employee Stock Ownership Plan of Gree Electric Appliances, Inc. of Zhuhai</i> was deliberated and adopted with the Announcement No.: 2022-039	0.82%	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 report period	Number of shares held at the end of the report period	Proportion to the total share capital of listed companies
Dong Mingzhu	Chairperson & President	10,000,000	10,000,000	0.18%
Tan Jianming	Vice President and Chief Engineer	488,469	488,469	0.01%
Zhuang Pei	Vice President	420,253	420,253	0.01%
Fang Xiangjian	Vice President	391,890	391,890	0.01%
Zhang Wei	Director and Secretary of the Party Committee	183,328	183,328	0.00%
Deng Xiaobo	Director, Vice President, Secretary of the Board of Directors	107,600	107,600	0.00%

Shu Lizhi	Vice President	99,719	99,719	0.00%
Liao Jianxiong	Finance Chief, President Assistant	77,663	77,663	0.00%
Wang Fawen	Employee representative supervisor	51,355	51,355	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

Exercise of shareholders' rights during the report period

None

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

Applicable Not applicable

The Company held the 5th Meeting of the 12th Board of Directors, the 4th Meeting of the 12th Board of Supervisors, the 6th Meeting of the 12th Board of Directors, and the 5th Meeting of the 12th Board of Supervisors on May 20, 2022 and July 29, 2022, respectively, deliberated and adopted proposals such as the *Proposal on the Phase II Employee Stock Ownership Plan (Draft) of Gree Electric Appliances, Inc. of Zhuhai*, revised and formed the *Phase II Employee Stock Ownership Plan (Draft) of Gree Electric Appliances, Inc. of Zhuhai (Revised Version)*, and held the 2nd Interim General Meeting of Shareholders in 2022 on August 16, 2022, with the *Proposal on the Phase II Employee Stock Ownership Plan (Draft) of Gree Electric Appliances, Inc. of Zhuhai (Revised Version)* deliberated and adopted. On February 3, 2023, the phase II employee stock ownership plan was completed, and the non-trading transfer of shares was completed. Please refer to Announcement No. 2023-004 for specific details.

Change in members of the Employee Stock Ownership Plan Management Committee

Applicable Not Applicable

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 2022 was RMB370,227,884.10.

Termination of employee stock ownership plan during the report period

Applicable Not Applicable

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 in a timely manner 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, there was no significant defects or material defects in internal control of the Company's financial statements and non-financial statements in 2022. 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
Zhejiang DunAn Artificial Environment Co., Ltd.	Strictly follow the <i>Internal Control System</i> to conduct internal management and risk control for subsidiaries	Becoming a holding subsidiary of the Company in April 2022	None	Not applicable	Not applicable	Not applicable

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

1. Internal control self-evaluation report

Date of disclosure of the full internal control evaluation report	April 29, 2023
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	97.00%
The proportion of operating revenue of the units included in the scope of evaluation to the operating revenue of the Company's consolidated financial	98.00%

statements	Defect identification criteria	
Category	Financial statements	Non-financial statements
Qualitative standard	For details, please refer to the <i>2022 Internal Control Self-evaluation Report of Gree Electric Appliances, Inc. of Zhuhai</i> disclosed on CNINFO (www.cninfo.com.cn) on April 29, 2023	For details, please refer to the <i>2022 Internal Control Self-evaluation Report of Gree Electric Appliances, Inc. of Zhuhai</i> disclosed on CNINFO (www.cninfo.com.cn) on April 29, 2023
Quantitative standard	For details, please refer to the <i>2022 Internal Control Self-evaluation Report of Gree Electric Appliances, Inc. of Zhuhai</i> disclosed on CNINFO (www.cninfo.com.cn) on April 29, 2023	For details, please refer to the <i>2022 Internal Control Self-evaluation Report of Gree Electric Appliances, Inc. of Zhuhai</i> disclosed on CNINFO (www.cninfo.com.cn) on April 29, 2023
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	
We hold that Gree Electric Appliances, Inc. of Zhuhai has maintained effective internal control over financial statements in all significant aspects as of December 31, 2022, in accordance with the <i>Basic Standard for Enterprise Internal Control</i> and relevant regulations.	
Disclosure of internal control audit report	Disclosure
Date of disclosure of full internal control audit report	April 29, 2023
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*, and *Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution*, and industry standards, and organized their own production and operation activities.

Administrative license for environmental protection

The Company and its subsidiaries strictly implement the pollution discharge permit system and legally discharge pollutants within the specified scope.

The application date for the pollution discharge permit of Gree Electric Appliances, Inc. of Zhuhai. is December 22, 2022, and it is valid until December 21, 2027.

The application date for the pollution discharge permit of Zhuhai Gree Electric Enterprises Ltd. is July 3, 2020, and it is valid until July 2, 2023.

The application date for the pollution discharge permit of Gree (Hefei) Electric Appliances Co., Ltd. is August 20, 2020, and it is valid until August 19, 2023.

The application date for the pollution discharge permit of Zhuhai Landa Compressor Co., Ltd. is October 28, 2022, and it is valid until October 27, 2027.

The application date for the pollution discharge permit of Zhuhai GREE Xinyuan Electronic Co., Ltd. is December 13, 2022, and it is valid until December 12, 2027.

The application date for the pollution discharge permit of Zhuhai Kaibang Motor Manufacturing Co., Ltd. is June 19, 2020, and it is valid until June 18, 2023.

The application date for the pollution discharge permit of Gree (Zhongshan) Small Home Appliances Co., Ltd. is June 4, 2020, and it is valid until 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	Water pollutant	COD	Intermittent discharge	1	Phase III sewage station	25.75 mg/L	Level III limit in Section II of the <i>Discharge Limits of Water Pollutants</i> (DB44/26-2001)	5.2496 t/year	26.4 t/year	None
Gree Electric Appliances, Inc. of Zhuhai	Water pollutant	COD	Intermittent discharge	1	Phase IV sewage station	22.75 mg/L	Level III limit in Section II of the <i>Discharge Limits of Water Pollutants</i> (DB44/26-2001)	5.2496 t/year	26.4 t/year	None
Gree Electric Appliances, Inc. of Zhuhai	Water pollutant	COD	Intermittent discharge	1	Phase VI sewage station	17.75 mg/L	Level III limit in Section II of the <i>Discharge Limits of Water Pollutants</i> (DB44/26-2001)	5.2496 t/year	26.4 t/year	None
Gree Electric Appliances, Inc. of Zhuhai	Water pollutant	Ammonia nitrogen	Intermittent discharge	1	Phase III sewage station	0.287 mg/L	Level III limit in Section II of the <i>Discharge Limits of Water Pollutants</i> (DB44/26-2001)	0.0398 t/year	3.6 t/year	None
Gree Electric Appliances, Inc. of Zhuhai	Water pollutant	Ammonia nitrogen	Intermittent discharge	1	Phase IV sewage station	0.162 mg/L	Level III limit in Section II of the <i>Discharge Limits of Water Pollutants</i>	0.0398 t/year	3.6 t/year	None

							(DB44/26-2001)			
Gree Electric Appliances, Inc. of Zhuhai	Water pollutant	Ammonia nitrogen	Intermittent discharge	1	Phase VI sewage station	0.093 mg/L	Level III limit in Section II of the <i>Discharge Limits of Water Pollutants</i> (DB44/26-2001)	0.0398 t/year	3.6 t/year	None
Gree (Hefei) Electric Appliances Co., Ltd.	Water pollutant	COD	Intermittent discharge	1	Domestic sewage station	17 mg/L	Takeover criteria of Hefei West Group Wastewater Treatment Plant and Level III criteria of <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)	1.2690 t/year	208.704209 t/year	None
Gree (Hefei) Electric Appliances Co., Ltd.	Water pollutant	COD	Intermittent discharge	1	Commercial sewage station	11 mg/L	Takeover criteria of Hefei West Group Wastewater Treatment Plant and Level III criteria of <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)	1.2690 t/year	208.704209 t/year	None
Gree (Hefei) Electric Appliances Co., Ltd.	Water pollutant	NH3-N	Intermittent discharge	1	Domestic sewage station	0.084 mg/L	Takeover criteria of Hefei West Group Wastewater Treatment Plant and Level III criteria of <i>Integrated Wastewater</i>	0.0173 t/year	20.869721 t/year	None

							<i>Discharge Standard (GB8978-1996)</i>			
Gree (Hefei) Electric Appliances Co., Ltd.	Water pollutant	NH3-N	Intermittent discharge	1	Commercial sewage station	0.113 mg/L	Takeover criteria of Hefei West Group Wastewater Treatment Plant and Level III criteria of <i>Integrated Wastewater Discharge Standard (GB8978-1996)</i>	0.0173 t/year	20.869721 t/year	None
Gree (Hefei) Electric Appliances Co., Ltd.	Water pollutant	TN	Intermittent discharge	1	Domestic sewage station	3.26 mg/L	Takeover criteria of Hefei West Group Wastewater Treatment Plant and Level III criteria of <i>Integrated Wastewater Discharge Standard (GB8978-1996)</i>	0.8480 t/year	29.815077 t/year	None
Gree (Hefei) Electric Appliances Co., Ltd.	Water pollutant	TN	Intermittent discharge	1	Commercial sewage station	4.75 mg/L	Takeover criteria of Hefei West Group Wastewater Treatment Plant and Level III criteria of <i>Integrated Wastewater Discharge Standard (GB8978-1996)</i>	0.8480 t/year	29.815077 t/year	None
Gree (Hefei)	Water	TP	Intermittent	1	Domestic	0.06 mg/L	Takeover criteria	0.0380	3.578266 t/year	None

Electric Appliances Co., Ltd.	pollutant		discharge		sewage station		of Hefei West Group Wastewater Treatment Plant and Level III criteria of <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)	t/year		
Gree (Hefei) Electric Appliances Co., Ltd.	Water pollutant	TP	Intermittent discharge	1	Commercial sewage station	1.76 mg/L	Takeover criteria of Hefei West Group Wastewater Treatment Plant and Level III criteria of <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)	0.0380 t/year	3.578266 t/year	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	pH value	Intermittent discharge	1	Industrial sewage discharge outlet WS-39214A	7.9	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)	/	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing	Water pollutant	pH value	Intermittent discharge	1	Domestic sewage discharge outlet DW002	8	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB	/	The pollutant discharge permit in 2022 is not approved	None

Co., Ltd.							44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)			
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Chromaticity	Intermittent discharge	1	Industrial sewage discharge outlet WS-39214A	Twice	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)	/	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Suspended matter	Intermittent discharge	1	Industrial sewage discharge outlet WS-39214A	4 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)	0.0179 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Suspended matter	Intermittent discharge	1	Domestic sewage discharge outlet DW002	4 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001)	0.0179 t/year	The pollutant discharge permit in 2022 is not approved	None

							Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)			
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Chemical oxygen demand	Intermittent discharge	1	Industrial sewage discharge outlet WS-39214A	5 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)	0.0352 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Chemical oxygen demand	Intermittent discharge	1	Domestic sewage discharge outlet DW002	6 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)	0.0352 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Five-day biochemical oxygen demand	Intermittent discharge	1	Industrial sewage discharge outlet WS-39214A	0.5 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of	0.0103 t/year	The pollutant discharge permit in 2022 is not approved	None

							Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)			
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Five-day biochemical oxygen demand	Intermittent discharge	1	Domestic sewage discharge outlet DW002	0.5 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)	0.0103 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Phosphate	Intermittent discharge	1	Industrial sewage discharge outlet WS-39214A	0.01 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)	0.0010 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Phosphate	Intermittent discharge	1	Domestic sewage discharge outlet DW002	0.01 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum	0.0010 t/year	The pollutant discharge permit in 2022 is not approved	None

							Allowable Discharge Concentration of Class II Pollutants (Section II)			
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Ammonia nitrogen	Intermittent discharge	1	Industrial sewage discharge outlet WS-39214A	0.025 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)	0.0009 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Ammonia nitrogen	Intermittent discharge	1	Domestic sewage discharge outlet DW002	0.025 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)	0.0009 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Total nitrogen	Intermittent discharge	1	Industrial sewage discharge outlet WS-39214A	2 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable	0.0087 t/year	The pollutant discharge permit in 2022 is not approved	None

							Discharge Concentration of Class II Pollutants (Section II)			
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Total nitrogen	Intermittent discharge	1	Domestic sewage discharge outlet DW002	1.24 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)	0.0087 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Petroleum	Intermittent discharge	1	Industrial sewage discharge outlet WS-39214A	0.06 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge Concentration of Class II Pollutants (Section II)	0.0003 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Water pollutant	Animal and vegetable oils	Intermittent discharge	1	Domestic sewage discharge outlet DW002	0.06 mg/L	<i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001) Level I criteria of Maximum Allowable Discharge	0.0002 t/year	The pollutant discharge permit in 2022 is not approved	None

							Concentration of Class II Pollutants (Section II)			
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Atmospheric pollutant	Particulate matter	Organized discharge	1	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 in Guangdong</i> (DB 44/27-2001)	/	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Atmospheric pollutant	Particulate matter	Organized discharge	1	Melting aluminum waste gas vent FQ-39214A1	<20 mg/m ³	Emission limits of atmospheric pollutants from process waste gas (Section II) in <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	/	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Atmospheric pollutant	Sulfur dioxide	Organized discharge	1	Die-casting waste gas vent FQ-39214A	ND	Emission limits of atmospheric pollutants from process waste gas (Section II) in <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	/	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Atmospheric pollutant	Sulfur dioxide	Organized discharge	1	Melting aluminum waste gas vent FQ-39214A1	ND	Emission limits of atmospheric pollutants from process waste gas (Section II) in <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	/	The pollutant discharge permit in 2022 is not approved	None

							Guangdong (DB 44/27-2001)			
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Atmospheric pollutant	Nitrogen oxide	Organized discharge	1	Die-casting waste gas vent FQ-39214A	ND	Emission limits of atmospheric pollutants from process waste gas (Section II) in <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	/	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Atmospheric pollutant	Nitrogen oxide	Organized discharge	1	Melting aluminum waste gas vent FQ-39214A1	ND	Emission limits of atmospheric pollutants from process waste gas (Section II) in <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	/	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Immersion paint waste gas vent FQ-39214B	0.06 mg/m ³	Emission Limits of VOCs in <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry in Guangdong (DB 44/816-2010)</i>	0.0004 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Atmospheric pollutant	Toluene + Xylene	Organized discharge	1	Immersion paint waste gas vent FQ-39214B	0.07 mg/m ³	Emission Limits of VOCs in <i>Emission Standard of Volatile Organic</i>	0.0005 t/year	The pollutant discharge permit in 2022 is not approved	None

							<i>Compounds for Surface Coating of Automobile Manufacturing Industry in Guangdong (DB 44/816-2010)</i>			
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Immersion paint waste gas vent FQ-39214B	3.86 mg/m ³	Emission Limits of VOCs in <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry in Guangdong (DB 44/816-2010)</i>	0.0312 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Plant No.1 FQ113913A01	0.03 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0016 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Plant No.1 FQ113913A02	0.26 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0016 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Plant No.1 FQ113913A03	0.01 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0016 t/year	The pollutant discharge permit in 2022 is not approved	None

Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Plant No.1 FQ113913A04	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0016 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Plant No.1 FQ113913A05	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0016 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Plant No.1 FQ113913A06	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0016 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Plant No.1 FQ113913A07	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0016 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Plant No.1 FQ113913A08	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0016 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Plant No.3 FQ113913A09	0.02 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0016 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE	Atmospheric	Benzene	Organized	1	Plant No.3	Not detected	Level II Criteria in	0.0016	The pollutant	None

Electric Enterprises Ltd.	pollutant		discharge		FQ113913A10		Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	t/year	discharge permit in 2022 is not approved	
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Plant No.3 FQ113913A11	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0016 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Plant No.3 FQ113913A12	0.02 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0016 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.1 FQ113913A01	0.01 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0012 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.1 FQ113913A02	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0012 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.1 FQ113913A03	0.02 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0012 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.1 FQ113913A04	Not detected	Level II Criteria in Section II of	0.0012 t/year	The pollutant discharge permit	None

Enterprises Ltd.							<i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>		in 2022 is not approved	
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.1 FQ113913A05	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0012 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.1 FQ113913A06	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0012 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.1 FQ113913A07	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0012 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.1 FQ113913A08	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0012 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.3 FQ113913A09	0.01 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0012 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.3 FQ113913A10	Not detected	Level II Criteria in Section II of <i>Emission Limits of</i>	0.0012 t/year	The pollutant discharge permit in 2022 is not	None

Ltd.							<i>Air Pollutants in Guangdong (DB 44/27-2001)</i>		approved	
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.3 FQ113913A11	0.03 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0012 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	Plant No.3 FQ113913A12	0.05 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0012 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.1 FQ113913A01	0.03 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.1 FQ113913A02	0.01 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.1 FQ113913A03	0.01 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.1 FQ113913A04	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in</i>	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None

							Guangdong (DB 44/27-2001)			
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.1 FQ113913A05	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.1 FQ113913A06	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.1 FQ113913A07	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.1 FQ113913A08	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.3 FQ113913A09	0.01 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.3 FQ113913A10	Not detected	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None

							44/27-2001)			
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.3 FQ113913A11	1.4 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	Plant No.3 FQ113913A12	1.06 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0216 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.1 FQ113913A01	0.93 mg/m ³	Section II of <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> in Guangzhou (DB 44/814-2010)	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.1 FQ113913A02	1.19 mg/m ³	Section II of <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> in Guangzhou (DB 44/814-2010)	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.1 FQ113913A03	0.7 mg/m ³	Section II of <i>Emission Standard of Volatile Organic</i>	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None

							<i>Compounds for Furniture Manufacturing Operations in Guangzhou (DB 44/814-2010)</i>			
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.1 FQ113913A04	Not detected	<i>Section II of Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations in Guangzhou (DB 44/814-2010)</i>	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.1 FQ113913A05	Not detected	<i>Section II of Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations in Guangzhou (DB 44/814-2010)</i>	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.1 FQ113913A06	Not detected	<i>Section II of Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations in Guangzhou (DB 44/814-2010)</i>	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE	Atmospheric	Total volatile	Organized	1	Plant No.1	0.3 mg/m ³	Section II of	1.2800	The pollutant	None

Electric Enterprises Ltd.	pollutant	organic compounds	discharge		FQ113913A07		<i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations in Guangzhou (DB 44/814-2010)</i>	t/year	discharge permit in 2022 is not approved	
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.1 FQ113913A08	0.11 mg/m ³	<i>Section II of Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations in Guangzhou (DB 44/814-2010)</i>	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.3 FQ113913A09	24.8 mg/m ³	<i>Section II of Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations in Guangzhou (DB 44/814-2010)</i>	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.3 FQ113913A10	1.6 mg/m ³	<i>Section II of Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations in</i>	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None

							Guangzhou (DB 44/814-2010)			
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.3 FQ113913A11	7.27 mg/m ³	Section II of <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> in Guangzhou (DB 44/814-2010)	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.3 FQ113913A12	14.6 mg/m ³	Section II of <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> in Guangzhou (DB 44/814-2010)	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Total volatile organic compounds	Organized discharge	1	Plant No.2 FQ113913B01	1.16 mg/m ³	Section II of <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> in Guangzhou (DB 44/814-2010)	1.2800 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.1 FQ113913A01	Not detected	Level II Criteria in Section II in Table 2 of <i>Emission Limits of Air Pollutants in</i>	0.0056 t/year	The pollutant discharge permit in 2022 is not approved	None

							Guangdong (DB 44/27-2001)			
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.1 FQ113913A02	Not detected	Level II Criteria in Section II in Table 2 of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0056 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.1 FQ113913A03	Not detected	Level II Criteria in Section II in Table 2 of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0056 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.1 FQ113913A04	Not detected	Level II Criteria in Section II in Table 2 of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0056 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.1 FQ113913A05	Not detected	Level II Criteria in Section II in Table 2 of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0056 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.1 FQ113913A06	Not detected	Level II Criteria in Section II in Table 2 of <i>Emission Limits of Air Pollutants in Guangdong (DB 44/27-2001)</i>	0.0056 t/year	The pollutant discharge permit in 2022 is not approved	None

Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.1 FQ113913A07	Not detected	Level II Criteria in Section II in Table 2 of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0056 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.1 FQ113913A08	Not detected	Level II Criteria in Section II in Table 2 of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0056 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.3 FQ113913A09	Not detected	Level II Criteria in Section II in Table 2 of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0056 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.3 FQ113913A10	Not detected	Level II Criteria in Section II in Table 2 of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0056 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.3 FQ113913A11	0.7 mg/m ³	Level II Criteria in Section II in Table 2 of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.0056 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric	Atmospheric pollutant	Phenols	Organized discharge	1	Plant No.3 FQ113913A12	Not detected	Level II Criteria in Section II in Table	0.0056 t/year	The pollutant discharge permit	None

Enterprises Ltd.							2 of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)		in 2022 is not approved	
Zhuhai GREE Electric Enterprises Ltd.	Atmospheric pollutant	Tin and its compounds	Organized discharge	1	Plant No.2 FQ113913B01	0.000069 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants in Guangdong</i> (DB 44/27-2001)	0.000003 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Water pollutant	Suspended matter	Intermittent discharge	1	Plant No.2 gate DW001	49 mg/L	Level III Criteria in Section II in Table 4 of <i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001)	0.0340 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Water pollutant	Animal and vegetable oils	Intermittent discharge	1	Plant No.2 gate DW001	0.81 mg/L	Level III Criteria in Section II in Table 4 of <i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001)	0.0006 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Water pollutant	Petroleum	Intermittent discharge	1	Plant No.2 gate DW001	1.61 mg/L	Level III Criteria in Section II in Table 4 of <i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001)	0.0011 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric	Water pollutant	Total nitrogen (N)	Intermittent discharge	1	Plant No.2 gate DW001	29.4 mg/L	Level III Criteria in Section II in	0.0206 t/year	The pollutant discharge permit	None

Enterprises Ltd.							Table 4 of <i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001)		in 2022 is not approved	
Zhuhai GREE Electric Enterprises Ltd.	Water pollutant	Chemical oxygen demand	Intermittent discharge	1	Plant No.2 gate DW001	164 mg/L	Level III Criteria in Section II in Table 4 of <i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001)	0.1150 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Water pollutant	Anionic surfactant	Intermittent discharge	1	Plant No.2 gate DW001	0.85 mg/L	Level III Criteria in Section II in Table 4 of <i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001)	0.0006 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Water pollutant	Total phosphorus (P)	Intermittent discharge	1	Plant No.2 gate DW001	1.32 mg/L	Level III Criteria in Section II in Table 4 of <i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001)	0.0009 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Water pollutant	Ammonia nitrogen (NH ₃ -N)	Intermittent discharge	1	Plant No.2 gate DW001	2.64 mg/L	Level III Criteria in Section II in Table 4 of <i>Discharge Limits of Water Pollutants in Guangdong</i> (DB	0.0019 t/year	The pollutant discharge permit in 2022 is not approved	None

							44/26-2001)			
Zhuhai GREE Electric Enterprises Ltd.	Water pollutant	Five-day biochemical oxygen demand	Intermittent discharge	1	Plant No.2 gate DW001	41.8 mg/L	Level III Criteria in Section II in Table 4 of <i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001)	0.0293 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Water pollutant	Volatile phenol	Intermittent discharge	1	Plant No.2 gate DW001	0.1 mg/L	Level III Criteria in Section II in Table 4 of <i>Discharge Limits of Water Pollutants in Guangdong</i> (DB 44/26-2001)	0.00007 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Electric Enterprises Ltd.	Water pollutant	pH value	Intermittent discharge	1	Plant No.2 gate DW001	7.80	Level III Criteria in Section II in Table 4 of <i>Discharge Limits of Water Pollutants in Guangdong</i> (DB44/26-2001)	/	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Water pollutant	Ammonia nitrogen	Intermittent discharge	1	WS-124635 Industrial wastewater discharge outlet	0.188 mg/L	Level I Criteria in Second II of <i>Integrated Discharge Limits of Water Pollutants</i> (DB44/26-2001)	0.0070 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Water pollutant	Total nitrogen	Intermittent discharge	1	WS-124636 Industrial wastewater discharge outlet	1.85 mg/L	No requirement for limit	0.0290 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE	Water	Animal and	Intermittent	1	WS-124637	0.15 mg/L	Level I Criteria in	0.0986	The pollutant	None

Xinyuan Electronic Co., Ltd.	pollutant	vegetable oils	discharge		Industrial wastewater discharge outlet		Second II of <i>Integrated Discharge Limits of Water Pollutants</i> (DB44/26-2001)	t/year	discharge permit in 2022 is not approved	
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Water pollutant	Animal and vegetable oils	Intermittent discharge	1	Domestic sewage connection port – 1	6.11 mg/L	Level I Criteria in Second II of <i>Integrated Discharge Limits of Water Pollutants</i> (DB44/26-2001)	0.0986 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Water pollutant	Total zinc	Intermittent discharge	1	WS-124635 Industrial wastewater discharge outlet	0.014 mg/L	Level I Criteria in Second II of <i>Integrated Discharge Limits of Water Pollutants</i> (DB44/26-2001)	0.0002 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Water pollutant	Chemical oxygen demand	Intermittent discharge	1	WS-124636 Industrial wastewater discharge outlet	10 mg/L	Level I Criteria in Second II of <i>Integrated Discharge Limits of Water Pollutants</i> (DB44/26-2001)	0.1400 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Water pollutant	Five-day chemical oxygen demand	Intermittent discharge	1	WS-124637 Industrial wastewater discharge outlet	3.5 mg/L	Level I Criteria in Second II of <i>Integrated Discharge Limits of Water Pollutants</i> (DB44/26-2001)	0.0499 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic	Water pollutant	pH value	Intermittent discharge	1	WS-124635 Industrial wastewater	7.3	Level I Criteria in Second II of <i>Integrated</i>	/	The pollutant discharge permit in 2022 is not	None

Co., Ltd.					discharge outlet		<i>Discharge Limits of Water Pollutants (DB44/26-2001)</i>		approved	
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Water pollutant	Suspended matter	Intermittent discharge	1	WS-124636 Industrial wastewater discharge outlet	4 mg/L	Level I Criteria in Second II of <i>Integrated Discharge Limits of Water Pollutants (DB44/26-2001)</i>	0.0629 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Water pollutant	Total phosphorus	Intermittent discharge	1	WS-124637 Industrial wastewater discharge outlet	0.01 mg/L	Level I Criteria in Second II of <i>Integrated Discharge Limits of Water Pollutants (DB44/26-2001)</i>	0.0002 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Water pollutant	Petroleum	Intermittent discharge	1	WS-124638 Industrial wastewater discharge outlet	0.06 mg/L	Level I Criteria in Second II of <i>Integrated Discharge Limits of Water Pollutants (DB44/26-2001)</i>	0.0025 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Water pollutant	Total copper	Intermittent discharge	1	WS-124639 Industrial wastewater discharge outlet	0.04 mg/L	Level I Criteria in Second II of <i>Integrated Discharge Limits of Water Pollutants (DB44/26-2001)</i>	0.0006 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Particulate matter	Organized discharge	1	North side of Building 2 roof	10 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> in Guangdong (DB	1.3170 t/year	The pollutant discharge permit in 2022 is not approved	None

							44/27-2001)			
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Particulate matter	Organized discharge	1	North side of Building 2 roof	10 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> in Guangdong (DB 44/27-2001)	1.3170 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Particulate matter	Organized discharge	1	North side of Building 2 roof	10 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> in Guangdong (DB 44/27-2001)	1.3170 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Lead and its compounds	Organized discharge	1	South side of Building 2 roof	0.002 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> in Guangdong (DB 44/27-2001)	0.0001 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Lead and its compounds	Organized discharge	1	South side of Building 2 roof	0.002 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> in Guangdong (DB 44/27-2001)	0.0001 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Tin and its compounds	Organized discharge	1	South side of Building 2 roof	0.002 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> in Guangdong (DB 44/27-2001)	0.0001 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Tin and its compounds	Organized discharge	1	South side of Building 2 roof	0.002 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> in Guangdong (DB 44/27-2001)	0.0001 t/year	The pollutant discharge permit in 2022 is not approved	None

Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Ammonia	Organized discharge	1	West side of Building 1 roof	1.87 mg/m ³	Table 2 of <i>Emission Standards for Odor Pollutants</i> (GB14554-93)	0.0064 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	NMHC	Organized discharge	1	South side of Building 2 roof	1.58 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> in Guangdong (DB 44/27-2001)	0.1400 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Nitrogen oxide	Organized discharge	1	East side of Building 2 roof	0.7 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> in Guangdong (DB 44/27-2001)	0.0131 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Hydrogen chloride	Organized discharge	1	East side of Building 2 roof	0.9 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> in Guangdong (DB 44/27-2001)	0.0169 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Sulfuric acid mist	Organized discharge	1	East side of Building 2 roof	0.2 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants</i> in Guangdong (DB 44/27-2001)	0.0038 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	North side of Building 1 roof	0.0015 mg/m ³	Table 2 of <i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010)	0.0002 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE	Atmospheric	Benzene	Organized	1	South side of	0.0015 mg/m ³	Section II Criteria	0.0002	The pollutant	None

Xinyuan Electronic Co., Ltd.	pollutant		discharge		Building 2 roof		of <i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010)	t/year	discharge permit in 2022 is not approved	
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	North side of Building 1 roof	0.0015 mg/m ³	Section II Criteria of <i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010)	0.0003 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Toluene	Organized discharge	1	South side of Building 2 roof	0.0015 mg/m ³	Section II Criteria of <i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010)	0.0003 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	North side of Building 1 roof	0.0015 mg/m ³	Section II Criteria of <i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010)	0.0002 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Xylene	Organized discharge	1	South side of Building 2 roof	0.0015 mg/m ³	Section II Criteria of <i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010)	0.0002 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic	Atmospheric pollutant	Total toluene and xylene	Organized discharge	1	North side of Building 1 roof	0.01 mg/m ³	Section II Criteria of <i>Emission Standard of</i>	0.0046 t/year	The pollutant discharge permit in 2022 is not	None

Co., Ltd.							<i>Volatile Organic Compounds for Printing Industry (DB44/815-2010)</i>		approved	
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Total toluene and xylene	Organized discharge	1	South side of Building 2 roof	0.01 mg/m ³	Section II Criteria of <i>Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)</i>	0.0046 t/year	The pollutant discharge permit in 2022 is not approved	None
Zhuhai GREE Xinyuan Electronic Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	North side of Building 1 roof	0.05 mg/m ³	Section II Criteria of <i>Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)</i>	0.0014 t/year	The pollutant discharge permit in 2022 is not approved	None
Gree (Zhongshan) Small Home Appliances Co., Ltd.	Atmospheric pollutant	NMHC	Organized discharge	1	Painting Workshop	1.63 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants (DB 44/27-2001)</i>	0.3682 t/year	The pollutant discharge permit in 2022 is not approved	None
Gree (Zhongshan) Small Home Appliances Co., Ltd.	Atmospheric pollutant	Benzene	Organized discharge	1	Screen Printing Workshop	0.06 mg/m ³	Level II Criteria in Section II of <i>Emission Limits of Air Pollutants (DB 44/27-2001)</i>	1.0365 t/year	The pollutant discharge permit in 2022 is not approved	None
Gree (Zhongshan) Small Home Appliances Co., Ltd.	Water pollutant	COD	Intermittent discharge	1	Outside the fuel injection room of Workshop 4	34 mg/L	Level II Limit in Section II of <i>Discharge Limits of Water Pollutants (DB44/26-2001)</i>	0.000006 t/year	The pollutant discharge permit in 2022 is not approved	None
Gree (Zhongshan) Small Home	Water pollutant	Suspended matter	Intermittent discharge	1	Outside the fuel injection room of Workshop 4	14 mg/L	Level II Limit in Section II of <i>Discharge Limits</i>	0.000001 t/year	The pollutant discharge permit in 2022 is not	None

Appliances Co., Ltd.							<i>of Water Pollutants (DB44/26-2001)</i>		approved	
Zhuhai Landa Compressor Co., Ltd.	Water pollutant	Total zinc	Continuous emission	1	Area C sewage station	0.08 mg/L	<i>Discharge Standard Water Pollutants for Electroplating (DB 44/1597-2015)</i>	0.0096 t/year	0.29 t/year	None
Zhuhai Landa Compressor Co., Ltd.	Water pollutant	Total nickel	Continuous emission	1	Workshop wastewater pre-treatment discharge outlet (Area C)	0.019 mg/L	<i>Discharge Standard Water Pollutants for Electroplating (DB 44/1597-2015)</i>	0.0031 t/year	0.015 t/year	None
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Electrophoresis drying waste gas vent 1	10.37 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)</i> <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations (DB44/814-2010)</i> <i>Emission Limits of Air Pollutants (DB44/27-2001)</i> <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB</i>	2.3820 t/year	2022 Pollutant Discharge Permit Approval: A total of 2.49 t/year of VOCs from electrophoresis drying waste gas, painting waste gas, and tooling coating painting room waste gas	None

							9078-1996) <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB44/816-2010) <i>Emission Standard of Pollutants for Electroplating</i> (GB 21900-2008)			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Electrophoresis drying waste gas vent 2	3.513 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010) <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> (DB44/814-2010) <i>Emission Limits of Air Pollutants</i> (DB44/27-2001) <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB	2.3820 t/year	2022 Pollutant Discharge Permit Approval: A total of 2.49 t/year of VOCs from electrophoresis drying waste gas, painting waste gas, and tooling coating painting room waste gas	None

							9078-1996) <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB44/816-2010) <i>Emission Standard of Pollutants for Electroplating</i> (GB 21900-2008)			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Painting waste gas vent 1	6.213 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010) <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> (DB44/814-2010) <i>Emission Limits of Air Pollutants</i> (DB44/27-2001) <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB	2.3820 t/year	2022 Pollutant Discharge Permit Approval: A total of 2.49 t/year of VOCs from electrophoresis drying waste gas, painting waste gas, and tooling coating painting room waste gas	None

							9078-1996) <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB44/816-2010) <i>Emission Standard of Pollutants for Electroplating</i> (GB 21900-2008)			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Painting waste gas vent 2	14.93 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010) <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> (DB44/814-2010) <i>Emission Limits of Air Pollutants</i> (DB44/27-2001) <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB	2.3820 t/year	2022 Pollutant Discharge Permit Approval: A total of 2.49 t/year of VOCs from electrophoresis drying waste gas, painting waste gas, and tooling coating painting room waste gas	None

							9078-1996) <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB44/816-2010) <i>Emission Standard of Pollutants for Electroplating</i> (GB 21900-2008)			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Painting waste gas vent 3	8.19 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010) <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> (DB44/814-2010) <i>Emission Limits of Air Pollutants</i> (DB44/27-2001) <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB	2.3820 t/year	2022 Pollutant Discharge Permit Approval: A total of 2.49 t/year of VOCs from electrophoresis drying waste gas, painting waste gas, and tooling coating painting room waste gas	None

							9078-1996) <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB44/816-2010) <i>Emission Standard of Pollutants for Electroplating</i> (GB 21900-2008)			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Painting room waste gas vent	14.25 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010) <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> (DB44/814-2010) <i>Emission Limits of Air Pollutants</i> (DB44/27-2001) <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB	2.3820 t/year	2022 Pollutant Discharge Permit Approval: A total of 2.49 t/year of VOCs from electrophoresis drying waste gas, painting waste gas, and tooling coating painting room waste gas	None

							9078-1996) <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB44/816-2010) <i>Emission Standard of Pollutants for Electroplating</i> (GB 21900-2008)			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Screen printing waste gas vent	/(Stop production)	<i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010) <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> (DB44/814-2010) <i>Emission Limits of Air Pollutants</i> (DB44/27-2001) <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB	3.0250 t/year	The pollutant discharge permit in 2022 is not approved	None

							9078-1996) <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB44/816-2010) <i>Emission Standard of Pollutants for Electroplating</i> (GB 21900-2008)			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Injection molding waste gas vent	1.65 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010) <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> (DB44/814-2010) <i>Emission Limits of Air Pollutants</i> (DB44/27-2001) <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB	3.0250 t/year	The pollutant discharge permit in 2022 is not approved	None

							9078-1996) <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB44/816-2010) <i>Emission Standard of Pollutants for Electroplating</i> (GB 21900-2008)			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Hydrocarbon cleaning discharge outlet	2.733 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB44/815-2010) <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations</i> (DB44/814-2010) <i>Emission Limits of Air Pollutants</i> (DB44/27-2001) <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB	3.0250 t/year	The pollutant discharge permit in 2022 is not approved	None

							9078-1996) <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>			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Cleaning drying waste gas vent 1	1.428 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)</i> <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations (DB44/814-2010)</i> <i>Emission Limits of Air Pollutants (DB44/27-2001)</i> <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB</i>	3.0250 t/year	The pollutant discharge permit in 2022 is not approved	None

							9078-1996) <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>			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Cleaning drying waste gas vent 2	1.938 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)</i> <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations (DB44/814-2010)</i> <i>Emission Limits of Air Pollutants (DB44/27-2001)</i> <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB</i>	3.0250 t/year	The pollutant discharge permit in 2022 is not approved	None

							9078-1996) <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>			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Cleaning drying waste gas vent 3	19.64 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)</i> <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations (DB44/814-2010)</i> <i>Emission Limits of Air Pollutants (DB44/27-2001)</i> <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB</i>	3.0250 t/year	The pollutant discharge permit in 2022 is not approved	None

							9078-1996) <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>			
Zhuhai Landa Compressor Co., Ltd.	Atmospheric pollutant	Total VOCs	Organized discharge	1	Dip coating waste gas vent	2.305 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)</i> <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations (DB44/814-2010)</i> <i>Emission Limits of Air Pollutants (DB44/27-2001)</i> <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB</i>	3.0250 t/year	The pollutant discharge permit in 2022 is not approved	None

							9078-1996) <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB44/816-2010) <i>Emission Standard of Pollutants for Electroplating</i> (GB 21900-2008)			
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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 steadily meet the emission standards, without excessive emission standards.

2. Waste gas pollution prevention and control facilities

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

3. Solid waste treatment and disposal facilities

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

Environment self-monitoring scheme

An environmental self-testing scheme was developed in accordance with the environmental requirements. Wastewater pollutants were tested once a day, and atmospheric pollutants were tested at least once a year.

Contingency plan for environmental emergencies

The Company implemented the requirements of the *National Emergency Management Measures for Sudden Environmental Events* and relevant laws and regulations. To ensure timely, orderly, efficient, and appropriate response and handling of sudden environmental events, protect the personal safety of employees, and reduce property losses, the Company and its subsidiaries have developed emergency plans for sudden environmental events and reported them to the environmental protection department for file.

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

	Company Name	Investment in Environmental Protection and Governance	Environmental Protection Taxes Paid
1	Gree Electric Appliances, Inc. of Zhuhai	RMB2,744,090	RMB44,440.89
2	Zhuhai GREE Electric Enterprises Ltd.	RMB680,000	RMB6,662.10
3	Gree (Hefei) Electric Appliances Co., Ltd..	RMB650,000	RMB3,526.72
4	Zhuhai Landa Compressor Co., Ltd.	RMB3,117,030	RMB14,372.83
5	Zhuhai GREE Xinyuan Electronic Co., Ltd.	RMB486,704	RMB945.5
6	Zhuhai Kaibang Motor Manufacturing Co., Ltd.	RMB2,405,707	RMB29,460.47
7	Gree (Zhongshan) Small Home Appliances Co., Ltd.	RMB1,137,000	RMB4,200

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

Applicable Not applicable

Gree Electric Appliances attaches great importance to energy saving and emission reduction, always adhering to the green environmental protection concept of "making the sky bluer and the earth greener", implements the energy policy of "rational use of energy and improvement of energy utilization efficiency", establish and operate an energy management system, and promote the Company's energy saving through management and technological innovation. Taking the energy saving and consumption reduction improvement project as an example, in 2022, the Company carried out significant energy-saving technology and management improvement projects such as energy efficiency improvement and precision end control improvement of the air conditioning system, optimization and improvement of humidification method in controller workshop, optimization and improvement of super magnetic screw compressor testing, intelligent frequency regulation improvement of two dryers and upgrading and improvement of natural lighting system in the workshop, which saved 2,630 tons of standard coal and reduced approximately 8,985 tons of carbon dioxide emissions, achieving good energy-saving and emission reduction results.

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

(<http://www.cninfo.com.cn/new/index>)Gree Electric Appliances actively fulfilled its social responsibilities, effectively safeguarded the legitimate rights and interests of all stakeholders, used its strength to win the recognition of the capital market and consumer market for its enterprises, brand and products, and used its actions to promote the green and low-carbon development of the industry (for details, please refer to the *2022 Social Responsibility Report* published on CNINFO (<http://www.cninfo.com.cn/new/index>) on April 29, 2023).

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	<p>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 period.</p> <p>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>	December 2, 2019	January 23, 2023	In progress
Commitments in the acquisition report or equity change report	Zhuhai Mingjun Investment Partnership (Limited Partnership); Zhuhai Xianying Equity Investment Partnership (Limited Partnership); Zhuhai Yuxiu Investment Co.,	Maintain independence of listed companies	<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:</p> <p>(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 independent and complete assets, and all of its assets are under the control of Gree Electric Appliances and are independently owned and</p>	December 2, 2019	Long-term effective	In progress

	Ltd.		<p>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 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 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 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 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</p>			
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			<p>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.</p> <p>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 equity change report	Zhuhai Mingjun Investment Partnership (Limited Partnership); Zhuhai Xianying Equity Investment Partnership (Limited Partnership); Zhuhai Yuxiu Investment Co., Ltd.	Commitment on avoiding horizontal competition	<p><i>Letter of Commitment on Avoiding Horizontal Competition:</i> To avoid horizontal competition with listed company, Zhuhai Mingjun, Zhuhai Xianying, and Zhuhai Yuxiu make the following commitments:</p> <ol style="list-style-type: none"> 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 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 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 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 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 other unrelated third parties. 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. 	December 2, 2019	Long-term effective	In progress
Commitments in the acquisition report or equity change report	Zhuhai Mingjun Investment Partnership (Limited	Commitment on standardizing the affiliated	<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>	December 2, 2019	Long-term effective	In progress

	Partnership); Zhuhai Xianying Equity Investment Partnership (Limited Partnership); Zhuhai Yuxiu Investment Co., Ltd.	transactions	<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 conduct; and the enterprise commit 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 in 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 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 equity change report	Dong Mingzhu	Maintain independence of listed companies	<p><i>Letter of Commitment on Maintaining the Independence of the Listed Company:</i> To ensure the independent operation of the listed company after this equity transfer, I make the following commitments:</p> <p>(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 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</p>	December 2, 2019	Long-term effective	In progress

		<p>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 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 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 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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			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.			
Commitments in the acquisition report or equity change report	Dong Mingzhu	Avoiding horizontal competition	<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 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 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.	December 2, 2019	Long-term effective	In progress
Commitments in the acquisition report or equity change report	Dong Mingzhu	Standardizing affiliated transactions	<i>Letter of Commitment on Standardizing the Affiliated Transactions:</i> 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 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	December 2, 2019	Long-term effective	In progress

			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 Appliances or damage the interests of Gree Electric Appliances and affiliated shareholders. 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.			
Commitments in the acquisition report or equity change report	Zhuhai Mingjun Investment Partnership (Limited Partnership)	Other commitments	<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 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 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>	December 2, 2019	Long-term effective	In progress
Equity incentive commitment	Zhuhai Gree Group Co., Ltd.	Other commitments	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 Incentive Plan.	June 14, 2019	During the period of being a shareholder of Gree Electric Appliances	In progress

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 material accounting errors compared to the previous year's financial statements

Applicable Not applicable

On December 31, 2021, the Ministry of Finance issued the *Accounting Standards for Enterprises Interpretation No.15* (hereinafter referred to as "Interpretation No.15"). According to Interpretation No. 15:

a. If the Company sells products or by-products produced before the fixed assets reach their intended usable state or during the R&D process, the revenue and costs related to trial operation sales are accounted for separately in accordance with the *Accounting Standards for Enterprises No.14 – Revenues* and *Accounting Standards for Enterprises No.1 – Inventories* and included in the current profits and losses, instead of offsetting the net amount after offsetting related costs from trial sales revenue against fixed assets cost or R&D expenditure, and it will be implemented on January 1, 2022. The change in accounting policy did not have a significant impact on the financial indicators including total assets, total liabilities, net assets and net profits of the Company.

b. The "cost of performing the contract" considered by the Company when determining whether the contract is an onerous contract includes not only the incremental cost (direct labor, direct materials, etc.) of performing the contract, but also the allocation amount (depreciation expense allocation amount for fixed assets used to fulfill the contract) of other costs directly related to performing the contract, which will be implemented from January 1, 2022. According to the provisions of Interpretation No. 15, for contracts that have not yet fulfilled all obligations on the first implementation date of January 1, 2022, the cumulative impact is adjusted to the retained earnings and other related financial statement items at the beginning of 2022, and the comparative financial statement data in 2021 is not adjusted. The change in accounting policy did not have a significant impact on the financial indicators including total assets, total liabilities, net assets and net profits of the Company.

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

Applicable Not applicable

1. Business combination not under common control

Business combination not under common control in the current period

Unit: yuan

Name of the Acquiree	Time Point of Equity Acquisition	Equity Acquisition Cost	Equity Acquisition Proportion	Equity Acquisition Method	Acquisition Date	Basis for Determining the	Operating Revenue from the Acquisition Date to the Statement Date	Net Profits from the Acquisition Date to the Statement Date
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						Acquisition Date		
Zhejiang DunAn Artificial Environment Co., Ltd.	2022/4/30	2,423,031,350.00	29.48%	Purchase by cash	2022/4/30	Acquisition of control	7,124,335,200.38	719,774,347.64

2. Disposal of subsidiaries

Unit: yuan

Company Name	Equity Disposal Price	Equity Disposal Proportion (%)	Equity Disposal Method	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 Remaining Equity on the Date of Losing Control	Fair Value of Remaining Equity 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	Amount of Other Comprehensive Income Related to Equity Investment of the Original Subsidiary Transferred into Investment Profits and Losses
Shanxi Yinlong Guangtong New Energy Vehicle Sales Co., Ltd.		100.00	Cancelled	2022/11/8	Business registration	-317,466.94						None
Songliang (Shenzhen) South China Agricultural Development Co., Ltd.		100.00	Cancelled	2022/7/28	Business registration	-165,104.22						None

3. Change of combination scope for other reasons

Newly established entity in the current period

Unit: yuan

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
Pinquan Gree Altairnano New Energy Co., Ltd.	2022/2/16	2,009,569.41	-390,430.59
Gree Electromechanical Engineering (Luoyang) Co., Ltd.	2022/3/28	31,454,357.36	1,454,357.36
Gree Electromechanical Engineering (Xinzhou) Co., Ltd.	2022/6/20	20,701,097.80	20,701,097.80
Zhuhai Gree Electronic Components Co., Ltd.	2022/7/6	96,101,744.50	-3,898,255.50
Mingruida Supply Chain Technology (Linyi) Co., Ltd.	2022/08/12	-110.22	-110.22
Tieling Fengyu Agricultural Technology Co. Ltd.	2022/08/16	225,574.59	125,574.59
Tianjin Gree Renewable Resources Recycling Co., Ltd.	2022/10/27	10,019,500.43	-499.57
Zhuhai Gree Prefabricated Vegetable Equipment Technology Development Co., Ltd.	2022/12/8		
Zhuhai Gree Digital Technology Co., Ltd.	2022/12/21	50,000,000.15	0.15

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 (10,000 yuan)	396
Consecutive years for the domestic accounting firm to render audit service	8 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	1 year, 2 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 its internal control accounting firm.

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 Transaction	Content of Affiliated Transactions	Pricing Principles for Affiliated Transactions	Price of Affiliated Transactions	Amount of Affiliated Transactions (10,000 yuan)	Proportion to Amount of Similar Transactions	Approved Transaction Amount (10,000 yuan)	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 two parties	Market price	573,188.91	3.74%	460,000	No	Payment before delivery	Market price	April 30, 2022	Disclosed on April 30, 2022 on CNINFO (www.cninfo.com.cn) Announcement No.: 2022-025
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 two parties	Market price	414,211.47	2.70%	400,000	No	Payment before delivery	Market price	April 30, 2022	Disclosed on April 30, 2022 on CNINFO (www.cninfo.com.cn) Announcement No.: 2022-025
Total				--	--	987,400.38	--	860,000	--	--	--	--	--
Details of large-amount sales return				Not applicable									
Actual fulfillment (if any) in the report period				In the fiscal year 2022, the total amount of daily affiliated transactions between the Company and the aforementioned related parties was expected to not exceed RMB8.6 billion. In the fiscal year 2023, the total amount of daily affiliated transactions between the Company and									

when the total amount is estimated by category for the daily affiliated transaction that will incur in the current period	the aforementioned affiliated parties is expected to not exceed RMB9 billion, and the total amount expected to incur is expected to not exceed RMB17.6 billion. The actual amount incurred in the fiscal year 2022 was RMB9,874 million, and as of March 31, 2023, the actual amount incurred in the fiscal year 2023 is expected to be RMB6,342 million, totaling RMB16,216 million yuan, which did not exceed the expected amount. When making daily affiliated transaction estimates, the Company fully considers the possibility of affiliated transactions of the affiliated parties, but the actual amount of affiliated transactions is the result of a combination of factors such as actual market demand and business development.
Cause for the large difference between 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: 10,000 yuan

External guarantees by the Company and its subsidiaries (excluding guarantees to 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
None										
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
Hefei Kaibang Motor Co., Ltd.	April 30, 2022	17,764.17		17,764.17	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Nanjing Walsin Metal Co., Ltd.	April 30, 2022	33,647.11		33,647.11	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Zhuhai Gree Green Control Technology Co., Ltd.	April 30, 2022	1,045.18		1,045.18	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Gree Electric Appliances (Nanjing) Co., Ltd.	April 30, 2022	1,100.93		1,100.93	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Zhuhai Gree Energy Environment Technology Co., Ltd.	April 30, 2022	2,390.66		2,390.66	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No

Gree (Hangzhou) Electric Appliances Co., Ltd.	April 30, 2022	3,235.98		3,235.98	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Gree Changsha HVAC Equipment Co., Ltd.	April 30, 2022	42,070.22		42,070.22	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Zhuhai Gree Mechanical and Electrical Engineering Co., Ltd.	April 30, 2022	3,531.66		3,531.66	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Hefei Kinghome Electrical Co., Ltd.	April 30, 2022	16.27		16.27	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Gree Tosot (Suqian) Home Appliances Co., Ltd.	April 30, 2022	145.46		145.46	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Gree Precision Mould (Anji) Co., Ltd.	April 30, 2022	95.79		95.79	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Gree (Wuhu) Electric Appliances Co., Ltd.	April 30, 2022	19,168.23		19,168.23	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Gree Electric Enterprises (Maanshan) Ltd.	April 30, 2022	1,879.61		1,879.61	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Zhuhai Gree Intelligent Equipment Co., Ltd.	April 30, 2022	11,261.49		11,261.49	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No

Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.	April 30, 2022	12,734.47		12,734.47	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Gree (Wuhan) Electric Appliances Co., Ltd.	April 30, 2022	92.4		92.4	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Gree (Wu'an) Precision Equipment Manufacturing Co., Ltd.	April 30, 2022	8,509.67		8,509.67	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Zhuhai Gree Electrical Intelligent Manufacturing Co., Ltd.	April 30, 2022	3,003.97		3,003.97	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Gree Electric Appliances (Chengdu) Co., Ltd.	April 30, 2022	57,960.15		57,960.15	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Zhuhai Gree Precision Mold Co., Ltd.	April 30, 2022	24,826.04		24,826.04	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	April 30, 2022	78.75		78.75	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Zhuhai Gree New Material Co., Ltd.	April 30, 2022	2,026.64		2,026.64	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Zhuhai GREE Electric	April 30, 2022	5.4		5.4	Pledged	Note pool	None	From the actual date of	No	No

Enterprises Ltd.								guarantee to June 7, 2023		
Hefei Landa Compressor Co., Ltd.	April 30, 2022	199.03		199.03	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	No
Gree Intelligent Equipment (Wuhan) Co., Ltd.	April 30, 2022	5,996.46		5,996.46	Pledged	Note pool	None	From the actual date of guarantee to June 7, 2023	No	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)						252,785.74
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)						252,785.74
Guarantee of subsidiaries to 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
Zhuhai Guangtong Automobile Co., Ltd.	December 24, 2021	30,000	February 11, 2022	20,000	General guarantee and pledge	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;	No	No

								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 loan.		
Zhuhai Gree Altairnano Electric Appliance Co., Ltd.		1,454.6	April 29, 2022	980	Pledged	Yes	None	From April 13, 2021 to April 12, 2026, the creditor's rights 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
Tianjin Guangtong	December 13, 2022	35,000	December 30, 2022	35,000	General warranty	None	None	From the effective date	No	No

Automobile Co., Ltd.								of the guarantee contract to three years after the date of expiration of the performance period of the debt under the main contract		
Gree Altairnano New Energy Inc.	December 13, 2022	55,000	December 30, 2022	55,000	General warranty	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
Gree Altairnano New Energy Inc.	December 24, 2021	65,000	December 29, 2021	65,000	General warranty	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

Tianjin Guangtong Automobile Co., Ltd.	December 24, 2021	35,000	December 29, 2021	35,000	General warranty	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
Zhuhai Gree Altairnano Electric Appliance Co., Ltd.	December 24, 2021	10,000	December 28, 2021	10,000	General warranty	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
Total amount of guarantees to subsidiaries approved during the report period (C1)		435,500		Total amount incurred of guarantees to subsidiaries during the report period (C2)		90,980				
Total amount of guarantees to subsidiaries approved at the end of the report period (C3)		435,500		Total actual guarantee balance to subsidiaries at the end of the report period (C4)		1,109,800				
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)		2,335,500		Total amount of guarantees incurred during the report period (A2+B2+C2)		343,765.74				

Total amount of approved guarantees at the end of the report period (A3+B3+C3)	2,335,500	Total actual guarantee balance at the end of the report period (A4+B4+C4)	1,362,585.74
Proportion of actual total guarantees (i.e. A4+B4+C4) to the Company's net assets			14.08%
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 asset liability ratio exceeding 70% (E)			1,109,800
Amount of the total guarantee exceeding 50% of net assets (F)			0
Total amount of the three guarantees mentioned above (D+E+F)			1,109,800
Explanation (if any) where there is a guarantee liability or evidence indicating the possibility of assuming joint and several liabilities for unexpired guarantee contracts during the report period	Not applicable		
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: 10,000 yuan

Specific type	Source of funds for entrusted financial management	Amount incurred of entrusted financial management	Undue balance	Overdue uncollected amount	Impaired amount for overdue uncollected amount
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Bank financial products	Own funds	251,044.13	251,044.13		
Trust financial products	Own funds	10,057.4	10,057.4		
Securities traders' financial products	Own funds	494,110.82	494,110.82		
Total		755,212.35	755,212.35		

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 need 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	45,577,325	0.77%				-6,310,386	-6,310,386	39,266,939	0.70%
1. Shares held by the State									
2. Shares held by state-owned legal person									
3. Shares held by other domestic capital	45,577,325	0.77%				-6,310,386	-6,310,386	39,266,939	0.70%
Including: Shares held by domestic legal person									
Shares held by domestic natural person	45,577,325	0.77%				-6,310,386	-6,310,386	39,266,939	0.70%
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	5,868,891,715	99.23%				-276,752,913	-276,752,913	5,592,138,802	99.30%
1. RMB common share	5,868,891,715	99.23%				-276,752,913	-276,752,913	5,592,138,802	99.30%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total number of shares	5,914,469,040	100.00%				-283,063,299	-283,063,299	5,631,405,741	100.00%

Causes for changes in share capital

Applicable Not applicable

On July 5, 2022, the total share capital of the Company and the number of circulating shares without trading restriction conditions changed from 5,914,469,040 shares to 5,631,405,741 shares as a result of the cancellation of shares in the special securities account for repurchase, please refer to the *Announcement of Gree Electric Appliances, Inc. of Zhuhai on the Completion of Share Repurchase Cancellation and Change of Shares* (Announcement No.: 2022-044) on CNINFO (<http://www.cninfo.com.cn/new/index>).

Approval of share changes

Applicable Not applicable

(1) The Company held the 27th Meeting of the 11th Board of Directors and the 20th Meeting of the 11th Board of Supervisors on September 28, 2021, and deliberated and adopted the *Proposal on Cancelling the Repurchased Shares in Phase III and Using the Employee Stock Ownership Plan for the Remaining Shares*, and the Company proposed to cancel 70% of the purchased shares (i.e. 221,032,019 shares) in Phase III Repurchase to reduce the registered capital.

(2) The Company held the 29th Meeting of the 11th Board of Directors and the 22nd Meeting of the 11th Board of Supervisors on November 16, 2021, and deliberated and adopted the *Proposal on Cancellation of Remaining Shares after Subscription of the Employee Stock Ownership Plan Phase*, and the Company planned to change the purpose of and cancel the remaining 46,365,753 shares repurchased in Phase I.

(3) The Company held the 31st Meeting of the 11th Board of Directors and the 23rd Meeting of the 11th Board of Supervisors on January 24, 2022, and deliberated and adopted the *Proposal on Cancellation of Remaining Shares After the Phase I Repurchase of Purchased Shares for Employee Stock Ownership Plan*, and the Company planned to change the purpose of and cancel the remaining 15,665,527 shares repurchased in Phase I.

The aforementioned proposal for share cancellation has been deliberated and adopted at the 1st Interim General Meeting of Shareholders in 2022 of the Company held on February 28, 2022. The Company has cancelled 283,063,299 shares in total, and after this share cancellation, the total share capital of the Company was changed from 5,914,469,040 shares to 5,631,405,741 shares. For details, please refer to *Announcement of Gree Electric Appliances, Inc. of Zhuhai on the Completion of Share Repurchase Cancellation and Change of Shares* (Announcement No. 2022-044) on CNINFO (<http://www.cninfo.com.cn/new/index>).

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
Wang Jingdong	663,505		663,505	0	Outgoing senior executive	July 16, 2022

					share lockup	
Huang Hui	5,535,000		5,535,000	0	Outgoing senior executive share lockup	July 16, 2022
Duan Xiufeng	447,525		111,881	335,644	Senior executive share lockup	-
Total	6,646,030	0	6,310,386	335,644	--	--

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

(1) The Company held the 27th Meeting of the 11th Board of Directors and the 20th Meeting of the 11th Board of Supervisors on September 28, 2021, and deliberated and adopted the *Proposal on Cancelling the Repurchased Shares in Phase III and Using the Employee Stock Ownership Plan for the Remaining Shares*, and the Company proposed to cancel 70% of the purchased shares (i.e. 221,032,019 shares) in Phase III Repurchase to reduce the registered capital.

(2) The Company held the 29th Meeting of the 11th Board of Directors and the 22nd Meeting of the 11th Board of Supervisors on November 16, 2021, and deliberated and adopted the *Proposal on Cancellation of Remaining Shares after Subscription of the Employee Stock Ownership Plan Phase*, and the Company planned to change the purpose of and cancel the remaining 46,365,753 shares repurchased in Phase I.

(3) The Company held the 31st Meeting of the 11th Board of Directors and the 23rd Meeting of the 11th Board of Supervisors on January 24, 2022, and deliberated and adopted the *Proposal on Cancellation of Remaining Shares After the Phase I Repurchase of Purchased Shares for Employee Stock Ownership Plan*, and the Company planned to change the purpose of and cancel the remaining 15,665,527 shares repurchased in Phase I.

The aforementioned proposal for share cancellation has been deliberated and adopted at the 1st Interim General Meeting of Shareholders in 2022 of the Company held on February 28, 2022. The Company has cancelled 283,063,299 shares in total, and after this share cancellation, the total share capital of the Company was changed from 5,914,469,040 shares to 5,631,405,741 shares. For details, please refer to *Announcement of Gree Electric Appliances, Inc. of Zhuhai on the Completion of Share Repurchase Cancellation and Change of Shares* (Announcement No. 2022-044) on CNINFO (<http://www.cninfo.com.cn/new/index>).

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	743,864	Total number of common shareholders as of the end of the previous month before the disclosure date of the Annual Report	660,888	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	
Shareholding of the shareholders holding more than 5% of total shares or the top 10 shareholders								
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			902,359,632	Pledged	902,359,632
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	11.48%	646,531,227	-12,814,432		646,531,227		
Jinghai Internet Technology Development Co., Ltd.	Domestic non-state-owned legal person	6.80%	382,921,238	-110,219,217		382,921,238		
China Securities Finance Corporation	Domestic non-state-owned legal person	3.19%	179,870,800			179,870,800		

Limited								
Zhuhai Gree Group Co., Ltd.	State-owned legal person	3.17%	178,465,992	8,946,200		178,465,992		
Foresea Life Insurance Co., Ltd. – Hai Li Nian Nian	Others	0.83%	46,660,192			46,660,192		
Gree Electric Appliances, Inc. of Zhuhai – Employee Stock Ownership Plan Phase I	Others	0.82%	46,334,473			46,334,473		
Dong Mingzhu	Domestic natural person	0.79%	44,488,492		33,366,369	11,122,123		
HHLR Management Pte. Ltd. – HHLR China Fund	Foreign legal person	0.77%	43,396,407			43,396,407		
Abu Dhabi Investment Authority	Foreign legal person	0.56%	31,735,279	3,333,328		31,735,279		
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 any 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 repurchase accounts among the top 10 shareholders (if any) (see Note 10)	Gree Electric Appliances, Inc. of Zhuhai held 94,728,008 shares in the repurchase special securities account at the end of the report period, with a shareholding ratio of 1.68%.							

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.	646,531,227	RMB common share	646,531,227
Jinghai Internet Technology Development Co., Ltd.	382,921,238	RMB common share	382,921,238
China Securities Finance Corporation Limited	179,870,800	RMB common share	179,870,800
Zhuhai Gree Group Co., Ltd.	178,465,992	RMB common share	178,465,992
Foresea Life Insurance Co., Ltd. – Hai Li Nian Nian	46,660,192	RMB common share	46,660,192
Gree Electric Appliances, Inc. of Zhuhai – Employee Stock Ownership Plan Phase I	46,334,473	RMB common share	46,334,473
HHLR Management Pte. Ltd. – HHLR China Fund	43,396,407	RMB common share	43,396,407
Abu Dhabi Investment Authority	31,735,279	RMB common share	31,735,279
CITIC Securities Company Limited	29,320,790	RMB common share	29,320,790
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 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 any association between the above shareholders or whether they are persons acting in concert.		
Description of the participation of the top 10 common shareholders in margin trading and securities lending business	None		

(if any) (see Note 4)

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 and Zhuhai Mingjun 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*, pursuant to which Gree Group transferred 902,359,632 shares of the listed company to Zhuhai Mingjun. After the transaction, the single largest shareholder Zhuhai Mingjun, and Dong Mingzhu, the person acting in concert, cannot pass specific proposals based on their actual voting rights of the listed company's shares, which is not sufficient to have a significant impact on the resolutions of the shareholders' meeting of the listed company, nor can they decide on the election of more than half of the members of the Board of Directors of the listed company. Therefore, the listed company has no controlling shareholder or actual controller. 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 and Zhuhai Mingjun 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*, pursuant to which Gree Group transferred 902,359,632 shares of the listed company to Zhuhai Mingjun. After the transaction, the single largest shareholder Zhuhai Mingjun, and Dong Mingzhu, the person acting in concert, cannot pass specific proposals based on their actual voting rights of the listed company's shares, which is not sufficient to have a significant impact on the resolutions of the shareholders' meeting of the listed company, nor can they decide on the election of more than half of the members of the Board of Directors of the listed company. Therefore, the listed company has no controlling shareholder or actual controller. 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 Investment Partnership (Limited Partnership)	Zhuhai Xianying Equity Investment Partnership (Limited Partnership)	May 11, 2017	91440400MA4WJBCR4W	Business scope 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 (10,000 yuan)	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	1,696,100	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	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)
April 13, 2020	108,365,753	1.80%	599,959.10	No more than 12 months from April 10, 2020	The original purpose of the plan was Employee Stock Ownership Plan or equity incentive, but after approval, part of it was changed to cancellation purpose	108,365,753	
May 27, 2021	315,760,027	5.25%	1,499,998.51	No more than 12 months from May 26, 2021	The original purpose of the plan was Employee Stock Ownership Plan or equity incentive, but after approval, part of it was changed to cancellation purpose	315,760,027	

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

I. Enterprise bond

Applicable Not Applicable

There was no enterprise bond in the Company during the report period.

II. Corporate bond

Applicable Not Applicable

There was no corporate bond in the Company during the report period.

III. Debt financing instruments of non-financial enterprises

Applicable Not applicable

1. Basic information on debt financing instruments of non-financial enterprises

Unit: yuan (RMB)

Name of Bond	Abbreviation of Bond	Bond Code	Issuing Date	Value Date	Date Due	Bond Balance	Interest Rate	Repayment of Principal and Interest	Trading Place
2023 Green SCP Phase I of Gree Electric Appliances, Inc. of Zhuhai	23 Gree Electric Appliances GN001	132380022	March 27, 2023	March 29, 2023	October 25, 2023	900,000,000.00	2.29%	Lump sum repayment of principal and interest when due	Inter-bank market
Investor suitability arrangements (if any)			None						
Applicable trading mechanism			Not applicable						
Is there a risk of terminating listed transactions (if any) and countermeasures			None						

Overdue outstanding bonds

Applicable Not Applicable

2. Triggering and execution of issuer or investor option clauses and investor protection clauses

Applicable Not Applicable

3. Intermediary

Name of Bond Project	Name of Intermediary	Office Address	Name of Person in Charge	Intermediary Contact Person	Contact Number

2023 Green SCP Phase I of Gree Electric Appliances, Inc. of Zhuhai	Beijing Dacheng (Zhuhai) Law Offices, LLP	Room 108, 119 Baoxing Road, Hongqi Village, Hengqin Town, Hengqin New Area, Zhuhai, Guangdong Province	Tang Hongjie	Cai Jialing	0756-3229880
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Has there been any change in the above-mentioned institutions during the report period

Yes No

4. Use of raised funds

Unit: yuan (RMB)

Name of Bond Project	Total Amount of Raised Funds	Amount Used	Unused Amount	Operation of Special Fund Raising Account (if any)	Rectification of illegal use of raised funds (if any)	Is it consistent with the purpose, use plan, and other agreements promised in the prospectus
2023 Green SCP Phase I of Gree Electric Appliances, Inc. of Zhuhai	900,000,000.00	198,559,708.02	701,440,291.98	Normal operation	No	No

Use of raised funds for construction projects

Applicable Not Applicable

Purpose change of raising funds for the aforementioned bonds during the Company's report period

Applicable Not Applicable

5. Adjustment of credit rating results during the report period

Applicable Not Applicable

6. Implementation and changes of guarantees, debt repayment plans, and other debt repayment guarantee measures during the report period, as well as their impact on the rights and interests of bond investors

Applicable Not Applicable

IV. Convertible bond

Applicable Not Applicable

The Company has no convertible bond during the report period.

V. Losses in the report period exceeding 10% of net assets at the end of the previous

year within the scope of consolidated financial statements

Applicable Not Applicable

VI. Overdue interest bearing debts other than bonds at the end of the report period

Applicable Not Applicable

VII. Have there been any violations of rules and regulations during the report period

Yes No

VIII. Main accounting data and financial indicators of the Company for the last two years as of the end of the report period

Item	At the End of This Report Period	At the End of Last Year	Increase/Decrease Over the End of the Previous Year
Current ratio	117.92%	114.59%	3.33%
Asset liability ratio	71.30%	66.23%	5.07%
Quick ratio	99.13%	90.56%	8.57%
Item	The Report Period	Same Period Last Year	Increase/Decrease in the Report Period Over the Same Period Last Year
Net profit after deducting non-recurring profits and losses	2,398,624.83	2,185,005.09	9.78%
EBITDA total debt ratio	13.85%	15.21%	-1.36%
Interest coverage ratio	10.70	15.68	-31.76%
Cash interest coverage ratio	12.93	4.27	202.81%
EBITDA interest coverage ratio	12.48	17.69	-29.45%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

Section X Financial Statements

I. Audit report

Type of audit opinion	Standard unqualified opinion
Signing date of audit report	April 28, 2023
Name of audit agency	Union Power Certified Public Accountants (Special General Partnership)
Document number of audit report	ZHSZ (2023) No. 0500065
Name of certified public accountant	Wu Zihao and Qiu Yiwu

Audit report text

Audit Report

ZHSZ (2023) No. 0500065

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 Parent Company's Balance Sheets as of December 31, 2022, and 2022 Consolidated and Parent Company's Income Statements, 2022 Consolidated and Parent Company's Cash Flow Statements and 2022 Consolidated and Parent 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 parent company's financial position of your company as of December 31, 2022 and the consolidated and parent company's operating results and cash flows in 2022.

II Basis for forming audit opinions

We have conducted our audit work according to the provisions of Audit Standards for Certified Public Accountant 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 Account of China, we are independent of your company and performed other responsibilities in respect of professional ethics. We believe that the audit evidences obtained by us are 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	How was the matter addressed in the audit?
<p>Refer to "Note III. 13", "Note V. 9" and "Note V. 66" in the financial statements.</p> <p>As of December 31, 2022, the book value of inventory in your company's consolidated balance sheet was RMB38,314,176,800, wherein the book balance of inventory was RMB41,094,448,100 and the inventory falling price reserves was RMB2,780,271,400.</p> <p>Recognition of the inventory falling price reserves depends on 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 identified it as a key audit matter of your company.</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 procedure such as inspection and recalculation, especially for the determination of 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 were 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 related to inventory falling price reserves in "Notes III. 13", "Note V. 9", and "Note V. 66" in the financial statements.

(II) Revenue recognition

Key audit matters	How was the matter addressed in the audit?
<p>Please refer to "Note III. 31", "Note V. 55" and "Note XV. 4" in the financial statements.</p> <p>In 2021 and 2020 Consolidated Financial Statements of your company, the revenue from selling goods was RMB188,988,382,700 and RMB187,868,874,900 respectively, an increase of 0.60% year-on-year.</p> <p>Since the amount is significant and revenue is one of</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

Key audit matters	How was the matter addressed in the audit?
<p>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>	<p>Enterprises;</p> <ol style="list-style-type: none"> 3. Check the original supporting documents related to revenue recognition, such as orders, delivery notes, and arrival receipts on the basis of 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 address revenue intertemporal; 7. Review the adequacy of the disclosure of information related to revenue recognition in "Notes III. 31", "Notes V. 55", and "Notes XV. 4" 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 2022 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.

If, based on the work we have performed on other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of other information, we are required to 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 arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

When conducting audits in accordance with auditing standards, we applied professional judgment and maintained professional skepticism. 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 audit procedures that are appropriate.

(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 your 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 to cease to continue as a going concern.

(V) Evaluated the overall presentation, structure and content of the financial statements, including the disclosure, and evaluate whether the financial statements fairly reflected the underlying 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 28, 2023

Consolidated Balance Sheet

December 31, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

Item	Note	December 31, 2022	December 31, 2021
Current assets:			
Monetary funds	V. 1	157,484,332,251.39	116,939,298,776.87
Lending funds			
Trading financial assets	V. 2	3,867,203,363.52	
Derivative financial assets	V. 3		198,773,198.65
Notes receivable	V. 4	6,818,428.95	
Accounts receivable	V. 5	14,824,742,623.45	13,840,898,802.76
Receivables financing	V. 6	28,427,310,345.20	25,612,056,693.07
Advance payments	V. 7	2,344,668,845.48	4,591,886,517.34
Other receivables	V. 8	804,277,958.80	334,161,870.18
Including: Interests receivable			
Dividends receivable		1,260,498.66	615,115.33
Buying back the sale of financial assets			
Inventory	V. 9	38,314,176,763.90	42,765,598,328.01
Contract assets	V. 10	1,047,739,817.94	1,151,228,472.63
Assets held for sale			
Non-current assets due within one year	V. 11	3,314,191,633.19	11,033,571,932.60
Other current assets	V. 12	4,704,576,940.64	9,382,177,587.07
Total current assets		255,140,038,972.46	225,849,652,179.18
Non-current assets:			
Disbursement of loans and advances	V. 13	719,799,280.27	4,142,652,901.85
Debt investment	V. 14	150,351,500.00	
Other debt investments	V. 15	14,340,348,882.97	5,910,056,891.62
Long-term receivables	V. 16	116,084,973.52	2,419,031.07
Long-term equity investments	V. 17	5,892,290,568.81	10,337,008,014.57
Other equity instrument investments	V. 18	4,669,455,797.90	10,114,246,030.05
Other non-current financial assets	V. 19	4,428,003,204.49	81,309,327.39
Investment real estate	V. 20	634,689,201.98	454,854,822.63
Fixed assets	V. 21	33,817,019,391.36	31,188,726,142.99
Construction in progress	V. 22	5,966,678,892.16	6,481,236,333.38
Usufruct assets	V. 23	207,344,779.05	14,603,282.99
Intangible assets	V. 24	11,621,853,071.43	9,916,967,208.10
Development expenditures			
Goodwill	V. 25	1,659,358,399.03	707,629,136.24
Long-term unamortized expenses	V. 26	22,862,393.90	18,724,025.74
Deferred income tax assets	V. 27	14,598,866,870.23	13,661,849,772.68
Other non-current assets	V. 28	1,039,712,699.26	716,248,679.90
Total non-current assets		99,884,719,906.36	93,748,531,601.20
Total assets		355,024,758,878.82	319,598,183,780.38

Legal Representative: Dong Mingzhu

Chief Accountant: Liao Jianxiang

Head of Accounting Department: Liu Yanzi

Consolidated Balance Sheet (Continued)

December 31, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

Item	Note	December 31, 2022	December 31, 2021
Current liabilities:			
Short-term borrowings	V. 29	52,895,851,287.92	27,617,920,548.11
Loans from other banks	V. 30		300,021,500.00
Transaction financial liabilities			
Derivative financial liabilities	V. 31	184,811,894.98	
Financial assets sold for repurchase	V. 32		746,564,041.09
Deposits from customers and interbank	V. 33	219,111,069.61	182,681,905.74
Notes payable	V. 34	38,609,900,819.74	40,743,984,514.42
Accounts payable	V. 35	32,856,071,488.87	35,875,090,911.05
Advance receipts			
Contract liabilities	V. 36	14,972,336,715.45	15,505,499,178.75
Payroll payable	V. 37	3,897,862,091.84	3,466,630,401.73
Taxes and dues payable	V. 38	3,819,424,639.48	2,230,471,191.49
Other payables	V. 39	10,912,406,666.89	6,763,119,937.14
Including: Interests payable			
Dividends payable		5,620,664,762.67	2,367,112.94
Liabilities held for sale			
Non-current liabilities due within one year	V. 40	255,342,537.57	1,255,294,034.84
Other current liabilities	V. 41	57,748,817,603.24	62,414,107,264.20
Total current liabilities		216,371,936,815.59	197,101,385,428.56
Non-current liabilities:			
Long-term borrowings	V. 42	30,784,241,211.21	8,960,864,258.30
Bonds payable			
Including: Preferred share			
Perpetual bond			
Lease liabilities	V. 43	146,836,620.66	3,313,452.52
Long-term payables	V. 44	104,644,415.20	446,194,591.92
Long-term payroll payable	V. 45	175,712,728.00	164,408,471.00
Estimated liabilities			
Deferred income	V. 46	3,340,211,330.23	2,702,653,897.78
Deferred income tax liabilities	V. 27	2,225,127,743.74	2,293,912,513.79
Other non-current liabilities			
Total non-current liabilities		36,776,774,049.04	14,571,347,185.31
Total liabilities		253,148,710,864.63	211,672,732,613.87
Shareholders' equity:			
Share capital	V. 47	5,631,405,741.00	5,914,469,040.00
Other equity instruments			
Including: Preferred share			
Perpetual bond			
Capital reserves	V. 48	496,102,011.66	125,874,127.56
Less: Treasury share	V. 49	5,643,935,587.86	19,579,646,233.43
Other comprehensive income	V. 50	2,042,901,605.04	11,204,004,355.27
Special reserves	V. 51	25,845,351.28	22,403,846.26
Surplus reserves	V. 52	2,241,118,692.92	1,983,727,107.74
General risk provisions	V. 53	507,223,117.40	505,599,356.30
Undistributed profits	V. 54	91,458,073,960.81	103,475,223,000.17
Total equity attributable to shareholders of the parent company		96,758,734,892.25	103,651,654,599.87
Minority equity		5,117,313,121.94	4,273,796,566.64
Total equity		101,876,048,014.19	107,925,451,166.51
Total liabilities and shareholders' equity		355,024,758,878.82	319,598,183,780.38

Legal Representative: Dong Mingzhu

Chief Accountant: Liao Jianxiong

Head of Accounting Department: Liu Yanzi

Consolidated Income Statement

January to December, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

Item	Note	2022	2021
I. Total operating revenue		190,150,672,542.13	189,654,033,523.50
Including: Operating revenue	V. 55	188,988,382,706.68	187,868,874,892.71
Interest income	V. 56	1,162,289,741.08	1,785,060,001.28
Fee and commission income		94.37	98,629.51
II. Total operating costs		162,107,253,847.61	163,521,848,332.24
Including: Operating costs	V. 55	139,784,387,882.78	142,251,638,589.87
Interest expense	V. 56	82,118,835.96	523,238,956.03
Fee and commission expenses		423,034.83	815,760.35
Taxes and surcharges	V. 57	1,612,243,409.40	1,076,664,461.78
Sales expenses	V. 58	11,285,451,112.27	11,581,735,617.31
Administrative expenses	V. 59	5,267,999,733.62	4,051,241,003.05
R&D expenses	V. 60	6,281,394,430.40	6,296,715,941.03
Financial expenses	V. 61	-2,206,764,591.65	-2,260,201,997.18
Including: Interest expenses		2,836,743,431.08	1,752,112,003.72
Interest income		4,646,747,718.69	4,242,449,764.06
Add: Other income	V. 62	879,809,512.05	832,177,253.43
Income from investments (losses expressed with "-")	V. 63	86,883,941.74	522,063,222.58
Including: Investment income from joint ventures or		-3,324,287.24	51,594,928.82
Income from derecognition of financial assets			
Income from net exposure hedging (losses expressed with "-")			
Income from changes in fair value (losses expressed with "-")	V. 64	-343,575,705.11	-58,130,545.10
Credit impairment losses (losses expressed with "-")	V. 65	-416,368,773.22	-150,980,869.74
Asset impairment losses (losses expressed with "-")	V. 66	-966,679,009.51	-606,161,255.62
Income from disposal of assets (losses expressed with "-")	V. 67	608,425.71	6,212,295.19
III. Operating profits (losses expressed with "-")		27,284,097,086.18	26,677,365,292.00
Add: Non-operating revenue	V. 68	59,810,331.36	154,321,776.87
Less: Non-operating expenses	V. 69	126,522,574.93	28,449,570.30
IV. Total profits (total losses expressed with "-")		27,217,384,842.61	26,803,237,498.57
Less: Income tax expenses	V. 70	4,206,040,489.50	3,971,343,865.68
V. Net profits (net losses expressed with "-")		23,011,344,353.11	22,831,893,632.89
(I) Classification by business continuity			
1. Net profits from continuing operations (net losses expressed		23,011,552,161.18	22,831,895,323.32
2. Net profits from discontinuing operations (net losses		-207,808.07	-1,690.43
(II) Classification by ownership			
1. Net profits attributable to shareholders of the parent		24,506,623,782.46	23,063,732,372.62
2. Minority profits and losses (net losses expressed with "-")		-1,495,279,429.35	-231,838,739.73
VI. Net of tax of other comprehensive income	V. 50	-9,157,870,577.73	3,923,057,187.22
(I) Net of tax of other comprehensive income attributable shareholders		-9,161,102,750.23	3,922,893,977.40
1. Other comprehensive income that cannot be reclassified into		-9,426,072,167.28	3,977,359,915.54
(1) Changes arising from remeasurement of the defined		-8,601,949.00	-12,391,783.00
(2) Other comprehensive income that cannot be transferred		-4,749,379,513.24	1,849,833,156.32
(3) Changes in fair value of other equity instrument		-4,668,090,705.04	2,139,918,542.22
(4) Changes in fair value of the Company's own credit risk			
(5) Others			
2. Other comprehensive income to be reclassified into profits		264,969,417.05	-54,465,938.14
(1) Other comprehensive income that can be transferred to			-208,819.44
(2) Changes in fair value of other debt investments		51,928,741.98	-2,346,134.55
(3) Amount of financial assets reclassified into and included			
(4) Provision for credit impairment of other debt investments		-3,667,360.51	
(5) Cash flow hedging reserves		-24,846,643.18	6,966,706.25
(6) Difference arising from translation of financial		241,554,678.76	-58,877,690.40
(II) Net of tax of other comprehensive income attributable to minority		3,232,172.50	163,209.82
VII. Total comprehensive income		13,853,473,775.38	26,754,950,820.11
(I) Total comprehensive income attributable to shareholders of the		15,345,521,032.23	26,986,626,350.02
(II) Total comprehensive income attributable to minority shareholders		-1,492,047,256.85	-231,675,529.91
VIII. Earnings per share:			
(I) Basic earnings per share (yuan/share)		4.43	4.04
(II) Diluted earnings per share (yuan/share)		4.43	4.04

Legal Representative: Dong Mingzhu

Chief Accountant: Liao Jianxiong

Head of Accounting Department: Liu Yanzi

Consolidated Cash Flow Statement

January to December, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

Item	Note	2022	2021
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		191,722,692,750.88	169,646,517,565.79
Net increase in deposits from customers and interbank		36,042,751.33	-78,563,388.63
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		316,385,822.75	955,723,978.81
Net increase in loans from other banks			
Net increase in repurchase business capital		-746,500,000.00	271,500,000.00
Refund of taxes and levies		3,671,277,018.74	2,467,381,243.01
Other cash received related to operating activities	V. 71. (1)	3,887,782,462.69	3,938,701,318.02
Subtotal of cash inflows from operating activities		198,587,680,806.39	177,201,260,717.00
Cash payments for goods acquired and services received		140,307,498,966.97	145,601,518,405.47
Net increase in customer loans and advances		-3,541,760,000.00	-1,131,768,349.46
Net increase in deposits with central bank and interbank funds		-142,968,622.64	-633,908,556.69
Net increase in lending funds			
Cash paid for interests, fees and commissions		72,151,067.99	525,419,503.63
Cash paid to and on behalf of employees		10,236,422,672.26	9,848,593,392.99
Payments of all types of taxes		12,501,020,989.21	8,371,839,466.55
Other cash paid related to operating activities	V. 71. (2)	10,486,879,811.33	12,725,203,595.79
Subtotal of cash outflows from operating activities		169,919,244,885.12	175,306,897,458.28
Net cash flows from operating activities		28,668,435,921.27	1,894,363,258.72
II. Cash flows from investment activities:			
Cash received from recovery of investment		6,897,604,278.47	7,349,802,107.98
Cash received from return of investment		96,017,802.71	161,515,418.96
Net cash received from disposal of fixed assets, intangible assets and		22,767,686.65	14,956,809.63
Net cash received from disposal of subsidiaries and other business	V. 72. (3)	67,258,353.52	13,498,800.00
Other cash received related to investment activities	V. 71. (3)	3,443,556,899.78	47,851,587,196.05
Subtotal of cash inflows from investment activities		10,527,205,021.13	55,391,360,332.62
Cash paid for purchase and construction of fixed assets, intangible		6,036,136,315.75	5,727,074,800.44
Cash paid for investments		13,467,910,481.50	18,154,432,702.74
Net cash paid for acquisition of subsidiaries and other business units	V. 72. (2)	2,031,361,368.42	1,747,336,403.99
Other cash paid related to investment activities	V. 71. (4)	26,048,629,646.87	10,532,866.10
Subtotal of cash outflows from investment activities		47,584,037,812.54	25,639,376,773.27
Net cash flows from investment activities		-37,056,832,791.41	29,751,983,559.35
III. Cash flows from financing activities:			
Cash received from absorbing investment		32,000,000.00	45,113,614.81
Including: Cash received from subsidiaries absorbing minority		32,000,000.00	45,113,614.81
Cash received from borrowings		102,926,746,831.03	88,802,444,041.60
Other cash received related to financing activities	V. 71. (5)	20,000,000.00	1,143,534,793.64
Subtotal of cash inflows from financing activities		102,978,746,831.03	89,991,092,450.05
Cash repayments of amounts borrowed		60,908,105,526.39	57,868,429,527.67
Cash paid for dividend and profit distribution or interest payment		18,469,103,441.58	17,546,695,095.00
Including: Dividends and profits paid to minority shareholders by		49,000,000.00	
Other cash paid related to financing activities	V. 71. (6)	13,678,745,549.95	39,906,551,717.86
Subtotal of cash outflows from financing activities		93,055,954,517.92	115,321,676,340.53
Net cash flows from financing activities		9,922,792,313.11	-25,330,583,890.48
IV. Effect of foreign exchange rate changes on cash and cash		268,517,494.64	-589,068,807.74
V. Net increase in cash and cash equivalents		1,802,912,937.61	5,726,694,119.85
Add: Beginning balance of cash and cash equivalents		29,951,743,758.00	24,225,049,638.15
VI. Ending balance of cash and cash equivalents		31,754,656,695.61	29,951,743,758.00

Legal Representative: Dong Mingzhu

Chief Accountant: Liao Jianxiong

Head of Accounting Department: Liu Yanzi

Consolidated Statement of Changes in Shareholders' Equity

January to December, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

Item	2022												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 reserve	General risk provisions	Undistributed profits	Subtotal		
Preferred share		Perpetual bond	Others											
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														
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	-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: Dong Mingzhu

Chief Accountant: Liao Jianxiong

Head of Accounting Department: Liu Yanzi

Consolidated Statement of Changes in Shareholders' Equity (Continued)

January to December, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

Item	2021													
	Equity attributable to shareholders of the parent company											Minority equity	Total equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury share	Other comprehensive income	Special reserves	Surplus reserves	General risk provisions	Undistributed profits			Subtotal
	Preferred share	Perpetual bond	Others											
I. Ending balance of the previous year	6,015,730,878.00				121,850,280.68	5,182,273,853.90	7,396,060,195.47		3,499,671,556.59	497,575,772.26	102,841,596,377.66	115,190,211,206.76	1,690,275,881.38	116,880,487,088.14
Add: Changes in accounting policies														
Early error correction														
Business combination under common control														
II. Beginning balance of the current year	6,015,730,878.00				121,850,280.68	5,182,273,853.90	7,396,060,195.47		3,499,671,556.59	497,575,772.26	102,841,596,377.66	115,190,211,206.76	1,690,275,881.38	116,880,487,088.14
III. Increase or decrease in the current year (decrease expressed with "-")	-101,261,838.00				4,023,846.88	14,397,372,379.53	3,807,944,159.80	22,403,846.26	-	8,023,584.04	633,626,622.51	-11,538,556,606.89	2,583,520,685.26	-8,955,035,921.63
(I) Total comprehensive income							3,922,893,977.40				23,063,732,372.62	26,986,626,350.02	-231,675,529.91	26,754,950,820.11
(II) Capital invested and reduced by shareholders	-101,261,838.00				4,023,846.88	14,397,372,379.53		21,259,298.20	-		-3,794,252,950.50	-21,767,275,579.54	2,864,813,072.60	-18,902,462,506.94
1. Ordinary shares invested by shareholders													49,331,294.00	49,331,294.00
2. Capital invested by holders of other equity instruments														
3. Amount of share-based payments recognized in shareholders' equity					31,002,910.71							31,002,910.71		31,002,910.71
4. Others	-101,261,838.00				-26,979,063.83	14,397,372,379.53		21,259,298.20	-		-3,794,252,950.50	-21,798,278,490.25	2,815,481,778.60	-18,982,796,711.65
(III) Profit distribution									1,983,727,107.74	8,023,584.04	-18,744,282,186.78	-16,752,531,495.00	-49,903,893.39	-16,802,435,388.39
1. Withdrawal of surplus reserves									1,983,727,107.74		-1,983,727,107.74			
2. Withdrawal of general risk provisions										8,023,584.04	-8,023,584.04			
3. Distribution to shareholders											-16,752,531,495.00	-16,752,531,495.00	-49,903,893.39	-16,802,435,388.39
4. Others														
(IV) Internal carry-over of shareholders' equity							-114,949,817.60				108,429,387.17	-6,520,430.43		-6,520,430.43
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							-114,949,817.60				108,429,387.17	-6,520,430.43		-6,520,430.43
6. Others														
(V) Special reserves								1,144,548.06				1,144,548.06	287,035.96	1,431,584.02
1. Withdrawal in the current period								2,404,215.46				2,404,215.46	552,286.62	2,956,502.08
2. Amount used in the current period								1,259,667.40				1,259,667.40	265,250.66	1,524,918.06
(VI) Others														
IV. Ending balance of this 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

Legal Representative: Dong Mingzhu

Chief Accountant: Liao Jianxiong

Head of Accounting Department: Liu Yanzi

Balance Sheet of Parent Company

December 31, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

Item	Note	December 31, 2022	December 31, 2021
Current assets:			
Monetary funds		138,498,302,123.84	100,413,441,304.10
Trading financial assets		3,826,643,235.64	
Derivative financial assets			21,610,541.29
Notes receivable			
Accounts receivable	XV. 1	2,811,623,322.77	3,685,619,949.29
Receivables financing		24,888,338,026.70	21,973,920,103.73
Advance payments		28,967,607,814.23	23,689,469,573.43
Other receivables	XV. 2	3,602,220,649.55	2,076,879,180.43
Including: Interests receivable			
Dividends receivable			
Inventory		9,662,044,202.39	10,215,532,982.28
Contract assets			
Assets held for sale			
Non-current assets due within one year		3,275,847,602.74	10,969,772,555.56
Other current assets		2,524,365,397.75	5,506,040,199.45
Total current assets		218,056,992,375.61	178,552,286,389.56
Non-current assets:			
Debt investment		150,351,500.00	
Other debt investments		13,312,747,743.53	5,182,465,277.78
Long-term receivables			
Long-term equity investments	XV. 3	29,292,448,754.90	29,888,588,986.29
Other equity instrument investments		4,498,529,086.64	9,889,910,814.28
Other non-current financial assets		4,428,003,204.49	81,309,327.39
Investment real estate		17,569,355.86	19,871,480.80
Fixed assets		3,291,354,893.44	2,535,403,625.71
Construction in progress		460,979,229.34	907,483,903.01
Usufruct assets			
Intangible assets		823,495,905.07	843,960,439.75
Development expenditures			
Goodwill			
Long-term unamortized expenses			
Deferred income tax assets		11,399,848,879.09	10,730,613,644.43
Other non-current assets		897,709,314.22	86,616,430.09
Total non-current assets		68,573,037,866.58	60,166,223,929.53
Total assets		286,630,030,242.19	238,718,510,319.09

Legal Representative: Dong Mingzhu

Chief Accountant: Liao Jianxiong

Head of Accounting Department: Liu Yanzi

Balance Sheet of Parent Company (Continued)

December 31, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

Item	Note	December 31, 2022	December 31, 2021
Current liabilities:			
Short-term borrowings		39,282,170,543.24	18,068,823,304.24
Transaction financial liabilities			
Derivative financial liabilities		36,789,650.89	
Notes payable		35,967,986,466.43	35,673,937,662.52
Accounts payable		49,009,643,905.62	33,677,905,272.50
Advance receipts			
Contract liabilities		9,160,537,495.63	12,219,603,424.23
Payroll payable		1,584,146,109.11	1,464,834,311.62
Taxes and dues payable		2,053,684,659.63	1,067,213,552.76
Other payables		8,044,168,532.69	2,470,038,943.73
Including: Interests payable			
Dividends payable		5,614,444,494.87	602,881.87
Liabilities held for sale			
Non-current liabilities due within one year			135,037,104.90
Other current liabilities		55,848,213,083.79	59,674,216,467.38
Total current liabilities		200,987,340,447.03	164,451,610,043.88
Non-current liabilities:			
Long-term borrowings		27,272,830,327.56	6,606,444,166.67
Bonds payable			
Including: Preferred share			
Perpetual bond			
Lease liabilities			
Long-term payables			
Long-term payroll payable		175,712,728.00	164,408,471.00
Estimated liabilities			
Deferred income		81,520,036.95	85,326,589.00
Deferred income tax liabilities		710,194,350.26	1,291,446,408.46
Other non-current liabilities			
Total non-current liabilities		28,240,257,442.77	8,147,625,635.13
Total liabilities		229,227,597,889.80	172,599,235,679.01
Shareholders' equity:			
Share capital		5,631,405,741.00	5,914,469,040.00
Other equity instruments			
Including: Preferred share			
Perpetual bond			
Capital reserves		479,849,106.94	109,621,222.84
Less: Treasury share		5,643,935,587.86	19,579,646,233.43
Other comprehensive income		2,390,383,701.31	11,663,015,593.78
Special reserves			
Surplus reserves		2,240,943,653.27	1,983,727,107.74
Undistributed profits		52,303,785,737.73	66,028,087,909.15
Total equity		57,402,432,352.39	66,119,274,640.08
Total liabilities and shareholders' equity		286,630,030,242.19	238,718,510,319.09

Legal Representative: Dong Mingzhu

Chief Accountant: Liao Jianxiong

Head of Accounting Department: Liu Yanzi

Income Statement of Parent Company

January to December, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

Item	Note	2022	2021
I. Operating revenue	XV. 4	119,790,450,591.45	117,502,214,959.15
Less: Operating costs	XV. 4	84,193,036,470.44	84,576,440,398.57
Taxes and surcharges		612,252,827.55	268,607,695.48
Sales expenses		10,387,387,452.52	9,733,828,322.47
General and administration expense (G&A expense)		1,052,070,843.18	875,539,864.96
R&D expenses		4,858,805,454.26	4,964,928,966.97
Financial expenses		-2,676,657,645.12	-3,058,810,928.42
Including: Interest expenses		2,088,897,062.24	1,312,749,932.63
Interest income		4,994,497,152.18	4,719,654,050.92
Add: Other income		197,947,953.08	98,992,747.91
Income from investments (losses expressed with "-")	XV. 5	3,978,824,626.50	2,960,166,670.54
Including: Investment income from joint ventures or associates		-13,564,461.54	-12,905,170.50
Income from 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 "-")		-21,732,079.44	-57,612,527.32
Credit impairment losses (losses expressed with "-")		29,008,430.71	47,932,902.68
Asset impairment losses (losses expressed with "-")		-116,830,227.19	-482,109,320.46
Income from disposal of assets (losses expressed with "-")		-12,890.45	1,775,599.93
II. Operating profits (losses expressed with "-")		25,430,761,001.83	22,710,826,712.40
Add: Non-operating revenue		9,279,405.22	19,734,701.84
Less: Non-operating expenses		2,780,548.68	2,241,847.84
III. Total profits (total losses expressed with "-")		25,437,259,858.37	22,728,319,566.40
Less: Income tax expenses		3,066,558,342.67	2,891,048,488.98
IV. Net profits (net losses expressed with "-")		22,370,701,515.70	19,837,271,077.42
(I) Net profits from continuing operations (net losses expressed with "-")		22,370,701,515.70	19,837,271,077.42
(II) Net profits from discontinuing operations (net losses expressed with "-")			
V. Net of tax of other comprehensive income		-9,272,631,892.47	4,014,556,367.52
(I) Other comprehensive income that cannot be reclassified into profits and losses		-9,308,453,566.04	4,016,410,674.15
1. Changes arising from remeasurement of the defined benefit plan		-8,601,949.00	-12,391,783.00
2. Other comprehensive income that cannot be transferred to profits and losses under the equity method		-4,747,875,029.30	1,849,833,156.32
3. Changes in fair value of other equity instrument investments		-4,551,976,587.74	2,178,969,300.83
4. Changes in fair value of the Company's own credit risk			
5. Others			
(II) Other comprehensive income to be reclassified into profits and losses		35,821,673.57	-1,854,306.63
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		60,670,722.32	-8,821,012.88
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		-24,849,048.75	6,966,706.25
6. Difference arising from translation of financial statements in foreign currency			
7. Others			
VI. Total comprehensive income		13,098,069,623.23	23,851,827,444.94

Legal Representative: Dong Mingzhu

Chief Accountant: Liao Jianxiang

Head of Accounting Department: Liu Yanzi

Cash Flow Statement of Parent Company

January to December, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

Item	Note	2022	2021
I. Cash flows from/(used in) operating activities:			
Cash received from sales of goods or rendering of services		109,450,181,009.15	96,059,533,928.05
Refund of taxes and levies		1,435,352,776.76	2,115,966,444.28
Other cash received related to operating activities		46,980,196,866.35	50,710,080,340.57
Subtotal of cash inflows from operating activities		157,865,730,652.26	148,885,580,712.90
Cash payments for goods acquired and services received		116,205,098,866.43	116,836,791,145.16
Cash paid to and on behalf of employees		3,092,307,818.11	3,576,725,919.34
Payments of all types of taxes		7,430,521,751.61	4,278,081,434.78
Other cash paid related to operating activities		8,763,205,023.74	18,436,681,133.15
Subtotal of cash outflows from operating activities		135,491,133,459.89	143,128,279,632.43
Net cash flows from/(used in) operating activities		22,374,597,192.37	5,757,301,080.47
II. Cash flows from/(used in) investment activities:			
Cash received from disposal of investment		6,392,709,278.47	7,204,261,026.83
Cash received from return of investment		100,686,978.57	93,574,837.20
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		6,678.00	668,332.00
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investment activities		3,859,149,215.21	44,645,766,820.10
Subtotal of cash inflows from investment activities		10,352,552,150.25	51,944,271,016.13
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		1,310,618,056.46	791,819,639.99
Cash paid for investments		13,307,412,872.29	19,474,047,673.02
Net cash paid for acquisition of subsidiaries and other business units		2,423,031,350.00	1,828,275,113.56
Other cash paid related to investment activities		27,971,602,744.39	1,693,811,425.80
Subtotal of cash outflows from investment activities		45,012,665,023.14	23,787,953,852.37
Net cash flows from/(used in) investment activities		-34,660,112,872.89	28,156,317,163.76
III. Cash flows from/(used in) financing activities:			
Cash received from absorbing investment			
Cash received from borrowings		72,179,295,627.37	63,139,445,175.64
Other cash received related to financing activities		2,320,913,943.00	2,441,352,006.04
Subtotal of cash inflows from financing activities		74,500,209,570.37	65,580,797,181.68
Cash repayments of amounts borrowed		29,745,813,719.56	50,350,925,464.00
Cash paid for dividend and profit distribution or interest payment		18,022,950,452.52	17,449,330,238.22
Other cash paid related to financing activities		15,019,655,898.35	28,618,739,788.45
Subtotal of cash outflows from financing activities		62,788,420,070.43	96,418,995,490.67
Net cash flows from/(used in) financing activities		11,711,789,499.94	-30,838,198,308.99
IV. Effect of foreign exchange rate changes on cash and cash equivalents		161,480,573.74	-228,723,815.38
V. Net increase in cash and cash equivalents		-412,245,606.84	2,846,696,119.86
Add: Beginning balance of cash and cash equivalents		19,966,476,899.91	17,119,780,780.05
VI. Ending balance of cash and cash equivalents		19,554,231,293.07	19,966,476,899.91

Legal Representative: Dong Mingzhu

Chief Accountant: Liao Jianxiong

Head of Accounting Department: Liu Yanzi

Statement of Changes in Shareholders' Equity of Parent Company

January to December, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

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	-	-9,272,631,892.47		257,216,545.53	-	-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	-			1,983,727,107.74	-	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	-	-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: Dong Mingzhu

Chief Accountant: Liao Jianxiong

Head of Accounting Department: Liu Yanzi

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

January to December, 2022

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: yuan

Item	2021										
	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	6,015,730,878.00				184,850,281.86	5,182,273,853.90	7,763,409,043.86		3,497,114,024.31	68,536,203,624.18	80,815,033,998.31
Add: Changes in accounting policies											
Early error correction											
Others											
II. Beginning balance of the current year	6,015,730,878.00				184,850,281.86	5,182,273,853.90	7,763,409,043.86		3,497,114,024.31	68,536,203,624.18	80,815,033,998.31
III. Increase or decrease in the current year (decrease expressed with “-”)	-101,261,838.00				-75,229,059.02	14,397,372,379.53	3,899,606,549.92		-1,513,386,916.57	-2,508,115,715.03	-14,695,759,358.23
(I) Total comprehensive income							4,014,556,367.52			19,837,271,077.42	23,851,827,444.94
(II) Capital invested and reduced by shareholders	-101,261,838.00				-75,229,059.02	14,397,372,379.53			-3,497,114,024.31	-3,717,557,576.88	-21,788,534,877.74
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					31,002,910.71						31,002,910.71
4. Others	-101,261,838.00				-	14,397,372,379.53			-3,497,114,024.31	-3,717,557,576.88	-21,819,537,788.45
(III) Profit distribution									1,983,727,107.74	-	-16,752,531,495.00
1. Withdrawal of surplus reserves									1,983,727,107.74	-1,983,727,107.74	-
2. Distribution to shareholders										16,752,531,495.00	-16,752,531,495.00
3. Others										-	-
(IV) Internal carry-over of shareholders' equity							-114,949,817.60			108,429,387.17	-6,520,430.43
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							-114,949,817.60			108,429,387.17	-6,520,430.43
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	5,914,469,040.00				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

Legal Representative: Dong Mingzhu

Chief Accountant: Liao Jianxiong

Head of Accounting Department: Liu Yanzi

Gree Electric Appliances, Inc. of Zhuhai

Notes to 2022 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, 2022, 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.

1. Registered address, organizational form and address of the Company

Organizational form of the Company: company limited by shares

The Company's registered address and headquarters address: Office 608,108 Huitong Third Road, Hengqin New Area, Zhuhai, Guangdong Province.

2. 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.

3. Names of the parent company and the ultimate parent company

As of December 31, 2022, the Company had no actual controller.

4. Scope of consolidated financial statements of the current period and its change

As of the end of the report period, there were a total of 196 subsidiaries included in the scope of the consolidated financial statements, of which the first level subsidiaries are detailed in Note VII. 1 "Equity in subsidiaries", and the changes in the scope of the consolidated financial statements during the report period are detailed in Note VI. "Changes in the scope of consolidation".

5. Approved submitter and approved submission date of the financial statements

These financial statements were submitted under approval by the Board of Directors of the Company on April 28, 2023.

II Preparation basis of financial statements

1. Preparation basis of financial statements

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* (2014 Revision) 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 the 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.

2. 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, 2022 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 there was

no event that 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.

1. 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, 2022, and the related information such as operating results and cash flows in 2022. 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 in 2014.

2. Accounting period

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.

3. 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.

4. 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.

5. Accounting treatment of business combination involving enterprises under common control and business combination 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 combination 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 combining 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 and 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 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 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 business combination, but these transactions do not belong to a

package deal, the Company will recognize the cost of 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 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. 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 combination not under common control

A business combination not involving enterprises under common control is a business combination in which all of combining enterprises are not ultimately controlled by the same party or parties both before and after the combination. For business combination 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 the 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 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 disposal of the investment using the basis the same as that used by the investee to directly dispose of relevant assets or liabilities; the owner's equity that is recognized due to other changes in owners' 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 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 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 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, and 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

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 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) Occurrence of one transaction depends on 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.

6. 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 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 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 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 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 "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 be still 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 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.

7. 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

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. Joint venture refers to the joint arrangement where the parties to the venture only enjoy rights to net assets of this arrangement.

(2) Accounting treatment of co-management

1) The Company recognizes the following items related to 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;
- 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 that 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.

3) 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 that the purchased 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 this part of loss according to the share to undertake.

8. 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 which 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.

9. 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 mid-price of the current day's foreign exchange rate 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 spot rate of the balance sheet date. The exchange difference generated from the difference of 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 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 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 cashes shall be presented separately under the adjusted item in the cash flow statement.

10. 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 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 of 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 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. If 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, 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.

If 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, 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 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.

If the overall transfer of financial assets meets the conditions for derecognition, 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.

If the partial transfer of financial assets satisfies the conditions for derecognition, 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, and 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. If 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, the original financial liability will be derecognized, and the new financial liability will be recognized at the same time. If a material amendment is made to the contractual terms for the original financial liability or the relevant portion thereof, 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 the valuation techniques. The value appraisal techniques include the prices adopted by the parties, who are familiar with the condition, in the latest market transaction upon 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 issue (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.

11. 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 impairment provision and 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

If 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, 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, and assesses the credit risks on the basis of combinations.

(4) Accounting treatment methods of 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 bank institution or a financial company
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: None 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

Based on the internal assessment results of the credit risk management system of the relevant financial instruments, the Company defines whether credit impairment has occurred: the Company calculates the expected credit loss of the financial assets at the expected credit loss rate of different categories, according to the five-level classification of the financial industry (normal, concerned, secondary, suspicious and loss) based on the borrower's actual repayment ability.

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: None 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 accounts 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.

12. 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. 10 "Financial instruments" and Note III. 11 "Impairment of financial assets".

13. 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 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 cost 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 decline in value of inventories shall be made and shall be recorded into the profits and losses of the current period, where a provision for decline in 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 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.

14. Contract assets

The Company presented the right to collect payments from customers which the customers have not yet paid the contract consideration, but 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. 11 "Impairment of financial assets".

15. 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

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 incurs.

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 is 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, but 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.

16. 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 make decision for 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 relevant authority organization or supervision department of the Company according to relevant requirements, it should have been approved. Recognized purchase commitment refers to purchase agreement with legal binding force that the Company concludes with other parties, which includes important clauses of transaction price, time and enough strict default punishment, etc., with which, 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 include 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 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 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 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 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.

17. 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 return by participating relevant activities of the investee;
- 3) The Company has the ability 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:

- 5) 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;
- 6) Where the Company is able to exert significant impact on the investee, it is the associated enterprise of the Company;
- 7) 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 on 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. Normally 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 business combination involving enterprises under common control, the investment cost is the share of 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 by employing the cost method shall be included at 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 distribute 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 of the long-term equity investment, if the investment cost of a long-term equity investment is more than the investing enterprise' 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' 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, and the difference shall be recorded into the profits and losses of the current period.

When the Company employs the equity method for accounting of the long-term equity investment, the Company first adjusts the investee's net profits and losses and other comprehensive income in the aspects such as the fair value of the investee's identifiable net assets at the time of investment acquisition, accounting policy and accounting period, and then 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 which 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 reason such as partial disposal, accounting treatment must be performed for residual equity investments according to the recognition and measurement standards for financial instruments, and 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; 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 on 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 into 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 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, and 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.

18. 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. 24 "Long-term asset impairment" for the impairment test method and impairment reserve accrual method of investment real estate.

19. 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 the *Accounting Standards No. 17 – Borrowing Costs*.

3) The cost of self-constructed fixed assets consists of the necessary expenditures incurred before the assets reaching the predetermined usable state.

4) The cost invested to 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 annual 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 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 or the depreciation method of a fixed asset, it shall be regarded as a change of 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 and otherwise incurred in the course of 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 lease 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. 24 "Long-term asset impairment" for the impairment test method and impairment provision method of fixed assets.

20. 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 construction project and shall be valued at actual cost.

(2) 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 asset at their actual cost. For the fixed assets that have reached expected usable condition but not prepared the final account for completion, they shall be charged to the account at their estimated value and shall be adjusted after their actual value is recognized.

See Note III. 24 “Long-term asset impairment” for the impairment test method and impairment provision method of construction in process.

21. 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 and otherwise 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) 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 are necessary to prepare the asset for its intended use or sale have commenced.

2) 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 into 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 which 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 interests 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 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.

22. Right-of-use assets

For the determination method of right-of-use asset and accounting treatment method, please see Note III. 34 "Lease".

23. 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 uncertain service life.

With regard to an intangible asset with limited service life, its amortization amount shall be amortized by expected realization pattern of its economic benefits, if the Company is unable to recognize the expected 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) General life cycle of products manufactured by using the assets and information about 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 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 research stage or at 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. 24 “Long-term asset impairment” for the impairment test method and impairment provision method of intangible assets.

24. 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.

25. 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.

26. 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.

27. 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 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, while changes arising from 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 arises 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 shall be conducted 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.

28. Lease liabilities

For the methods of recognition and accounting treatment of lease liabilities, please refer to Note III. 34 "Lease".

29. 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, 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.

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.

30. 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 payment in exchange for services provided by employees are measured at the fair value of the equity instruments granted to employees on the date of grant. 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 cost or expenses is included 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 is 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 meet 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 of 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.

31. 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's main sales of air conditioners and related products 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, and the shipping document is issued or the customer's receipt is obtained, and the amount of revenue from product sales is determined;

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 the 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, 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 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.

32. 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 purchase, construction, or forming the long-term assets by 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:

- a. 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;
- b. 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 amount of receivable grants has been confirmed by the authoritative government department 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.

33. 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:

- a. 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
- b. The taxpayer of the Company has a legal right to settle current income tax assets and current income tax liabilities on a net basis.

34. 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 recognizes 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 of the right-to-use asset by referring to fixed asset depreciation policies (see Note III. 19 "Fixed assets"), if it can be reasonably determined that the ownership of the leased assets will be obtained upon the expiration of the lease term, the Company will calculate and distill depreciation within the remaining useful life of the leased assets. 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.

35. Discontinued operation

Discontinued operation refers to a constituent part that meets one of the following conditions and 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.

36. 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 in 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.

37. 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. 30 "Share-based Payment" for corresponding accounting treatment.

38. 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 is 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 includes 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 occur.

(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.

39. 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.

40. 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.

41. Changes in major accounting policies and accounting estimate

(1) Changes in major accounting policies

On December 31, 2021, the Ministry of Finance issued the *Accounting Standards for Enterprises Interpretation No.15* (hereinafter referred to as "Interpretation No.15"). According to Interpretation No. 15:

a. If the Company sells products or by-products produced before the fixed assets reach their intended usable state or during the R&D process, the revenue and costs related to trial operation sales are accounted for separately in accordance with the *Accounting Standards for Enterprises No.14 – Revenues* and *Accounting Standards for Enterprises No.1 – Inventories* and included in the current profits and losses, instead of offsetting the net amount after offsetting related costs from trial sales revenue against fixed assets cost or R&D expenditure, and it will be implemented on January 1, 2022. The change in accounting policy did not have a significant impact on the financial indicators including total assets, total liabilities, net assets and net profits of the Company.

b. The "cost of performing the contract" considered by the Company when determining whether the contract is an onerous contract includes not only the incremental cost (direct labor, direct materials, etc.) of performing the contract, but also the allocation amount (depreciation expense allocation amount for fixed assets used to fulfill the contract) of other costs directly related to performing the contract, which will be implemented from January 1, 2022. According to the provisions of Interpretation No. 15, for contracts that have not yet fulfilled all obligations on the first implementation date of January 1, 2022, the cumulative impact is adjusted to the retained earnings and other related financial statement items at the beginning of 2022, and the comparative financial statement data in 2021 is not adjusted. The change in accounting policy did not have a significant impact on the financial indicators including total assets, total liabilities, net assets and net profits of the Company.

(2) Changes in major accounting estimates

None.

IV Taxes

1. 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%
Education surcharge	Turnover tax payable	3.00%

Category	Tax Basis	Tax Rate
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., DunAn Sensing and Altairano, 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, and the state tax rate for DunAn Sensing is 8.84%.

[Note 4] The Company's subsidiary, DunAn Metals (Thailand) Co., Ltd., operates in Thailand. According to the tax incentives granted by the local government, DunAn Thailand's profits generated from the sales of self-produced products are exempt from business income tax for a period of 8 years starting from the day of profitability (November 14, 2008), provided that the total amount of profits generated does not exceed 100% of the investment amount (excluding land fees and working capital). Within 5 years from the expiration of the aforementioned tax exemption period, a 50% tax reduction of the income tax will be granted. In 2022, the effective business income tax rate for DunAn Thailand is 20.00%.

[Note 5] The subsidiary of our company, 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 Company's income tax rate is 15.00%.

2. Tax preferences

(1) The Company was identified as a high-tech enterprise in 2020, and has been enjoying preferential policies for high-tech enterprises (High-tech Enterprise Certificate No. GR202044007307). The Company applied the income tax rate of 15.00%, which is valid for 3 years.

(2) Deemed to be high-tech enterprises, the following subsidiaries of the Company applied the business income tax rate of 15.00% in 2022

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.	GR202044007788	December 2020	3 years
2	Zhuhai Gree Xinyuan Electronics Co., Ltd.	GR202244010903	December 2022	3 years
3	Zhuhai Kaibang Motor Manufacturing Co., Ltd.	GR202144007599	September 2021	3 years
4	Zhuhai Gree Daikin Precision Mold Co., Ltd.	GR202244010633	December 2022	3 years
5	Gree (Hefei) Electric Appliances Co., Ltd.	GR202034000570	August 2020	3 years
6	Zhuhai Gree Green Refrigeration Technology Research Center Co., Ltd.	GR202044006403	December 2020	3 years
7	Gree (Wuhan) Electric Appliances Co., Ltd.	GR202242006898	November 2022	3 years
8	Gree (Zhengzhou) Electric Appliances Co., Ltd.	GR202041001002	September 2020	3 years

No.	Name of Taxpayer	High-tech Enterprise Certificate No.	Date of Obtaining the High-tech Enterprise Certificate	Valid Period
9	Gree (Wuhu) Electric Appliances Co., Ltd.	GR202034002197	August 2020	3 years
10	Gree (Shijiazhuang) Electric Appliances Co., Ltd.	GR202213000331	October 2022	3 years
11	Zhuhai EWPE Information Technology Inc.	GR202244010117	December 2022	3 years
12	Gree Changsha HVAC Equipment Co., Ltd.	GR202043000055	September 2020	3 years
13	Zhuhai Gree Precision Mold Co., Ltd.	GR202044007901	December 2020	3 years
14	Gree (Zhongshan) Small Home Appliances Co., Ltd.	GR202044011848	December 2020	3 years
15	Hefei Kinghome Electrical Co., Ltd.	GR202134001678	September 2021	3 years
16	Zhuhai Edgeless Integrated Circuit Co., Ltd.	GR202144007551	September 2021	3 years
17	Gree (Shijiazhuang) Small Home Appliances Co., Ltd.	GR202213000723	October 2022	3 years
18	Zhuhai Gree Dakin Device Co., Ltd.	GR202144007849	September 2021	3 years
19	Zhuhai Gree Mechanical and Electrical Engineering Co., Ltd.	GR202044011411	December 2020	3 years
20	Gree TOSOT (Suqian) Home Appliances Co., Ltd.	GR202032012986	December 2020	3 years
21	Gree (Hangzhou) Electric Appliances Co., Ltd.	GR202033001006	December 2020	3 years
22	Hefei Landa Compressor Co., Ltd.	GR202034001654	August 2020	3 years
23	Zhengzhou Landa Compressor Co., Ltd.	GR202041001848	December 2020	3 years
24	Wuhan Landa Compressor Co., Ltd.	GR202042001716	December 2020	3 years
25	Hefei Kaibang Motor Co., Ltd.	GR202034002198	August 2020	3 years
26	Henan Kaibang Motor Co., Ltd.	GR202041000105	September 2020	3 years
27	Gree (Maanshan) Electric Enterprises Ltd.	GR202034001625	August 2020	3 years
28	Gree Altairnano New Energy Inc.	GR202144004177	September 2021	3 years
29	Zhuhai Guangtong Automobile Co., Ltd.	GR202044009236	December 2020	3 years
30	Zhuhai Gree Altairnano Electric Appliance Co., Ltd.	GR202144006478	September 2021	3 years
31	Hebei Gree Titanium New Energy Co., Ltd.	GR202213004750	December 2022	3 years
32	Northern Aotai Nanotechnologies Co., Ltd.	GR202113001126	September 2021	3 years
33	Hangzhou Safety Equipment Co., Ltd.	GR202033003385	December 2020	3 years
34	Tianjin Huaxin Machinery Co., Ltd.	GR202212000479	November 2022	3 years
35	Zhejiang DunAn Hetian Metals Co., Ltd.	GR202133006933	September 2021	3 years
36	Chongqing Huachao Metal Co., Ltd.	GR202151100597	November 2021	3 years
37	Zhejiang DunAn Machinery Co., Ltd.	GR202133002758	September 2021	3 years
38	DunAn (Wuhu) Zhongyuan Automatic Control Co., Ltd.	GR202134000039	September 2021	3 years
39	Zhejiang DunAn Electro-Mechanical Technology Co., Ltd.	GR202133001775	September 2021	3 years
40	Suzhou Huayue Metal Co., Ltd.	GR202032010953	December 2020	3 years
41	Zhejiang DunAn Thermal Technology Co., Ltd.	GR202033007051	December 2020	3 years
42	Zhuhai DunAn Thermal Technology Co., Ltd.	GR202144001846	September 2021	3 years
43	Zhuhai Huayu Metal Co., Ltd.	GR202144002525	September 2021	3 years

No.	Name of Taxpayer	High-tech Enterprise Certificate No.	Date of Obtaining the High-tech Enterprise Certificate	Valid Period
44	Gree (Luoyang) Electric Appliances Co., Ltd.	GR202241002986	December 2022	3 years
45	Gree Wuhu Precision Manufacturing Co., Ltd.	GR202234003673	October 2022	3 years
46	Zhuhai Gree New Material Co., Ltd.	GR202244008332	December 2022	3 years
47	Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.	GR202044006741	December 2020	3 years
48	Gree (Nanjing) Electric Appliances Co., Ltd.	GR202232008326	November 2022	3 years
49	Zhuhai Gree Green Resources Recycling Co., Ltd.	GR202244004245	December 2022	3 years

(3) The following subsidiaries of the Company enjoyed 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	Chengdu Gree Xinhui Medical Equipment Co., Ltd.	2020/4/8
5	Gree Electric Appliances (Chengdu) Co., Ltd.	2022/1/1
6	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

V Items in consolidated financial statements

Unless otherwise specified, in the following notes (including the major items of the financial statements), "end of the period" refers to December 31, 2022, "beginning of the period" refers to December 31, 2021, "the current period" refers to the year 2022, and "the previous period" refers to the year 2021. Unless otherwise specified, the amount unit is yuan.

1. Monetary funds

Item	Ending Balance	Beginning Balance
Cash on hand	678,327.53	1,021,935.16
Bank deposit	67,106,080,448.62	37,248,838,390.03
Other monetary funds [Note 1]	48,296,387,517.05	36,207,001,226.17
Deposits in central bank [Note 2]	1,267,324,345.11	1,406,034,172.78
Deposits in other banks	36,150,447,388.93	38,791,111,355.15
Subtotal	152,820,918,027.24	113,654,007,079.29
Accrued interest	4,663,414,224.15	3,285,291,697.58
Total	157,484,332,251.39	116,939,298,776.87

Item	Ending Balance	Beginning Balance
Including: Total amount deposited outside mainland China	480,814,074.59	341,734,386.47

[Note 1] The ending balance of other monetary funds mainly includes banks' acceptance bill deposits, guarantee deposits, letter of credit deposits, etc., where the restricted fund was RMB47,954,084,713.24;

[Note 2] The statutory deposit reserve in the Company's deposits in central bank is RMB1,261,012,790.79, and its use is restricted;

[Note 3] Except the 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.

2. Trading financial assets

Item	Ending Balance	Beginning Balance
Financial assets measured at fair value with changes included in other comprehensive income	3,867,203,363.52	
Including: equity instrument investment	21,302,400.00	
Debt instrument investment	3,845,900,963.52	
Total	3,867,203,363.52	

3. Derivative financial assets

Item	Ending Balance	Beginning Balance
Forward foreign exchange settlement/sale		198,773,198.65
Total		198,773,198.65

4. Notes receivable

(1) Notes receivable presentation by categories

Item	Ending Balance	Beginning Balance
Trade acceptance	6,818,428.95	
Total	6,818,428.95	

(2) Notes receivable have pledged by the Company at the end of the period

None.

(3) Notes receivable that have been endorsed or discounted by the Company 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
Trade acceptance		40,578,585.03
Total		40,578,585.03

(4) Notes receivable transferred to accounts receivable due to the note issuer's failure of performance

None.

(5) Notes receivable actually written off in the current period

None.

5. Accounts receivable

(1) Accounts receivable disclosed by account age

Account age	Ending Balance
Within 1 year	12,746,203,387.66
1-2 years	1,416,147,908.71
2-3 years	877,548,093.14
Over 3 years	2,577,872,659.51
Subtotal	17,617,772,049.02
Less: Bad debt reserves	2,793,029,425.57
Total	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) Disclosure of accounts receivable classification

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	1,345,411,996.82	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
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

(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	1,293,262,223.96	8.03	1,029,353,603.16	79.59	263,908,620.80
Accounts receivable with bad debt reserves accrued by portfolios	14,813,226,772.06	91.97	1,236,236,590.10	8.35	13,576,990,181.96
Including: account age portfolio	12,433,046,350.06	77.19	1,041,853,417.60	8.38	11,391,192,932.46
Low risk portfolio	2,380,180,422.00	14.78	194,383,172.50	8.17	2,185,797,249.50
Total	16,106,488,996.02	100.00	2,265,590,193.26	14.07	13,840,898,802.76

1) 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
69 units in total	1,345,411,996.82	1,116,288,302.43	82.97	It is expected to be difficult to be recovered 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	Book balance	Bad debt reserves	Credit loss rate (%)
Within 1 year	12,420,877,335.04	621,043,867.19	5.00
1-2 years	1,028,652,318.62	163,825,657.98	15.93
2-3 years	256,814,018.70	78,179,828.86	30.44
Over 3 years	856,107,630.84	612,665,489.60	71.56
Total	14,562,451,303.20	1,475,714,843.63	10.13

[Note] The expected changes in credit loss rate of the current aging portfolio are due to the merger of enterprises not under the same control.

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	1,709,908,749.00	201,026,279.51	11.76
Total	1,709,908,749.00	201,026,279.51	11.76

(3) Changes in the bad debt reserves in the current period

Category	Beginning Balance	Change of the current period			Ending Balance
		Changes in the scope of consolidation	Accrual/transferring back/recovery	Write-off	
Accrual by individual item	1,029,353,603.16	17,875,661.69	69,059,037.73	0.15	1,116,288,302.43
Account age portfolio	1,041,853,417.60	94,582,000.43	339,367,489.54	88,063.94	1,475,714,843.63
Low risk portfolio	194,383,172.50		6,643,107.01		201,026,279.51
Total	2,265,590,193.26	112,457,662.12	415,069,634.28	88,064.09	2,793,029,425.57

[Note] There is no significant recovery or transferring back of bad debt reserves in the current aging portfolio.

(4) Accounts receivable actually written off in the current period

Item	Written Off Amount
8 units in total	88,064.09
Total	88,064.09

(5) Accounts receivable of the top 5 debtors in terms of ending balance collected by debtors

Name of entity	Ending Balance of Accounts Receivable	Proportion (%) to the Total Ending Balance of Accounts Receivable	Ending Balance of Bad Debt Reserves
First	1,709,903,749.00	9.71	201,025,663.30
Second	943,104,423.38	5.35	47,155,221.17
Third	713,456,979.77	4.05	35,672,848.97
Fourth	693,701,000.00	3.94	114,196,752.00
Fifth	348,206,846.14	1.98	17,410,342.30
Total	4,408,372,998.29	25.03	415,460,827.74

(6) Accounts receivable derecognized due to the transfer of financial assets

None.

(7) Assets and liabilities formed due to the transfer and continuous involvement of accounts receivable

None.

6. Receivables financing

(1) Receivables financing presentation by categories

Item	Ending Balance	Beginning Balance
Notes receivable measured at fair value	28,274,911,539.46	25,612,056,693.07
Including: bank acceptance notes	28,274,911,539.46	25,612,056,693.07
Including: notes accepted by Gree Finance Company		804,781,351.78
Accounts receivable measured at fair value	152,398,805.74	
Including: accounts receivable	152,398,805.74	
Total	28,427,310,345.20	25,612,056,693.07

(2) Receivables financing pledged by the Company at the end of the period

Item	Pledged Amount at the End of the Period
Bank acceptance notes	12,304,327,541.08
Total	12,304,327,541.08

(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
Bank acceptance notes	19,823,553,575.31	
Total	19,823,553,575.31	

(4) Receivables financing transferred by the Company into accounts receivable due to the note issuer's failure of performance

None.

(5) Receivables financing actually written off in the current period

None.

7. Advance payments

(1) Prepayments presented by account age

Account age	Ending Balance		Beginning Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	2,099,933,220.14	89.56	4,500,793,847.23	98.02
1-2 years	188,034,392.04	8.02	21,906,080.13	0.48
2-3 years	9,925,947.44	0.42	24,927,433.26	0.54

Account age	Ending Balance		Beginning Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Over 3 years	46,775,285.86	2.00	44,259,156.72	0.96
Total	2,344,668,845.48	100.00	4,591,886,517.34	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

As of the end of the period, the total amount of the prepayments of the top 5 suppliers in terms of ending balance collected by suppliers was RMB909,794,311.70, accounting for 38.80% of the total ending balance of prepayments.

8. Other receivables

Item	Ending Balance	Beginning Balance
Dividends receivable	1,260,498.66	615,115.33
Other receivables [Note 1]	803,017,460.14	333,546,754.85
Total	804,277,958.80	334,161,870.18

[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) Classification of dividends receivable

Item	Ending Balance	Beginning Balance
Dividends receivable	1,260,498.66	615,115.33
Total	1,260,498.66	615,115.33

2) Significant dividends receivable aged over 1 year

None.

(2) Other receivables

1) Other receivables classified by nature

Nature of payment	Ending Balance	Beginning Balance
Intercourse and low-risk funds	661,459,896.83	487,589,373.01
Equity and asset transfer payments	526,500,000.00	
Subtotal	1,187,959,896.83	487,589,373.01
Less: Bad debt reserves	384,942,436.69	154,042,618.16
Total	803,017,460.14	333,546,754.85

2) Accrual of bad debt reserves

Bad debt reserves	Phase I	Phase II	Phase III	Total
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	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	10,927,760.51		143,114,857.65	154,042,618.16
Changes in the scope of consolidation in the current period	14,566,684.82		138,217,598.10	152,784,282.92
Accrual in the current period			95,047,059.21	95,047,059.21
Transferring back in the current period	16,931,523.60			16,931,523.60
Ending Balance	8,562,921.73		376,379,514.96	384,942,436.69

3) Disclosure by account age

Account age	Book balance
Within 1 year	175,729,511.54
1-2 years	411,297,254.70
2-3 years	100,645,380.37
Over 3 years	500,287,750.22
Subtotal	1,187,959,896.83
Less: Bad debt reserves	384,942,436.69
Total	803,017,460.14

[Note] The changes in the aging structure of other accounts receivable in the current period are due to the merger of enterprises not under the same control.

4) Bad debt reserves accrued, recovered or transferred back in the current period

Category	Beginning Balance	Change of the current period		Ending Balance
		Changes in the scope of consolidation	Accrual/transferring back/recovery	
Accrual by individual item	75,900,423.54	105,796,170.42	116,657,358.63	298,353,952.59
Account age portfolio	78,082,944.62	46,988,112.50	-38,482,573.02	86,588,484.10
Low risk portfolio	59,250.00		-59,250.00	
Total	154,042,618.16	152,784,282.92	78,115,535.61	384,942,436.69

[Note] There is no significant recovery or transferring back of bad debt reserves during the current period.

5) Other receivables actually written off in the current period

None.

6) Other receivables of top 5 debtors in terms of ending balance collected by debtors

Name of entity	Nature of payment	Ending Balance	Account age	Proportion to the total ending balance of other receivables (%)	Ending Balance of Bad Debt Reserves
First	Equity and asset transfer funds, intercourse funds	361,249,854.32	Within 1 year, 1-2 years	30.41	25,282,827.58

Name of entity	Nature of payment	Ending Balance	Account age	Proportion to the total ending balance of other receivables (%)	Ending Balance of Bad Debt Reserves
Second	Equity and asset transfer funds, intercourse funds	221,500,000.00	Over 3 years	18.65	110,750,000.00
Third	Intercourse funds	172,380,562.38	Within 1 year, 1-2 years, over 3 years	14.51	86,190,281.19
Fourth	Intercourse funds	40,312,312.68	Over 2 years	3.39	40,312,312.68
Fifth	Equity and asset transfer payments	35,000,000.00	2-3 years	2.95	3,500,000.00
Total		830,442,729.38		69.91	266,035,421.45

7) Receivables involving government grants

None.

8) Other receivables derecognized due to the transfer of financial assets

None.

9) Assets and liabilities formed due to the transfer and continuous involvement of other receivables

None.

9. Inventory

(1) Classification of inventories

Item	Ending Balance		
	Book balance	Inventory falling price reserves or 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

(Continued)

Item	Beginning Balance		
	Book balance	Inventory falling price reserves or impairment provision of contract performance costs	Book value
Raw materials	11,013,706,175.31	844,318,692.51	10,169,387,482.80
Goods in process and contract performance costs	1,974,184,596.76		1,974,184,596.76
Finished goods	27,845,565,162.22	1,296,652,950.63	26,548,912,211.59
Development costs	4,073,114,036.86		4,073,114,036.86
Total	44,906,569,971.15	2,140,971,643.14	42,765,598,328.01

(2) Inventory falling price reserves

Item	Beginning Balance	Increase in the scope of consolidation	Increased amount in the current period	Decreased amount in the current period	Ending Balance
			Accrual	Write-off amount	
Raw materials	844,318,692.51	2,597,114.31	261,433,585.45	99,022,104.64	1,009,327,287.63
Finished goods	1,296,652,950.63	59,772,141.61	421,134,343.00	6,615,351.51	1,770,944,083.73
Total	2,140,971,643.14	62,369,255.92	682,567,928.45	105,637,456.15	2,780,271,371.36

Specific bases for accruing or transferring back the inventory falling price reserves and reasons for writing off the inventory falling price reserves in the current period:

Item	Specific bases for accruing or transferring back the inventory falling price reserves	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
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) Current amortization amount of contract performance costs: The amortized contract performance cost in the current period is RMB158,713,806.81.

10. Contract assets

(1) Disclosure of contract assets classification

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				
Account age portfolio	1,127,165,757.29	395,385,285.59	731,780,471.70	721,024,117.34	115,256,697.58	605,767,419.76
Low risk portfolio	382,514,539.00	66,555,192.76	315,959,346.24	824,094,624.00	278,633,571.13	545,461,052.87
Total	1,517,521,890.75	469,782,072.81	1,047,739,817.94	1,545,118,741.34	393,890,268.71	1,151,228,472.63

(2) Impairment provision accrued for contract assets in the current period:

Item	Beginning Balance	Increase in the scope of consolidation	Accrual/transferring back/recovery in the current period	Ending Balance
Individual-item portfolio			7,841,594.46	7,841,594.46
Account age portfolio	115,256,697.58	34,623,312.21	245,505,275.80	395,385,285.59
Low risk portfolio	278,633,571.13		-212,078,378.37	66,555,192.76
Total	393,890,268.71	34,623,312.21	41,268,491.89	469,782,072.81

11. Non-current assets due within one year

Item	Ending Balance	Beginning Balance
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Item	Ending Balance	Beginning Balance
Other debt investments due within 1 year	3,000,000,000.00	10,860,197,639.98
Long-term receivables due within 1 year	41,094,547.81	3,406,416.52
Subtotal	3,041,094,547.81	10,863,604,056.50
Add: Accrued interest of other debt investments due within 1 year	275,847,602.74	169,967,876.10
Less: Impairment provision of long-term receivables due within one year	2,750,517.36	
Total	3,314,191,633.19	11,033,571,932.60

12. Other current assets

Item	Ending Balance	Beginning Balance
Monetary investment products	2,415,000,000.00	5,460,000,000.00
Input tax to be deducted and prepaid tax	2,057,987,526.82	2,786,329,636.97
Endorsed or discounted notes that have not yet due	40,578,585.03	852,128,009.63
Others	148,650,676.65	282,434,079.34
Subtotal	4,662,216,788.50	9,380,891,725.94
Add: Accrued interests	72,656,393.15	21,626,670.32
Less: Impairment provision of other current assets	30,296,241.01	20,340,809.19
Total	4,704,576,940.64	9,382,177,587.07

13. 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	737,270,000.00	4,247,674,817.07
Including: (1) Loans	492,550,000.00	1,052,040,000.00
(2) Discount	244,720,000.00	3,195,634,817.07
Including: discount asset interest adjustment		-31,355,182.93
Less: loan loss reserves	18,431,750.00	106,975,750.00
Including: accrual by portfolios	18,431,750.00	106,975,750.00
Subtotal	718,838,250.00	4,140,699,067.07
Accrued interest	961,030.27	1,953,834.78
Book value of issued corporate loans and advances	719,799,280.27	4,142,652,901.85

(2) Changes in loan loss reserves

Item	Ending Balance	Beginning Balance
Loans and advances measured at amortized costs:		
Beginning Balance	106,975,750.00	135,269,958.74
Transferring back in the current period	88,544,000.00	28,294,208.74

Item	Ending Balance	Beginning Balance
Ending Balance	18,431,750.00	106,975,750.00

14. Debt investment

(1) Debt investment

Item	Ending Balance			Beginning Balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Bond products	150,000,000.00		150,000,000.00			
Accrued interest on bond products	351,500.00		351,500.00			
Total	150,351,500.00		150,351,500.00			

(2) Important 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
(Twenty-six) Agricultural Bank treasury bonds	150,000,000.00	2.28%	2.28%	2025/11/25				
Total	150,000,000.00							

(3) Accrual of impairment provision

None.

15. Other debt investments

(1) Other debt investments

Item	Ending Balance				
	Cost	Accrued interest	Change in fair value	Book value	Accumulated loss reserves recognized in other comprehensive income
Treasury bond	315,342,376.29	3,551,890.42	8,069,643.71	326,963,910.42	
Corporate bond	699,557,264.91	13,484,589.02	-12,404,624.91	700,637,229.02	
Negotiable certificate of deposit [Note]	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	
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	

(Continued)

Item	Beginning Balance
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	Cost	Accrued interest	Change in fair value	Book value	Accumulated loss reserves recognized in other comprehensive income
Treasury bond	294,120,614.59	3,378,082.20	7,448,985.41	304,947,682.20	
Corporate bond	469,153,368.80	6,880,882.18	7,002,641.18	483,036,892.16	
Negotiable certificate of deposit [Note]	17,100,000,000.00	354,467,166.67		17,454,467,166.67	
Subtotal	17,863,273,983.39	364,726,131.05	14,451,626.59	18,242,451,741.03	
Less: Other debt investments due within 1 year	10,859,752,569.26	169,967,876.10	445,070.72	11,030,165,516.08	
Less: Other current assets	1,300,000,000.00	2,229,333.33		1,302,229,333.33	
Total	5,703,521,414.13	192,528,921.62	14,006,555.87	5,910,056,891.62	

[Note] The negotiable certificate of deposit 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, other current assets, and non-current assets due within 1 year according to its liquidity. On December 31, 2022, there was no significant difference between the cost of the Company's negotiable certificate of deposit and its fair value.

(2) Other important 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
16 coupon-bearing bond 17	200,000,000.00	2.74	3.10	2026/8/4	200,000,000.00	2.74	3.10	2026/8/4
16 coupon-bearing bond 17	100,000,000.00	2.74	3.44	2026/8/4	100,000,000.00	2.74	3.44	2026/8/4
20 Nongfa 08	200,000,000.00	3.45	3.54	2025/9/23	200,000,000.00	3.45	3.54	2025/9/23
19 Huafa Group MTN007					50,000,000.00	4.57	5.00	2022/12/6
19 Huafa Group MTN007					10,000,000.00	4.57	5.10	2022/12/6
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
21 Huafa Group MTN007	70,000,000.00	4.65	4.65	2024/6/28	200,000,000.00	4.65	4.65	2024/6/28
22 Huafa Group MTN006	180,000,000.00	4.20	4.20	2025/4/25				
22 Huafa Group MTN009B	180,000,000.00	4.00	4.00	2025/6/20				
22 Huafa Group MTN012B	60,000,000.00	3.75	3.75	2025/8/16				

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 coupon-bearing bond 19	20,000,000.00	2.60	2.61	2032/9/1				
Negotiable certificate of deposit	16,050,000,000.00	3.20-4.00	3.20-4.00	2023/9/10-2027/10/21	17,100,000,000.00	3.35-4.18	3.35-4.18	2022/1/14-2024/12/9
Total	17,070,000,000.00				17,870,000,000.00			

16. Long-term receivables

Item	Ending 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

(Continued)

Item	Beginning Balance		
	Book balance	Bad debt reserves	Book value
Goods of installment sales	38,157,391.25	20,340,809.19	17,816,582.06
Less: Unrealized financing income	844,248.07		844,248.07
Less: Long-term accounts receivable due within 1 year	3,406,416.52		3,406,416.52
Less: Reclassified to other current assets	31,487,695.59	20,340,809.19	11,146,886.40
Total	2,419,031.07		2,419,031.07

[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.

17. Long-term equity investments

Investee	Beginning Balance		Increase/Decrease in the Current Period					Ending Balance	
	Original value	Impairment provision	Changes in the scope of consolidation	Profits and losses on investment recognized by equity method	Adjustment of other comprehensive income	Adjustment to other equity changes	Declared distribution of cash dividends or profits	Original value	Impairment provision
I. Joint ventures									
Companies including Songyuan Grain Group Jiangwan Rice Industry Co., Ltd.	1,220,914.19			-54,555.22				1,166,358.97	
Subtotal	1,220,914.19			-54,555.22				1,166,358.97	
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.	37,385,552.00			-1,907,177.74				35,478,374.26	
Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd.	14,942,039.60			297,034.32				15,239,073.92	
Coresing Semiconductor Technology Co., Ltd.	20,004,740.59			66,923.31				20,071,663.90	
Zhuhai Ronglin Equity Investment Partnership (Limited Partnership)	8,893,495,450.98			-13,812,616.74	-4,747,875,029.30			4,131,807,804.94	
Henan Yuze Finance Leasing Co., Ltd.	51,749,348.46			1,791,375.31			949,620.75	52,591,103.02	
Zhuhai Hanling Equity Investment Partnership (Limited Partnership)	920,480,163.07			45,154,377.43			9,382,745.59	956,251,794.91	
Lanzhou Guangtong New Energy Automobile Co., Ltd.	108,445,671.11			-11,427,975.22				97,017,695.89	
Guizhou Qianzhixing New Energy Co., Ltd.	2,775,216.06			-1,246,361.03				1,528,855.03	
Ningxia Nenggu New Energy Technology Co., Ltd.	343,863.07			-149,512.83				194,350.24	
Eocell Limited	5,140,512.39			-5,140,512.39					

Investee	Beginning Balance		Increase/Decrease in the Current Period					Ending Balance	
	Original value	Impairment provision	Changes in the scope of consolidation	Profits and losses on investment recognized by equity method	Adjustment of other comprehensive income	Adjustment to other equity changes	Declared distribution of cash dividends or profits	Original value	Impairment provision
Beijing Liyin Automobile Technology Co., Ltd.	4,605,056.55							4,605,056.55	
Sichuan Jinshi Leasing Co., Ltd.	276,419,486.50			17,119,707.82				293,539,194.32	
Zhuji Rushan Huiying Venture Investment Partnership (Limited Partnership)			53,798,516.01	-727,322.56	-5,103,405.48	5,937,573.09		53,905,361.06	
DunAn (Tianjin) Energy Saving System Co., Ltd.			262,181,553.50	-33,287,671.70				228,893,881.80	
Subtotal	10,337,727,109.73	1,940,009.35	315,980,069.51	-3,269,732.02	-4,752,978,434.78	5,937,573.09	10,332,366.34	5,893,064,219.19	1,940,009.35
Total	10,338,948,023.92	1,940,009.35	315,980,069.51	-3,324,287.24	-4,752,978,434.78	5,937,573.09	10,332,366.34	5,894,230,578.16	1,940,009.35

[Note] 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.

18. Other equity instrument investments

(1) Other equity instrument investments

Item	Ending Balance	Beginning Balance
Shanghai Highly (Group) Co., Ltd.	522,205,716.62	755,079,703.46
Xinjiang Joinworld Company Limited	145,786,602.78	217,422,947.74
Wingtech Technology Co., Ltd.	1,885,465,957.10	4,636,568,053.50
RSMACALLINE-HSHS	143,361,786.48	195,769,835.63
San'an Optoelectronics Co., Ltd. [Note]	1,965,635,734.92	4,302,405,489.72
COFCO Trading (Suibin) Agricultural Development Co., Ltd.	7,000,000.00	7,000,000.00
Total	4,669,455,797.90	10,114,246,030.05

[Note] The Company directly holds 114,547,537 shares of San'an Optoelectronics Co., Ltd., which have been restricted for sale for 36 months since June 2020.

(2) Non-trading equity instrument investment

Item	Dividend income recognized	Accumulated gains	Accumulated losses	Amount transferred from other comprehensive income to retained earnings	Reason for designation as measured at fair value with changes included in other comprehensive income	Reason for transferring other comprehensive income to retained earnings
Shanghai Highly (Group) Co., Ltd.	14,421,390.05		-622,751,369.10		Based on the management's intention and contractual cash flow	
RSMACALLIN E-HSHS	5,764,487.94		-555,921,691.97		Based on the management's intention and contractual cash flow	
Wingtech Technology Co., Ltd.	7,308,063.18	1,000,465,960.50			Based on the management's intention and contractual cash flow	
Xinjiang Joinworld Company Limited	4,995,206.78	70,065,750.62		41,065,013.23	Based on the management's intention and contractual cash flow	Sales of some shares
San'an Optoelectronics Co., Ltd.	11,454,753.70		-34,364,265.08		Based on the management's intention and contractual cash flow	
COFCO Trading (Suibin) Agricultural Development Co., Ltd.	1,180,000.00				Based on the management's intention and contractual cash flow	
Total	45,123,901.65	1,070,531,711.12	-1,213,037,326.15	41,065,013.23		

19. Other non-current financial assets

Item	Ending Balance	Beginning Balance
Financial assets measured at fair values with changes included in other comprehensive income [Note]	4,428,003,204.49	81,309,327.39
Total	4,428,003,204.49	81,309,327.39

[Note:] This mainly refers to asset management plans and financial products held by the Company for more than one year.

20. 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	774,016,287.76		774,016,287.76
2. Increased amount in the current period	263,410,921.46	51,772,134.37	315,183,055.83
Including: (1) Transfer-in from fixed assets	54,611,038.52		54,611,038.52
(2) Transfer-in from construction in progress	187,592.80		187,592.80
(3) Transfer of intangible assets		31,797,338.99	31,797,338.99
(4) Increase in business merger	208,612,290.14	19,974,795.38	228,587,085.52
3. Decreased amount in the current period	5,931,020.12	910,170.28	6,841,190.40
Including: (1) Transfer to fixed assets	5,931,020.12		5,931,020.12
(2) Transfer to intangible assets		910,170.28	910,170.28
4. Ending balance	1,031,496,189.10	50,861,964.09	1,082,358,153.19
II. Accumulated depreciation and accumulated amortization			
1. Beginning balance	319,161,465.13		319,161,465.13
2. Increased amount in the current period	118,704,703.91	12,304,054.54	131,008,758.45
Including: (1) Accrual or amortization	73,336,230.43	906,790.68	74,243,021.11
(2) Transfer-in from fixed assets	13,697,376.73		13,697,376.73
(3) Transfer of intangible assets		4,009,725.09	4,009,725.09
(4) Increase in business merger	31,671,096.75	7,387,538.77	39,058,635.52
3. Decreased amount in the current period	2,323,789.17	177,483.20	2,501,272.37
Including: (1) Transfer to fixed assets	2,323,789.17		2,323,789.17
(2) Transfer to intangible assets		177,483.20	177,483.20
4. Ending balance	435,542,379.87	12,126,571.34	447,668,951.21
III. Impairment provision			
IV. Book value			
1. Book value at the end of the period	595,953,809.23	38,735,392.75	634,689,201.98
2. Book value at the beginning of the period	454,854,822.63		454,854,822.63

[Note] As of December 31, 2022, the book value of investment real estate – houses and buildings of which the Company has not obtained the certificate of title was RMB78,776,121.57.

21. Fixed assets

Item	Ending Balance	Beginning Balance
Fixed assets [Note]	33,810,042,180.83	31,183,285,286.03
Fixed assets in liquidation	6,977,210.53	5,440,856.96
Total	33,817,019,391.36	31,188,726,142.99

[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	27,006,174,116.19	24,851,475,449.33	1,328,579,441.14	2,128,193,766.55	774,134,522.45	56,088,557,295.66
2. Increased amount in the current period	4,925,024,188.38	3,350,685,237.89	190,440,460.03	352,239,327.63	38,293,735.51	8,856,682,949.44
Including: (1) External purchase	118,000.01	617,369,909.62	165,385,568.01	161,228,931.30	38,293,735.51	982,396,144.45
(2) Transfer-in from investment real estate	5,931,020.12					5,931,020.12
(3) Transfer-in from construction in progress	4,280,901,827.94	1,178,729,949.13		50,780.55		5,459,682,557.62
(4) Increase in business merger	638,073,340.31	1,554,585,379.14	25,054,892.02	190,959,615.78		2,408,673,227.25
3. Decreased amount in the current period	72,651,523.86	652,948,912.20	24,740,557.23	38,356,073.83	15,435,429.61	804,132,496.73
Including: (1) Disposal or scrapping	18,040,485.34	652,948,912.20	24,740,557.23	38,356,073.83	15,435,429.61	749,521,458.21
(2) Transfer to investment real estate	54,611,038.52					54,611,038.52
4. Foreign currency financial statement translation.	17,123,330.27	10,003,661.68	413,174.18	1,037,300.23	377,323.76	28,954,790.12
5. Ending 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
II. Accumulated depreciation						
1. Beginning balance	7,442,205,404.77	13,913,067,198.39	1,084,936,683.59	1,857,204,204.84	591,322,020.70	24,888,735,512.29
2. Increased amount in the current period	1,721,564,435.26	3,246,534,356.64	174,758,764.40	373,247,526.94	100,579,997.44	5,616,685,080.68
Including: (1) Accrual	1,515,361,405.49	2,444,709,150.04	159,881,193.49	242,278,626.61	100,579,997.44	4,462,810,373.07

Item	Houses and buildings	Machinery equipment	Transportation equipment	Electronic equipment	Other equipment	Total
(2) Transfer-in from investment real estate	2,323,789.17					2,323,789.17
(3) Increase in business merger	203,879,240.60	801,825,206.60	14,877,570.91	130,968,900.33		1,151,550,918.44
3. Decreased amount in the current period	19,748,800.51	90,117,390.29	15,917,188.00	27,312,183.06	18,500,352.38	171,595,914.24
Including: (1) Disposal or scrapping	6,051,423.78	90,117,390.29	15,917,188.00	27,312,183.06	18,500,352.38	157,898,537.51
(2) Transfer to investment real estate	13,697,376.73					13,697,376.73
4. Foreign currency financial statement translation.	2,663,899.64	4,232,835.76	393,443.28	777,174.41	186,174.48	8,253,527.57
5. Ending 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
III. Impairment provision						
1. Beginning balance	13,788,472.27	2,573,124.13		35,573.50	139,327.44	16,536,497.34
2. Increased amount in the current period		1,846,942.95		192,399.28		2,039,342.23
Including: (1) Increase in business merger		1,216,098.54		192,399.28		1,408,497.82
(2) Transfer-in from construction in progress		630,844.41				630,844.41
3. Decreased amount in the current period		695,685.64		48,047.88	26,632.08	770,365.60
Including: (1) Disposal		695,685.64		48,047.88	26,632.08	770,365.60
4. Foreign currency financial statement translation.		136,677.39				136,677.39
5. Ending balance	13,788,472.27	3,861,058.83		179,924.90	112,695.36	17,942,151.36
IV. Book value						
1. Book value at the end 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
2. Book value at the beginning of the period	19,550,180,239.15	10,935,835,126.81	243,642,757.55	270,953,988.21	182,673,174.31	31,183,285,286.03

[Note] As of December 31, 2022, the book value of the Company's fixed assets – houses and buildings of which the Company has not obtained the certificate of title was RMB15,592,294,246.03. 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

None.

(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	6,977,210.53	5,440,856.96
Total	6,977,210.53	5,440,856.96

22. Construction in progress

Item	Ending Balance	Beginning Balance
Construction in progress [Note]	5,966,678,892.16	6,481,236,333.38
Total	5,966,678,892.16	6,481,236,333.38

[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	2,127,613,084.25	54,413.75	2,127,558,670.50	2,267,183,174.63	54,413.75	2,267,128,760.88
Zhuhai Intelligent Manufacturing Project	759,287,741.79		759,287,741.79	661,759,431.04		661,759,431.04
Gree Linyi Project	650,227,470.08		650,227,470.08	1,734,692.65		1,734,692.65
Gree HQ Project	460,979,229.34		460,979,229.34	907,483,903.01		907,483,903.01
Gree Chengdu Project	306,867,823.07		306,867,823.07	419,085,010.72		419,085,010.72
Gree Ganzhou Project	305,461,218.62		305,461,218.62	244,948,297.47		244,948,297.47
Zhuhai Green Control Project	229,667,770.18		229,667,770.18	115,158,283.10		115,158,283.10
Gree Energy Project	193,615,205.28		193,615,205.28	258,133,665.03		258,133,665.03
Gree Hangzhou Project	171,929,573.49		171,929,573.49	105,933,640.62		105,933,640.62
Wuhan Mold Project	129,629,721.74		129,629,721.74	5,258,628.72		5,258,628.72
Others	631,454,468.07		631,454,468.07	1,494,612,020.14		1,494,612,020.14
Total	5,966,733,305.91	54,413.75	5,966,678,892.16	6,481,290,747.13	54,413.75	6,481,236,333.38

(2) Current changes in important construction in progress

Item	Beginning Balance	Increase within the scope of the consolidation in the current period	Increased amount in the current period	Amount transferred to fixed assets in the current period	Amount transferred to investment real estate in the current period	Ending Balance	Including: capitalization amount of interest in the current period
Gree Titanium Project	2,267,183,174.63		263,083,776.14	402,653,866.52		2,127,613,084.25	
Zhuhai Intelligent Manufacturing Project	661,759,431.04		1,293,455,554.63	1,195,927,243.88		759,287,741.79	
Gree Linyi Project	1,734,692.65		648,492,777.43			650,227,470.08	6,914,323.75
Gree HQ Project	907,483,903.01		705,472,437.52	1,151,977,111.19		460,979,229.34	
Gree Chengdu Project	419,085,010.72		74,217,339.69	186,434,527.34		306,867,823.07	17,987,383.24
Gree Ganzhou Project	244,948,297.47		583,594,408.89	523,081,487.74		305,461,218.62	-5,159,360.79
Zhuhai Green Control Project	115,158,283.10		114,509,487.08			229,667,770.18	
Gree Energy Project	258,133,665.03		87,876,431.19	152,394,890.94		193,615,205.28	
Gree Hangzhou Project	105,933,640.62		110,020,519.84	44,024,586.97		171,929,573.49	
Wuhan Mold Project	5,258,628.72		124,371,093.02			129,629,721.74	
Others	1,494,612,020.14	105,158,381.48	835,060,502.29	1,803,188,843.04	187,592.80	631,454,468.07	-47,124,036.11
Total	6,481,290,747.13	105,158,381.48	4,840,154,327.72	5,459,682,557.62	187,592.80	5,966,733,305.91	-27,381,689.91

[Note] The capitalization amount of interest for the current period includes government grants for loan interest discounts.

(3) Accrual of impairment provision of construction in progress in the current period

None.

23. Usufruct assets

Item	Housing and buildings	Machinery equipment	Total
I. Original book value			
1. Beginning balance	37,646,179.06	6,613,861.31	44,260,040.37
2. Increased amount in the current period	306,650,930.98		306,650,930.98
Including: (1) Rent	54,971,068.86		54,971,068.86
(2) Increase in business merger	251,679,862.12		251,679,862.12
3. Decreased amount in the current period	41,421,190.79	6,613,861.31	48,035,052.10
Including: Due	41,421,190.79	6,613,861.31	48,035,052.10
4. Ending balance	302,875,919.25		302,875,919.25
II. Accumulated amortization			
1. Beginning balance	25,532,820.33	4,123,937.05	29,656,757.38
2. Increased amount in the current period	107,644,498.93	2,489,924.26	110,134,423.19
Including: (1) Accrual	58,395,473.40	2,489,924.26	60,885,397.66
(2) Increase in business merger	49,249,025.53		49,249,025.53
3. Decreased amount in the current period	37,646,179.06	6,613,861.31	44,260,040.37
Including: Due	37,646,179.06	6,613,861.31	44,260,040.37
4. Ending balance	95,531,140.20		95,531,140.20
III. Impairment provision			
IV. Book value			
1. Book value at the end of the period	207,344,779.05		207,344,779.05
2. Book value at the beginning of the period	12,113,358.73	2,489,924.26	14,603,282.99

24. Intangible assets

Intangible assets

Item	Land use rights	Patent rights and others	Total
I. Original book value			
1. Beginning balance	10,634,812,172.87	1,873,442,803.55	12,508,254,976.42
2. Increased amount in the current period	593,062,168.54	1,756,586,308.80	2,349,648,477.34
(1) Purchase	408,864,798.35	17,626,919.63	426,491,717.98
(2) Increase in business merger	183,287,199.91	1,738,959,389.17	1,922,246,589.08
(3) Transfer-in from investment real estate	910,170.28		910,170.28
3. Decreased amount in the current period	32,172,563.19	24,859,484.14	57,032,047.33
(1) Disposal	375,224.20	19,817,084.14	20,192,308.34

Item	Land use rights	Patent rights and others	Total
(2) Write-off [Note 1]		5,042,400.00	5,042,400.00
(3) Transfer to investment real estate	31,797,338.99		31,797,338.99
4. Ending balance	11,195,701,778.22	3,605,169,628.21	14,800,871,406.43
II. Accumulated amortization			
1. Beginning balance	1,206,697,164.66	682,279,619.00	1,888,976,783.66
2. Increased amount in the current period	260,717,169.43	326,649,056.02	587,366,225.45
(1) Accrual	238,910,120.98	168,427,542.25	407,337,663.23
(2) Transfer-in from investment real estate	177,483.20		177,483.20
(3) Increase in business merger	21,629,565.25	158,221,513.77	179,851,079.02
3. Decreased amount in the current period	4,131,978.52	11,674,242.89	15,806,221.41
(1) Disposal	122,253.43	6,631,842.89	6,754,096.32
(2) Write-off		5,042,400.00	5,042,400.00
(3) Transfer to investment real estate	4,009,725.09		4,009,725.09
4. Ending balance	1,463,282,355.57	997,254,432.13	2,460,536,787.70
III. Impairment provision			
1. Beginning balance		702,310,984.66	702,310,984.66
2. Increased amount in the current period		20,997,973.04	20,997,973.04
Including: increase in business merger		20,997,973.04	20,997,973.04
3. Decreased amount in the current period		4,827,410.40	4,827,410.40
Including: write-off		4,827,410.40	4,827,410.40
4. Ending balance		718,481,547.30	718,481,547.30
IV. Book value			
1. Book value at the end of the period	9,732,419,422.65	1,889,433,648.78	11,621,853,071.43
2. Book value at the beginning of the period	9,428,115,008.21	488,852,199.89	9,916,967,208.10

[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, 2022, the book value of intangible assets – land use rights, of which the Company has not yet obtained the certificate of title was RMB 159,856,229.12.

[Note 3] No intangible assets were formed through the Company's internal research and development in the current period.

25. 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	

Name of Investee or matters forming goodwill	Beginning Balance	Increase in the current period		Ending Balance
		Formed by business merger	Decrease in the current period Disposal	
Hefei Kinghome Electrical Co., Ltd.	51,804,350.47			51,804,350.47
Nanjing Walsin Metal Co., Ltd.	274,115,040.11			274,115,040.11
Gree Altairnano New Energy Inc.	612,777,583.92			612,777,583.92
Zhejiang DunAn Artificial Environment Co., Ltd. [Note]		1,198,301,590.22		1,198,301,590.22
Shenyang Water and Heat Source Development Co., Ltd.		372,585.32		372,585.32
Total	938,696,974.50	1,198,674,175.54		2,137,371,150.04

[Note] In this period, the Company has acquired 270,360,000 shares of Zhejiang DunAn Artificial Environment Co., Ltd. (hereinafter referred to as "DunAn Environment") held by Zhejiang DunAn Precision Industries Group Co., Ltd., accounting for 29.48% of the total share capital of DunAn Environment. As of the purchase date of April 30, 2022, the fair value share of identifiable net assets attributable to the owners of the parent company was RMB 1,126,527,354.60, and the corresponding fair value share of identifiable net assets has been appraised by Beijing Yachao Asset Appraisal Co., Ltd., and BJYCPBZ (2022) No. A206 Appraisal Report was issued. Within 12 months after the acquisition date, the Company paid a related-party guarantee amount of RMB233,115,350.00 and increased the fair value of identifiable net assets attributable to the owners of the parent company by RMB98,202,405.18. The difference between the first acquisition payment of RMB2,189,916,000.00 and the second acquisition payment of RMB233,115,350.00 and the fair value share of identifiable net assets attributable to the owners of the parent company of DunAn Environment formed goodwill of RMB1,198,301,590.22.

(2) Goodwill impairment provision

Name of Investee or matters forming goodwill	Beginning Balance	Increase in the current period		Decrease in the current period Disposal	Ending Balance
		Accrual	Others		
Nanjing Walsin Metal Co., Ltd. [Note 1]	231,067,838.26	43,047,201.85			274,115,040.11
Shenyang Water and Heat Source Development Co., Ltd.			372,585.32		372,585.32
Gree Altairmano New Energy Inc. [Note 2]		151,720,775.11			151,720,775.11
Hefei Kinghome Electrical Co., Ltd. [Note 3]		51,804,350.47			51,804,350.47
Total	231,067,838.26	246,572,327.43	372,585.32		478,012,751.01

[Note 1] Instruction for Nanjing Walsin's goodwill asset group and impairment test

[Note] The Company acquired 94.30% of the equity of Nanjing Walsin Metal Co., Ltd., forming a goodwill of RMB274,115,040.11. According to the appraisal report (ZTHPZ (2023) No. 040280) of *Appraisal Items for the Recoverable Amount of Asset Group Formed due to Merger and Acquisition of Nanjing Walsin Metal Co., Ltd. Related to Goodwill Involved in the Proposed Goodwill Impairment Test by Zhuhai Gree Electrical Co., Ltd.*, goodwill impairment provision of RMB43,047,201.85 was accrued from the above-mentioned goodwill arising from the acquisition in the current period.

1) Assets or asset groups associated with Nanjing Walsin's goodwill

The Company conducted goodwill impairment test on asset group related to goodwill that can benefit from the synergistic effects of business merger. Due to the difficulty to in obtaining the market fair value of the asset group containing goodwill directly, the Company calculated the recoverable amount of the asset group by using the method of estimating the present value of future cash flows. After comprehensively considering factors such as production and operation activity management, monitoring methods, continuous use and disposal, the asset group containing goodwill was finally determined. At the end of the period, the asset group where the goodwill was

located was consistent with the asset group determined when the goodwill was formed on the acquisition date, and its composition has not changed.

2) Important assumptions and key parameters of goodwill impairment test:

A. Assumption of orderly transactions: orderly transactions refer to transactions where the relevant assets or liabilities have usual market activities during a period of time before the measurement date;

B. Assumption of going concern: assumption of going concern refers to the assumption that the asset group will be used normally and continuously according to the purpose and use method on the benchmark date, without unforeseeable factors causing its failure to continue operations, and the valuation method, parameters and basis will be determined accordingly;

C. It is assumed that the Company has no major changes in its core management team, technical team, and marketing team based on the existing management methods and levels, and no other human force majeure and unforeseen factors that have a major adverse impact on the Company;

D. Given the Company's operation and production are mainly to earn processing profits, fluctuations in raw material prices do not have a substantial impact on its operating profits, therefore, it is assumed that the raw material prices will remain unchanged in the coming years in the evaluation.

When conducting the asset impairment test, the expected return on investment of property rights holders is estimated by using the method of analysis and calculation of the selected company for comparison, and the pre-tax discount rate used in the impairment test was 12.40% as calculate.

3) Appraisal results of goodwill impairment test

Unit: 10 thousand yuan

Company Name	Book value of asset group	Recoverable amount of asset group	Goodwill impairment amount
Nanjing Walsin Metal Co., Ltd.	24,876.78	20,300.00	4,564.92

According to the appraisal report (ZTHPZ (2023) No. 040280) of *Appraisal Items for the Recoverable Amount of Asset Group Formed due to Merger and Acquisition of Nanjing Walsin Metal Co., Ltd. in the Proposed Goodwill Impairment Test by Zhuhai Gree Electrical Co., Ltd.*, the amount of goodwill impairment loss accrued for the asset group including goodwill in this period is RMB45,649,206.63, of which the goodwill impairment loss attributable to shareholders of the parent company is RMB43,047,201.85.

[Note 2] Goodwill impairment provision of Gree Altairnano New Energy Inc.

The Company acquired a 30.47% equity of Gree Altairnano New Energy Inc. (hereinafter referred to as "Gree Altairnano New Energy"), forming a goodwill of RMB612,777,583.92. According to the *Asset Appraisal Report on the Asset Group Appraisal Items Involved in the Proposed Goodwill Impairment Test by Gree Electric Appliances, Inc. of Zhuhai on the Goodwill Formed by the Merger of Gree Altairnano New Energy Inc.* issued by Zhejiang Zhongheng Real Estate Land Assets Appraisal Consulting Co., Ltd. (ZZH [2023] ZI No. HZ1110), a goodwill impairment provision of RMB151,720,775.11 has been accrued for the above goodwill formed by acquisition in the current period.

1) Assets or asset groups associated with the goodwill of Gree Altairnano New Energy

The main asset group containing goodwill includes intangible assets such as fixed assets, land use rights and patents. Based on the characteristics of the asset group, the cost method was chosen for the fair value appraisal of the asset group containing goodwill.

2) Important assumptions and key parameters of goodwill impairment test:

A. Assuming that all assets to be appraised can be traded in a normal and orderly manner;

B. Assuming that the assets will continue to operate and be used in their current purposes and manners, scale, frequency, and environment, etc., or will be used with some modifications;

C. Assuming that the trading parties of assets traded or intended to be traded on the market have equal status and opportunities and time to obtain sufficient market information to make rational judgments about the assets' function, purpose, and transaction price;

D. This appraisal assumes that external economic conditions remain unchanged as of the valuation date there are no major changes in the current macroeconomic policies of the country, and there are no significant changes in the socio-economic environment in which the Company operates, as well as in the tax and tax rates implemented;

E. The future management team of the Company will fulfill their duties and continue to maintain the existing management model;

F. When using the cost method to appraise the fair value of the related asset groups containing goodwill, it is assumed that the value of the related asset groups containing goodwill can be fully recovered through future operation (or disposal) of the asset groups;

G. All the assets appraised in this appraisal are based on the actual inventory as of the valuation date, and the current market price of the relevant assets is based on the domestic effective price as of the valuation date.

3) Appraisal results of goodwill impairment test

Currency: yuan (CNY)

Item	Amount
Original book value of goodwill ①	612,777,583.92
Original value of unrecognized goodwill attributable to minority shareholders' equity ②	1,398,307,364.95
Original value of goodwill including unrecognized equity attributable to minority shareholders ③ = ① + ②	2,011,084,948.87
Book value of tangible assets in the asset group ④	12,879,685,932.05
Book value of asset group containing overall goodwill ⑤ = ③ + ④	14,890,770,880.92
Net amount of the present value of expected future cash flows for asset groups or the fair value of the asset group less disposal expenses ⑥	14,392,835,944.55
Overall impairment reserves of goodwill	497,934,936.37
Impairment reserves of goodwill attributable to shareholders of the parent company	151,720,775.11
Impairment reserves of goodwill accrued in previous years	
Impairment loss on goodwill for this year	151,720,775.11

[Note 3] Instruction for goodwill asset group and impairment test of Hefei Kinghome Electrical Co., Ltd.

Due to the difficulty in obtaining the market fair value of assets or asset groups containing goodwill directly, the Company calculates the recoverable amount of the asset groups by the present value of expected future cash flow. The expected cash flow is based on the prediction of future cash flow of assets or asset groups. Other key data used in impairment test include expected sales revenue, production costs, and other related expenses. The Company determines the above key data based on historical experience and market development predictions. The discount rate adopted by the Company is the pre-tax rate reflecting the time value of the current market currency and the specific risk of the relevant asset group.

The asset group containing goodwill at the end of this year is consistent with the asset group determined when goodwill was formed on the acquisition date, and its composition has not changed. The discount rate adopted by the Company to expect cash flow is 11.47%, the growth rate of operating revenue is expected to be 10% from 2023 to 2027, and the growth rate in the stable stage is 0. According to the test results, the recoverable amount of the asset group related to goodwill is less than the identifiable book value of the asset group and the book value of all goodwill, thus the goodwill requires full accrual for impairment reserves.

[Note 4] Instruction for DunAn Environment's goodwill asset group and impairment test

Under the *Recoverable Amount Items of Zhejiang DunAn Artificial Environment Co., Ltd.'s Asset Groups Involved Goodwill in the Proposed Goodwill Impairment Test of Gree Electric Appliances, Inc. of Zhuhai* (ZLPBZ [2023] No. 1150) issued by Hubei Zhonglian Asset Appraisal Co., Ltd., the goodwill formed by the acquisition does not require accrual for impairment reserves of goodwill in the current period.

1) Information about the asset or asset group combination containing the goodwill of DunAn Environment

The assets included in the appraisal scope are assets related to the consolidated goodwill of Zhejiang DunAn Artificial Environment Co., Ltd., divided into four asset groups: accessories, equipment, heating engineering, and heating management, specifically including fixed assets, construction in progress, right-to-use assets, intangible assets, long-term deferred expenses, other non-current assets, and goodwill. For this appraisal, the recoverable amount is selected as the value type of this appraisal report. The recoverable amount is subject to the higher one between the net amount deducting disposal expenses from the fair value of the asset group or asset groups combination containing goodwill and the present value of expected future cash flows.

2) Important assumptions and key parameters of goodwill impairment test:

A. Suppose that the property owner continues to operate after the appraisal base date mainly in four major sectors of refrigeration

- accessories, refrigeration equipment, heating engineering, and heating management;
- B. Suppose that there are no significant changes in the political, economic, and social environment of the country and region where the property owner is located after the appraisal base date;
- C. Suppose that there are no significant changes in national macroeconomic policies, industrial policies, and regional development policies after the appraisal base date;
- D. Suppose that there are no significant changes in interest rates, exchange rates, tax bases and tax rates, policy collection fees, etc. related to the property owner after the appraisal base date;
- E. Suppose that the management of the property owner after the appraisal base date is responsible, stable, and capable of assuming its position;
- F. Suppose that the property owner fully complies with all relevant laws and regulations;
- G. Suppose that there is no force majeure that has a significant adverse impact on the property owner after the appraisal base date;
- H. Suppose that the property owner maintains the same business scope and methods as currently based on its existing management methods and levels after the appraisal base date;
- I. Suppose that the technical team and senior executives of the property owner remain relatively stable after the appraisal base date without significant loss of core professional;
- J. Suppose that the cash inflows of the property owner are average inflows while the cash outflows are average outflows, and cash flows are generated in the midterm of each prediction period after the appraisal base date; and
- K. Suppose that there are neither significant changes in the supply and prices of raw materials and auxiliary materials consumed by the property owner for production and operation, nor significant changes that are unforeseeable in the product prices of the property owner.
- 3) Appraisal results of goodwill impairment test

Unit: 10 thousand yuan

Item	Book value of asset group containing goodwill	Recoverable amount	Increase or decrease in value	Value added rate (%)
Accessories sector	461,126.23	722,327.07	261,200.84	56.64
Equipment sector	28,961.85	47,971.74	19,009.89	65.64
Heating engineering sector	82,348.05	135,579.59	53,231.54	64.64
Heating management sector	25,556.30	69,947.85	44,391.55	173.70
Total	597,992.43	975,826.25	377,833.82	63.18

26. Long-term unamortized expenses

Item	Beginning Balance	Increase in the scope of consolidation	Increased Amount in the Current Period	Amortization Amount in the Current Period	Ending Balance
Renovation costs and others	18,724,025.74	20,239,298.84	11,638,469.85	27,739,400.53	22,862,393.90
Total	18,724,025.74	20,239,298.84	11,638,469.85	27,739,400.53	22,862,393.90

27. 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
Assets impairment reserves	6,643,992,630.67	1,130,458,707.56	5,526,051,132.93	934,860,835.60
Deductible losses	8,528,191,787.64	1,667,323,200.67	6,783,704,724.84	1,426,651,977.24
Accrued expenses	74,646,872,375.32	11,202,831,506.36	70,642,488,124.58	10,603,767,691.88
Payroll payable	1,488,929,099.06	230,456,696.17	1,342,012,620.97	207,941,829.63

Item	Ending Balance		Beginning Balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Assets amortization	264,225,302.62	39,712,114.04	282,882,015.47	43,093,274.62
Others	1,805,828,315.54	328,084,645.43	2,866,665,758.43	445,534,163.71
Total	93,378,039,510.85	14,598,866,870.23	87,443,804,377.22	13,661,849,772.68

(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
Changes in fair value of derivative financial assets	23,731,530.82	3,970,875.35	282,767,966.53	47,017,208.48
Accrued interest	5,290,711,334.53	968,378,001.20	3,671,369,000.39	696,523,997.54
Assets amortization	1,750,007,228.31	271,416,568.54	1,395,006,607.26	228,029,140.30
Changes in fair value of other equity instrument investments	433,527,038.34	65,029,055.75	5,788,793,612.15	868,319,041.82
Appraised appreciation of consolidated assets of enterprises not under the common control	3,582,036,617.90	738,945,765.64	2,005,971,524.03	320,359,752.22
Others	732,645,089.17	177,387,477.26	535,300,948.02	133,663,373.43
Total	11,812,658,839.07	2,225,127,743.74	13,679,209,658.38	2,293,912,513.79

(3) Details of deferred income tax assets not recognized

Item	Ending Balance	Beginning Balance
Deductible temporary differences	3,281,958,579.26	2,649,057,873.48
Deductible losses	2,599,631,551.36	1,999,613,109.29
Total	5,881,590,130.62	4,648,670,982.77

(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
2022		14,111,337.16
2023	224,603,342.52	58,759,679.60
2024	762,961,760.88	37,615,022.30
2025	785,496,400.36	37,836,203.73
2026	115,411,404.36	73,328,698.01
2027	110,109,117.96	
2028	13,674,872.10	
2030	5,609,610.89	
Open-ended	581,765,042.29	1,777,962,168.49

Year	Investment Amount at the End of the Period	Beginning Amount
Total	2,599,631,551.36	1,999,613,109.29

28. Other non-current assets

Item	Ending Balance			Beginning Balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Advance payments for equipment	739,880,724.35		739,880,724.35	319,558,426.19		319,558,426.19
Advance project funds and cash pledge and deposit	286,681,230.43	30,808,387.19	255,872,843.24	357,562,564.75		357,562,564.75
Advance land-transferring fees and others	43,959,131.67		43,959,131.67	39,127,688.96		39,127,688.96
Total	1,070,521,086.45	30,808,387.19	1,039,712,699.26	716,248,679.90		716,248,679.90

29. Short-term borrowings

(1) Classification of short-term borrowings

Item	Ending Balance	Beginning Balance
Pledge borrowings	20,215,759,226.93	12,624,147,777.77
Mortgaged borrowings	438,390,000.00	2,252,700,000.00
Guaranteed borrowings	900,000,000.00	
Credit borrowings	31,117,982,271.80	12,586,183,086.85
Subtotal	52,672,131,498.73	27,463,030,864.62
Accrued interest	223,719,789.19	154,889,683.49
Total	52,895,851,287.92	27,617,920,548.11

(2) Overdue and unpaid short-term borrowings

None.

30. Loans from other banks

Item	Ending Balance	Beginning Balance
Credit lending		300,000,000.00
Accrued interest		21,500.00
Total		300,021,500.00

31. Derivative financial liabilities

Item	Ending Balance	Beginning Balance
Forward exchange contract (FEC)	184,811,894.98	
Total	184,811,894.98	

32. Financial assets sold for repurchase

Item	Ending Balance	Beginning Balance
Bonds (pledge-style repo)		746,564,041.09
Total		746,564,041.09

33. Deposits from customers and interbank

Item	Ending Balance	Beginning Balance
Current deposits	22,144,523.59	34,023,561.14
Time deposits	190,606,127.38	142,684,338.50
Subtotal	212,750,650.97	176,707,899.64
Accrued interest	6,360,418.64	5,974,006.10
Total	219,111,069.61	182,681,905.74

34. Notes payable

Type	Ending Balance	Beginning Balance
Banker's acceptance bill	38,346,486,801.38	40,737,984,514.42
Trade acceptance draft	263,414,018.36	6,000,000.00
Total	38,609,900,819.74	40,743,984,514.42

35. Accounts payable

(1) List of accounts payable

Item	Ending Balance	Beginning Balance
Payment for goods and services	30,384,290,338.76	33,845,824,271.75
Others	2,471,781,150.11	2,029,266,639.30
Total	32,856,071,488.87	35,875,090,911.05

(2) Important payables aged over 1 year

None.

36. Contract liabilities

Item	Ending Balance	Beginning Balance
Loans	14,972,336,715.45	15,505,499,178.75
Total	14,972,336,715.45	15,505,499,178.75

[Note] Contract liabilities mainly consist of advance payments from distributors for goods.

37. 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	3,461,591,940.13	10,353,336,138.09	9,927,070,717.78	3,887,857,360.44

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
II. Separation benefits - defined contribution plan	5,038,461.60	754,246,070.91	749,279,801.11	10,004,731.40
Total	3,466,630,401.73	11,107,582,209.00	10,676,350,518.89	3,897,862,091.84

(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	2,484,156,586.96	8,760,446,445.85	8,449,651,564.06	2,794,951,468.75
2. Employee welfare		745,410,115.25	744,980,415.84	429,699.41
3. Social insurance premiums	832,815.56	309,674,322.30	307,625,646.69	2,881,491.17
Including: Medical insurance premiums	803,620.17	279,404,168.23	277,771,891.74	2,435,896.66
Work-related injury insurance premiums	28,249.19	21,764,416.28	21,477,188.61	315,476.86
Maternity insurance premiums	946.20	8,505,737.79	8,376,566.34	130,117.65
4. Housing provident funds	2,598,916.25	299,609,079.93	297,796,792.95	4,411,203.23
5. Labor union expenditures and employee education funds	974,003,621.36	238,196,174.76	127,016,298.24	1,085,183,497.88
Total	3,461,591,940.13	10,353,336,138.09	9,927,070,717.78	3,887,857,360.44

(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	3,884,232.96	726,387,893.38	721,309,024.35	8,963,101.99
2. Unemployment insurance premiums	1,154,228.64	27,858,177.53	27,970,776.76	1,041,629.41
Total	5,038,461.60	754,246,070.91	749,279,801.11	10,004,731.40

38. Taxes and dues payable

Item	Ending Balance	Beginning Balance
Value-added tax	1,650,439,583.33	1,015,503,640.35
Business income tax	1,856,871,168.58	961,029,463.82
Others	312,113,887.57	253,938,087.32
Total	3,819,424,639.48	2,230,471,191.49

39. Other payables

Item	Ending Balance	Beginning Balance
Dividends payable	5,620,664,762.67	2,367,112.94
Other payables [Note 1]	5,291,741,904.22	6,760,752,824.20
Total	10,912,406,666.89	6,763,119,937.14

[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

1) Dividends payable listed by nature of payment

Item	Ending Balance	Beginning Balance
Common stock dividends	5,614,444,494.87	602,881.87
Others	6,220,267.80	1,764,231.07
Total	5,620,664,762.67	2,367,112.94

2) Important dividends payable aged over 1 year

None.

(2) Other payables

1) Other payables listed by nature of payment

Item	Ending Balance	Beginning Balance
Intercourse funds	2,485,922,439.12	3,018,271,527.82
Cash pledge and deposit	1,184,716,528.02	1,010,801,182.18
Enterprise borrowing and interest	1,621,102,937.08	2,731,680,114.20
Total	5,291,741,904.22	6,760,752,824.20

2) Other important payables aged over 1 year

Item	Ending Balance	Reasons for failing to repay or carry-over
Unit 1	963,623,516.68	Unsatisfied repayment conditions
Unit 2	295,003,644.66	Unsatisfied repayment conditions
Total	1,258,627,161.34	

40. Non-current liabilities due within one year

Item	Ending Balance	Beginning Balance
Long-term borrowings due within one year		1,226,863,474.75
Long-term payables to be due within one year	188,387,613.61	16,958,747.82
Lease liabilities due within 1 year	66,954,923.96	11,471,812.27
Total	255,342,537.57	1,255,294,034.84

41. Other current liabilities

Item	Ending Balance	Beginning Balance
Repair cost	2,562,297,091.72	1,913,804,227.53
Sales rebate	52,515,732,341.58	52,669,278,982.00
Obligation not derecognized to pay commercial papers	40,578,585.03	852,128,009.63
Output tax to be declared	1,820,958,007.81	1,925,767,413.76
Short-term bonds payable [Note]		4,048,840,948.73
Others	809,251,577.10	1,004,287,682.55
Total	57,748,817,603.24	62,414,107,264.20

[Note] Changes in short-term bonds payable of the Company in the current period are as follows:

Abbreviation of Bond	Face Value	Issuing Date	Bond Duration	Amount Issued	Beginning Balance	Current Issuance	Accrued Interest at Nominal Value	Amortization of the Premiums and Discounts	Current Repayment	Ending Balance
21 Gree Electric Appliances SCP009	4,000,000,000.00	2021/7/9	177 days	4,000,000,000.00	4,048,840,948.73		1,424,657.52	167,270.46	4,050,432,876.71	
Total	4,000,000,000.00			4,000,000,000.00	4,048,840,948.73		1,424,657.52	167,270.46	4,050,432,876.71	

42. Long-term borrowings

Item	Ending Balance	Beginning Balance
Pledge borrowings	3,312,962,532.03	133,082,315.96
Mortgaged borrowings	2,718,972,309.96	2,303,590,315.07
Credit borrowings	24,721,907,621.41	7,726,847,919.32
Subtotal	30,753,842,463.40	10,163,520,550.35
Accrued interest	30,398,747.81	24,207,182.70
Less: Long-term borrowings due within one year		1,226,863,474.75
Total	30,784,241,211.21	8,960,864,258.30

43. Lease liabilities

Item	Ending Balance	Beginning Balance
Lease liabilities	213,791,544.62	14,785,264.79
Less: Lease liabilities due within 1 year	66,954,923.96	11,471,812.27
Total	146,836,620.66	3,313,452.52

44. Long-term payables

Item	Ending Balance	Beginning Balance
Financial liabilities formed after after-sales repurchase	274,393,778.81	463,153,339.74
Others	18,638,250.00	
Subtotal	293,032,028.81	463,153,339.74
Less: Long-term payables due within 1 year	188,387,613.61	16,958,747.82
Total	104,644,415.20	446,194,591.92

45. Long-term payroll payable

(1) Table of long-term payroll payable

Item	Ending Balance	Beginning Balance
Net liabilities of separation benefits – defined benefit plan	175,712,728.00	164,408,471.00
Total	175,712,728.00	164,408,471.00

(2) Changes in the defined benefit plan

1) Present value of obligations under the defined benefit plan:

Item	Amount incurred in the current period	Amount incurred for the previous period
I. Beginning balance	164,408,471.00	149,859,788.00
II. Defined benefit cost included in the current profits and losses	8,733,357.00	7,930,751.00
1. Service costs in the current period	2,945,591.00	2,611,662.00

Item	Amount incurred in the current period	Amount incurred for the previous period
2. Net interest	5,241,236.00	5,141,391.00
3. Impact of adding new personnel	546,530.00	177,698.00
III. Defined benefit cost included in other comprehensive income	8,601,949.00	12,391,783.00
Including: actuarial gains (losses expressed with "-")	8,601,949.00	12,391,783.00
IV. Other changes	-6,031,049.00	-5,773,851.00
Including: Paid benefits	-6,031,049.00	-5,773,851.00
V. Ending balance	175,712,728.00	164,408,471.00

2) Net liabilities (net assets) of the defined benefit plan:

Item	Amount incurred in the current period	Amount incurred for the previous period
I. Beginning balance	164,408,471.00	149,859,788.00
II. Defined benefit cost included in the current profits and losses	8,733,357.00	7,930,751.00
III. Defined benefit cost included in other comprehensive income	8,601,949.00	12,391,783.00
IV. Other changes	-6,031,049.00	-5,773,851.00
V. Ending balance	175,712,728.00	164,408,471.00

(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.

46. Deferred income

(1) Classification of deferred income

Item	Beginning Balance	Increase in the scope of consolidation	Increase in the current period	Decrease in the current period	Ending Balance
Government grants	2,696,087,968.70	76,540,692.48	779,587,473.59	217,138,167.38	3,335,077,967.39
Others	6,565,929.08			1,432,566.24	5,133,362.84
Total	2,702,653,897.78	76,540,692.48	779,587,473.59	218,570,733.62	3,340,211,330.23

(2) Projects involved government grants

Item	Beginning Balance	Increase in the scope of consolidation	Increase in the current period	Decrease in the current period	Ending Balance
I. Income related government grants	211,352,066.99		27,063,958.35	62,666,507.37	175,749,517.97
Including: environmental protection upgrade project	25,293,633.39		242,090.00	25,371,575.24	164,148.15
Scientific research project in refrigerating field	125,237,434.76		23,518,607.64	21,533,687.95	127,222,354.45
Others	60,820,998.84		3,303,260.71	15,761,244.18	48,363,015.37
II. Assets related government grants	2,484,735,901.71	76,540,692.48	752,523,515.24	154,471,660.01	3,159,328,449.42
Including: environmental protection upgrade project	26,428,380.36	1,000,000.00	47,170,000.00	2,071,336.27	72,527,044.09
Scientific research project in refrigerating field	1,229,636,966.93	71,299,025.81	687,390,302.59	66,883,173.92	1,921,443,121.41
Energy vehicle project	1,168,973,209.04	4,241,666.67	6,060,000.00	78,050,339.55	1,101,224,536.16
Others	59,697,345.38		11,903,212.65	7,466,810.27	64,133,747.76
Total	2,696,087,968.70	76,540,692.48	779,587,473.59	217,138,167.38	3,335,077,967.39

47. Share capital

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Total number of stocks	5,914,469,040.00		283,063,299.00	5,631,405,741.00
Total	5,914,469,040.00		283,063,299.00	5,631,405,741.00

[Note] On July 5, 2022, the phase I repo shares of the Company were cancelled 62,031,280 shares, with an amount of RMB3,434,775,443.23, resulting in a decrease of RMB62,031,280.00 in the Company's share capital; on July 5, 2022, the phase III repo shares of the Company were cancelled 221,032,019 shares, with an amount of RMB10,500,935,202.34, resulting in a decrease of RMB221,032,019.00 in the Company's share capital. The phases I and III repo resulted in a total decrease of RMB283,063,299.00 in share capital, RMB13,935,710,645.57 in treasury shares, RMB1,983,727,107.74 in statutory surplus reserves, and RMB11,668,920,238.83 in undistributed profits.

48. Capital reserves

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Other capital reserves	125,874,127.56	370,227,884.10		496,102,011.66
Total	125,874,127.56	370,227,884.10		496,102,011.66

[Note] The expenses of current allocation of equity incentives – employee stock ownership plan resulted in an increase of RMB370,227,884.10 in other capital reserves.

49. Treasury share

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Repo share	19,579,646,233.43		13,935,710,645.57	5,643,935,587.86
Total	19,579,646,233.43		13,935,710,645.57	5,643,935,587.86

[Note] For the reasons for changes in the Treasury share in the current period, see Note V 47 *Capital Shares*

50. Other comprehensive income

Item	Beginning Balance	Amount incurred in the current period						Ending Balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive income in previous period but transferred to the profits and losses in current period	Less: Amount included in other comprehensive income in previous period but transferred to retained earnings in 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	11,246,551,526.93	-10,190,145,665.11		42,815,409.78	-803,289,986.07	-9,426,072,167.28	-3,598,921.54	1,820,479,359.65
Changes arising from remeasurement of the defined benefit plan	-63,406,277.00	-8,601,949.00				-8,601,949.00		-72,008,226.00
Other comprehensive income that cannot be transferred to profits and losses under the equity method	6,849,401,769.67	-4,751,228,038.23		1,750,396.55		-4,749,379,513.24	-3,598,921.54	2,100,022,256.43
Changes in fair value of other equity instrument investments	4,460,556,034.26	-5,430,315,677.88		41,065,013.23	-803,289,986.07	-4,668,090,705.04		-207,534,670.78
II. Other comprehensive income to be reclassified into profits and losses	-42,547,171.66	303,893,895.75	30,494,425.00		1,598,959.66	264,969,417.05	6,831,094.04	222,422,245.39
Other comprehensive income that can be transferred to profits and losses under the equity method	-208,819.44							-208,819.44
Changes in fair value of other debt investments	-59,989,163.67	72,240,687.37			5,982,645.91	51,928,741.98	14,329,299.48	-8,060,421.69
Reserves for credit impairment of other debt investments		-12,440,164.58				-3,667,360.51	-8,772,804.07	-3,667,360.51
Cash flow hedging reserves	25,920,261.25	1,269,850.00	30,494,425.00		-4,383,686.25	-24,846,643.18	5,754.43	1,073,618.07
Difference arising from translation of financial statements in foreign currency	-8,269,449.80	242,823,522.96				241,554,678.76	1,268,844.20	233,285,228.96
Total other comprehensive income	11,204,004,355.27	-9,886,251,769.36	30,494,425.00	42,815,409.78	-801,691,026.41	-9,161,102,750.23	3,232,172.50	2,042,901,605.04

51. Special reserves

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Safe production expenses	22,403,846.26	6,207,315.33	2,765,810.31	25,845,351.28
Total	22,403,846.26	6,207,315.33	2,765,810.31	25,845,351.28

52. Surplus reserves

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Statutory surplus reserves	1,983,727,107.74	2,241,118,692.92	1,983,727,107.74	2,241,118,692.92
Total	1,983,727,107.74	2,241,118,692.92	1,983,727,107.74	2,241,118,692.92

[Note 1] The reason for the increase in surplus reserves in the current period is as follows: ① Under the regulations, the Company accrued a statutory surplus reserves of RMB2,237,070,151.57 based on 10% of the parent company's net profits in the current period. ② The transfer of other comprehensive income to retained earnings resulted in an increase of RMB4,048,541.35 to the surplus reserve.

[Note 2] For the reasons for decrease in the surplus reserve in this period, see this Note V 47 *Capital Shares*.

53. General risk provisions

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
General risk provisions	505,599,356.30	1,623,761.10		507,223,117.40
Total	505,599,356.30	1,623,761.10		507,223,117.40

54. Undistributed profits

Item	Amount incurred in the current period	Amount incurred for the previous period
Beginning undistributed profit	103,475,223,000.17	102,841,596,377.66
Beginning undistributed profit after adjustment	103,475,223,000.17	102,841,596,377.66
Add: Net profit attributable to owners of the parent company for the current period	24,506,623,782.46	23,063,732,372.62
Less: Withdrawal of statutory surplus reserves	2,237,070,151.57	1,983,727,107.74
Withdrawal of general risk reserves	1,623,761.10	8,023,584.04
Common share dividends payable [Notes 1]	22,223,874,812.00	16,752,531,495.00
Influence of share-based payment and share cancellation [Note 2]	11,668,920,238.83	3,794,252,950.50
Purchase of minority shareholder's equity in subsidiaries [Note 3]	428,720,730.49	
Add: Amount transferred from other comprehensive income to retained earnings	36,436,872.17	108,429,387.17
Ending undistributed profit	91,458,073,960.81	103,475,223,000.17

[Note 1] The amount of common share dividends payable by the Company this year is RMB22,223,874,812.00, as detailed below:

① Under the resolutions of the general meeting of shareholders on February 28, 2022, the Company distributed cash dividends to all shareholders at a rate of RMB10.00 (tax inclusive) per 10 shares. Based on the shares deducting repo shares (the Company has cumulatively repurchased a total of 377,791,307) in the special account for repo from the Company's total capital shares of 5,914,469,040, RMB5,536,677,733.00 of cash dividends should be actually distributed.

② Under the resolutions of the general meeting of shareholders on June 7, 2022, the Company distributed cash dividends to all shareholders at a rate of RMB20.00 (tax inclusive) per 10 shares. Based on the shares deducting repo shares (the Company has

cumulatively repurchased a total of 377,791,307) in the special account for repo from the Company's total capital shares of 5,914,469,040, RMB11,073,355,466.00 of cash dividends should be actually distributed.

③ Under the resolutions of the general meeting of shareholders on December 28, 2022, the Company distributed cash dividends to all shareholders at a rate of RMB10.00 (tax inclusive) per 10 shares. Based on the shares deducting repo shares (the Company has cumulatively repurchased a total of 17,564,128) in the special account for repo from the Company's total capital shares of 5,631,405,741, RMB5,613,841,613.00 of cash dividends should be actually distributed.

[Note 2] For the influence of the Company's share cancellation in this period on the undistributed profits, see this Note V 47 *Capital Shares*.

[Note 3] The purchase of minority shareholders' equity in a subsidiary, insufficient capital reserve offset, and offset retained earnings have total influence on undistributed profit of RMB428,720,730.49.

55. Operating revenues and costs

Item	Amount incurred in the current period		Amount incurred for the previous period	
	Revenue	Cost	Revenue	Cost
Main business	153,165,839,566.10	105,573,859,862.27	144,840,537,601.90	101,021,238,221.75
Other business	35,822,543,140.58	34,210,528,020.51	43,028,337,290.81	41,230,400,368.12
Total	188,988,382,706.68	139,784,387,882.78	187,868,874,892.71	142,251,638,589.87

Information related to the revenues from main business:

Item	Amount incurred in the current period		Amount incurred for the previous period	
	Revenue	Cost	Revenue	Cost
Classified by industry				
Manufacturing industry	153,165,839,566.10	105,573,859,862.27	144,840,537,601.90	101,021,238,221.75
Total	153,165,839,566.10	105,573,859,862.27	144,840,537,601.90	101,021,238,221.75
Classified by product type				
Including: Air conditioner	134,859,394,542.06	91,116,284,416.91	131,712,664,218.81	90,576,252,210.44
Home appliance	4,567,901,238.21	3,051,711,250.15	4,881,607,693.72	3,262,705,849.18
Industrial products	7,599,259,996.39	6,057,662,877.96	3,194,552,084.04	2,604,593,659.63
Smart device	432,085,871.36	303,247,852.63	857,741,120.95	606,116,653.12
Green energy	4,701,188,530.73	4,077,474,678.11	2,907,445,769.91	2,729,740,202.70
Others	1,006,009,387.35	967,478,786.51	1,286,526,714.47	1,241,829,646.68
Total	153,165,839,566.10	105,573,859,862.27	144,840,537,601.90	101,021,238,221.75
Classified by region				
Including: Sales in domestic market	129,895,113,805.01	85,650,631,599.13	122,305,111,567.10	80,703,210,957.38
Export sales	23,270,725,761.09	19,923,228,263.14	22,535,426,034.80	20,318,027,264.37
Total	153,165,839,566.10	105,573,859,862.27	144,840,537,601.90	101,021,238,221.75

56 Interest income and interest expenses

Item	Amount incurred in the current period	Amount incurred for the previous period
Interest income	1,162,289,741.08	1,785,060,001.28

Item	Amount incurred in the current period	Amount incurred for the previous period
Including: Interest income from deposits in other banks and central banks	900,104,771.54	967,523,971.58
Interest income from issuance of loans and advances	46,543,226.92	642,933,336.95
Others	215,641,742.62	174,602,692.75
Interest expense	82,118,835.96	523,238,956.03
Including: Expenses from transactions with financial institutions	63,728,710.63	492,270,450.54
Others	18,390,125.33	30,968,505.49
Net interest income	1,080,170,905.12	1,261,821,045.25

57. Taxes and surcharges

Item	Amount incurred in the current period	Amount incurred for the previous period
Urban maintenance & construction tax	410,993,531.12	192,741,080.66
Education surcharge	296,533,867.57	140,987,749.25
Building tax	242,591,473.78	182,944,167.04
Land use tax	150,191,753.52	114,448,407.21
Brazilian commodity circulation tax and industrial product tax	195,858,846.36	93,622,542.23
Funds for disposal of waste electric appliances	114,588,410.41	189,225,358.89
Others	201,485,526.64	162,695,156.50
Total	1,612,243,409.40	1,076,664,461.78

58. Sales expenses

Item	Amount incurred in the current period	Amount incurred for the previous period
Sales expenses	11,285,451,112.27	11,581,735,617.31
Total	11,285,451,112.27	11,581,735,617.31

[Note] In 2022, the sales expenses mainly included the installation and maintenance expenses, transportation, warehousing expenses, and loading and unloading fee, and promotion expenses, totally accounting for more than 80% of the total sales expenses.

59. Administrative expenses

Item	Amount incurred in the current period	Amount incurred for the previous period
Administrative expenses	5,267,999,733.62	4,051,241,003.05
Total	5,267,999,733.62	4,051,241,003.05

[Note] In 2022, the overhead expenses included the employees' remuneration, material consumption, depreciation and amortization, totally accounting for more than 80% of the total overhead expenses.

60. R&D expenses

Item	Amount incurred in the current period	Amount incurred for the previous period
R&D expenses	6,281,394,430.40	6,296,715,941.03
Total	6,281,394,430.40	6,296,715,941.03

[Note] In 2022, 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.

61. Financial expenses

Item	Amount incurred in the current period	Amount incurred for the previous period
Interest expense [Note 1]	2,836,743,431.08	1,752,112,003.72
Less: Interest income [Note 2]	4,646,747,718.69	4,242,449,764.06
Exchange profits and losses	-500,019,034.67	99,198,910.38
Commissions	97,740,063.96	125,651,596.78
Interest expense for defined benefit obligation	5,241,236.00	5,141,391.00
Others	277,430.67	143,865.00
Total	-2,206,764,591.65	-2,260,201,997.18

[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.

62. Other income

(1) Classification of other income

Sources of other income	Amount incurred in the current period	Amount incurred for the previous period	Amount included in non-recurring profits and losses in the current period
Government grants	866,364,721.39	818,485,990.31	835,673,515.67
Commissions refund of individual income tax and others	13,444,790.66	13,691,263.12	13,444,790.66
Total	879,809,512.05	832,177,253.43	849,118,306.33

(2) Government subsidies included in the profits and losses in the current period

Subsidy items	Amount incurred in the current period	Amount incurred for the previous period	Asset-related/income-related
Financial rewards	455,614,156.67	268,054,381.05	Related to assets and income
Financial subsidies for development projects	162,972,714.60	157,603,446.43	Related to assets and income
Subsidy income for technical transformation	69,632,210.10	99,160,068.06	Related to assets and income
Human resources subsidy	71,392,830.31	117,247,050.67	Related to income
Others	106,752,809.71	176,421,044.10	Related to assets and income
Total	866,364,721.39	818,485,990.31	

63. Income from investment

Item	Amount incurred in the current period	Amount incurred for the previous period
Long-term equity investment income measured by the equity method	-3,324,287.24	51,594,928.82
Investment income from derivative financial instruments	5,308,155.89	260,896,892.48
Investment income recognized from trading financial instruments	12,797,272.64	35,466,278.80
Investment income recognized from other equity instrument investments	45,123,901.66	42,877,391.69
Others	26,978,898.79	131,227,730.79

Item	Amount incurred in the current period	Amount incurred for the previous period
Total	86,883,941.74	522,063,222.58

64. Income from changes in fair value

Sources of income from changes in fair value	Amount incurred in the current period	Amount incurred for the previous period
Trading financial assets and instruments	59,588,240.62	-2,542,451.16
Derivative financial instruments	-389,491,823.26	-70,951,646.94
Others	-13,672,122.47	15,363,553.00
Total	-343,575,705.11	-58,130,545.10

65. Credit impairment losses

Item	Amount incurred in the current period	Amount incurred for the previous period
Bad debt losses	-504,912,773.22	-179,275,078.48
Impairment losses of loans and advances	88,544,000.00	28,294,208.74
Total	-416,368,773.22	-150,980,869.74

66. Asset impairment losses

Item	Amount incurred in the current period	Amount incurred for the previous period
Impairment losses of contract assets	-41,268,491.89	-28,587,466.72
Inventory falling price losses	-682,224,437.94	-470,468,223.45
Goodwill impairment losses	-246,572,327.43	-107,051,151.70
Impairment losses of the construction in progress		-54,413.75
Other asset impairment losses	3,386,247.75	
Total	-966,679,009.51	-606,161,255.62

67. Income from disposal of assets

Source of income from disposal of assets	Amount incurred in the current period	Amount incurred for the previous period
Gains from disposal of non-current assets (losses expressed with "-")	608,425.71	6,212,295.19
Total	608,425.71	6,212,295.19

68. Non-operating revenues

Item	Amount incurred in the current period	Amount incurred for the previous period	Amount included in non-recurring profits and losses in the current period
Government subsidies related to non-operation	11,816,261.51	83,322,120.02	11,816,261.51
Net profit from destruction scrap of non-current assets	580,724.89	737,924.23	580,724.89
Including: Gains from disposal of fixed assets	580,724.89	737,924.23	580,724.89
Others	47,413,344.96	70,261,732.62	47,413,344.96
Total	59,810,331.36	154,321,776.87	59,810,331.36

Government subsidies included in the current profits and losses:

Subsidy items	Amount incurred in the current period	Amount incurred for the previous period	Amount included in non-recurring profits and losses in the current period
Financial rewards	11,796,911.91	83,289,185.02	11,796,911.91
Others	19,349.60	32,935.00	19,349.60
Total	11,816,261.51	83,322,120.02	11,816,261.51

69. Non-operating expenses

Item	Amount incurred in the current period	Amount incurred for the previous period	Amount included in non-recurring profits and losses in the current period
Net losses from destruction scrap of non-current assets	53,809,736.38	16,698,680.87	53,809,736.38
Including: Net losses from destruction scrap of fixed assets	42,611,579.47	16,698,680.87	42,611,579.47
Others	72,712,838.55	11,750,889.43	72,712,838.55
Total	126,522,574.93	28,449,570.30	126,522,574.93

70. Income tax expenses

(1) Table of income tax expenses

Item	Amount incurred in the current period	Amount incurred for the previous period
Income tax expenses in the current period	4,911,250,568.93	3,952,404,363.46
Deferred income tax expenses	-705,210,079.43	18,939,502.22
Total	4,206,040,489.50	3,971,343,865.68

(2) Adjustment of accounting profits and income tax expenses

Item	Amount incurred in the current period
Total profits	27,217,384,842.61
Income tax expenses calculated at the statutory/applicable tax rate	4,082,607,726.39
Impact by different tax rates applicable to subsidiaries	-11,660,212.13
Impact by non-deductible costs, expenses and losses	85,015,238.51
Impact of deductible temporary differences or deductible losses on unrecognized deferred income tax assets in the current year	347,814,323.49
Others	-297,736,586.76
Income tax expenses	4,206,040,489.50

71. Items of cash flow statement

(1) Other cash received related to operating activities

Item	Amount incurred in the current period	Amount incurred for the previous period
Government grants	1,505,716,278.65	1,975,966,016.65
Interest income	232,202,309.34	188,322,311.64
Net decrease in bill pledge deposits and guarantee deposits	630,231,744.37	377,056,472.79
Cash pledge, deposit and others	1,519,632,130.33	1,397,356,516.94

Item	Amount incurred in the current period	Amount incurred for the previous period
Total	3,887,782,462.69	3,938,701,318.02

(2) Other cash payment related to operating activities

Item	Amount incurred in the current period	Amount incurred for the previous period
Cash payments for sales expenses	7,472,508,694.30	9,807,177,220.69
Cash payments for overhead expenses and R&D expenses	1,687,485,005.09	1,355,681,755.66
Return of advance project funds	201,388,556.08	166,827,066.61
Payment of performance, bid security, and others	1,125,497,555.86	1,395,517,552.83
Total	10,486,879,811.33	12,725,203,595.79

(3) Other cash received related to investment activities

Item	Amount incurred in the current period	Amount incurred for the previous period
Fixed deposit interest income	3,443,556,899.78	3,268,809,334.30
Net decrease in fixed deposits and others		44,582,777,861.75
Total	3,443,556,899.78	47,851,587,196.05

(4) Other cash payment related to investment activities

Item	Amount incurred in the current period	Amount incurred for the previous period
Net increase in time deposits and payment for forward foreign exchange settlement	26,009,551,043.69	
Others	39,078,603.18	10,532,866.10
Total	26,048,629,646.87	10,532,866.10

(5) Other cash payment related to financing activities

Item	Amount incurred in the current period	Amount incurred for the previous period
Received subscriptions for employee stock ownership plan		1,143,534,793.64
Others	20,000,000.00	
Total	20,000,000.00	1,143,534,793.64

(6) Other cash payment related to financing activities

Item	Amount incurred in the current period	Amount incurred for the previous period
Net increase in pledge deposits on borrowings	12,253,655,898.35	16,441,927,495.00
Cash payment for repo shares		21,819,537,788.45
Others	1,425,089,651.60	1,645,086,434.41
Total	13,678,745,549.95	39,906,551,717.86

72. Supplementary for cash flow statement

(1) Supplementary for cash flow statement

Supplementary	Amount in the current period	Amount in the previous period
1. Adjustment of net profit to cash flow from operating activities:		
Net Profits	23,011,344,353.11	22,831,893,632.89
Add: Assets and credit impairment reverses	1,383,047,782.73	757,142,125.36
Depreciation of fixed assets, depreciation of investment real estate, and amortization of right-to-use assets	4,597,938,791.84	3,476,137,137.22
Amortization of intangible assets	372,007,224.51	168,287,721.43
Losses on disposal of fixed assets, intangible assets and other long-term assets (income expressed with “-”)	-608,425.71	-6,212,295.19
Loss from scrapping fixed assets (income expressed with “-”)	53,229,011.49	15,960,756.64
Losses from changes in fair value (income expressed with “-”)	343,575,705.11	58,130,545.10
Financial expenses (income expressed with “-”)	-3,022,815,788.07	-2,206,918,302.50
Investment losses (income expressed with “-”)	-86,883,941.74	-522,063,222.58
Decrease in deferred income tax assets (increase expressed with “-”)	-897,724,577.56	-201,498,429.60
Increase in deferred income tax liabilities (decrease expressed with “-”)	192,514,498.13	220,437,931.82
Decrease of inventories (increase expressed with “-”)	5,509,950,723.66	-13,233,904,716.97
Decrease in operating receivables (increase expressed with “-”)	6,522,203,496.59	-2,983,553,411.83
Increase in operating payables (decrease expressed with “-”)	-10,082,543,299.83	-7,479,006,628.48
Others [Note]	773,200,367.01	999,530,415.41
Net cash flows from operating activities	28,668,435,921.27	1,894,363,258.72
2. Major investment and financing activities not involving cash receipts and payment:		--
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets under financing lease		
3. Net changes in cash and cash equivalents:		--
Ending balance of cash	31,754,656,695.61	29,951,743,758.00
Less: Beginning balance of cash	29,951,743,758.00	24,225,049,638.15
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	1,802,912,937.61	5,726,694,119.85

[Note] "Others" includes the decrease of RMB142,968,622.64 in statutory deposit reserves and the net decrease of RMB630,231,744.37 in bill deposits.

(2) Net cash payment for acquisition of subsidiaries in the current period

Item	Amount
Cash or cash equivalent payment for business combination that occurred in the current period	2,423,031,350.00
Including: Bank deposits	2,423,031,350.00
Less: Cash and cash equivalents held by the subsidiary on the acquisition date	391,669,981.58
Net cash payment for acquisition of subsidiaries	2,031,361,368.42

(3) Net cash from disposal of subsidiaries this year

Item	Amount
Cash or cash equivalents from the disposal of subsidiaries this year	
Add: Cash or cash equivalents received this year from the disposal of subsidiaries in the previous period	67,258,353.52
Net cash from disposal of subsidiaries	67,258,353.52

(4) Composition of cash and cash equivalents

Item	Ending Balance	Beginning Balance
I. Monetary funds	157,484,332,251.39	116,939,298,776.87
Including: Cash on hand	678,327.53	1,021,935.16
Bank deposits for payment at any time	12,976,313,644.11	7,036,671,283.79
Other monetary funds for payment at any time	342,302,803.81	282,159,290.47
Deposits in the central bank for payment at any time	6,311,554.32	2,052,759.35
Deposits in other banks for payment at any time	18,429,050,365.84	22,629,838,489.23
Time deposits and accrued interest not in the category of cash and cash equivalents	76,514,578,051.75	49,658,731,669.74
Deposits with restricted use	49,215,097,504.03	37,328,823,349.13
II. Cash equivalents		
III. Ending balance of monetary funds and cash equivalents	157,484,332,251.39	116,939,298,776.87
Less: Time deposits and accrued interest not in the category of cash and cash equivalents	76,514,578,051.75	49,658,731,669.74
Less: Deposits with restricted use	49,215,097,504.03	37,328,823,349.13
Including: Statutory deposit reserves	1,261,012,790.79	1,403,981,413.43
Bill, letter of credit and other deposits	47,954,084,713.24	35,924,841,935.70
IV. Ending balance of cash and cash equivalents	31,754,656,695.61	29,951,743,758.00

73. Assets with restricted ownership or right-to-use

Item	Book Value at the End of the Period	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	

Monetary items in foreign currencies

(1) Monetary items in foreign currencies

Item	USD Converted into RMB	EUR Converted into RMB	HKD Converted into RMB	THB Converted into RMB	BRL Converted into RMB	AUD Converted into RMB	Others Converted into RMB	Total Converted into RMB
Exchange rate as of December 31, 2022	6.9646	7.4229	0.8933	0.2014	1.3183	4.7138	Not applicable	Not applicable
Monetary assets in foreign currencies	9,107,788,982.25	129,955,244.48	40,879,715.97	118,436,698.75	1,132,896,490.18		55,743,888.30	10,585,701,019.93
Monetary funds	5,964,541,220.06	16,385,806.20	4,150,682.40	45,117,771.29	289,136,178.85		14,422,935.00	6,333,754,593.80
Accounts receivable	3,130,859,760.89	113,114,142.09	36,348,853.80	70,250,384.43	843,479,647.29		31,964,966.82	4,226,017,755.32
Other receivables	12,388,001.30	455,296.19	380,179.77	3,068,543.03	280,664.04		9,355,986.48	25,928,670.81
Monetary liabilities in foreign currencies	5,212,283,439.59	1,552,138,231.59	462,871,913.83	7,032,943.75	70,211,608.75	2,871,266,741.00	47,185,334.21	10,222,990,212.72
Short-term borrowings	4,780,892,867.64	1,538,201,822.35	451,007,537.25			2,871,266,741.00		9,641,368,968.24
Accounts payable	254,247,604.29	3,297,027.86	9,610,072.42	5,821,117.82	50,566,306.28		45,379,909.06	368,922,037.73
Other payables	177,142,967.66	10,639,381.38	2,254,304.16	1,211,825.93	19,645,302.47		1,805,425.15	212,699,206.75

(2) Description of overseas operating entities

None.

VI Change in the consolidation scope

1. Business combinations not under common control

(1) Business combination 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	Basis for Determining the Acquisition Date	Operating Revenue from the Acquisition Date to the Statement Date	Net Profits from the Acquisition Date to the Statement Date
Zhejiang DunAn Artificial Environment Co., Ltd.	2022/4/30	2,423,031,350.00	29.48%	Purchase by cash	2022/4/30	Acquisition of control	7,124,335,200.38	719,774,347.64

(2) Cost and goodwill of business combination

Cost of business combination	Amount
Total cost of business combination	2,423,031,350.00
Including: Cash	2,423,031,350.00
Less: Fair value of the identifiable net assets acquired	1,224,729,759.78
Goodwill	1,198,301,590.22

[Note 1] The Company has acquired 270,360,000 shares of Zhejiang DunAn Artificial Environment Co., Ltd. (hereinafter referred to as "DunAn Environment") held by Zhejiang DunAn Precision Industries Group Co., Ltd. under an agreement, accounting for 29.48% of the total capital share of DunAn Environment. The transfer was completed in April 2022, and DunAn Environment became a holding subsidiary of Gree Electric Appliances.

[Note 2] In this period, the Company acquired 29.48% of the equity of DunAn Environment, with a business combination cost of RMB2,189,916,000.00. The fair value of identifiable net assets attributable to the owner of the parent company was RMB1,126,527,354.60, and the corresponding fair value of identifiable net assets was appraised by Beijing Yachao Asset Appraisal Co., Ltd. with an appraisal report of (BJYCPBZ (2022) No. A206). Within 12 months after the acquisition date, the Company paid an affiliated party guarantee amount of RMB233,115,350.00 and increased the fair value of identifiable net assets attributable to the owner of the parent company by RMB98,202,405.18; the first payment of RMB2,189,916,000.00 for acquisition and the second payment of RMB233,115,350.00 for acquisition, totaling RMB2,423,031,350.00, which has the difference of RMB1,198,301,590.22 with the fair value of identifiable net assets attributable to the parent company owner of DunAn Environment.

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

Item	Zhejiang DunAn Artificial Environment Co., Ltd.	
	Fair value on the acquisition date	Book value on the acquisition date
Item		
Assets:		
Monetary funds	784,473,669.02	784,473,669.02
Trading financial assets	17,640,000.00	17,640,000.00
Accounts receivable	1,418,430,638.88	1,418,430,638.88
Receivables financing	990,021,129.95	990,021,129.95
Advance payments	85,694,280.51	85,694,280.51

Item	Zhejiang DunAn Artificial Environment Co., Ltd.	
	Fair value on the acquisition date	Book value on the acquisition date
Other receivables	838,332,694.68	838,332,694.68
Inventory	1,741,097,088.00	1,572,827,115.67
Contract assets	446,336,218.81	446,336,218.81
Other current assets	93,618,290.58	93,618,290.58
Long-term equity investments	315,980,069.51	315,980,069.51
Investment real estate	189,528,450.00	48,003,389.69
Fixed assets	1,255,713,810.99	900,617,159.45
Construction in progress	104,527,537.07	102,780,211.77
Usufruct assets	202,430,836.59	202,430,836.59
Intangible assets	1,721,397,537.02	197,231,283.54
Long-term unamortized expenses	20,239,298.84	20,239,298.84
Deferred income tax assets	49,028,515.97	49,028,515.97
Other non-current assets	4,279,842.12	4,279,842.12
Subtotal of assets	10,278,769,908.54	8,087,964,645.58
Liabilities:		
Short-term borrowings	1,657,574,001.42	1,657,574,001.42
Derivative financial liabilities	78,600.00	78,600.00
Notes payable	707,829,455.73	707,829,455.73
Accounts payable	1,765,559,131.32	1,765,559,131.32
Contract liabilities	102,686,682.51	102,686,682.51
Payroll payable	137,650,847.93	137,650,847.93
Taxes and dues payable	104,779,928.07	104,779,928.07
Other payables	223,650,618.99	223,650,618.99
Non-current liabilities due within one year	106,565,250.47	106,565,250.47
Other current liabilities	113,817,088.82	779,543,366.32
Long-term borrowings	503,006,477.19	503,006,477.19
Lease liabilities	159,421,732.01	159,421,732.01
Long-term payables	18,364,500.00	18,364,500.00
Deferred income	76,540,692.48	76,540,692.48
Deferred income tax liabilities	547,970,011.69	268,695.95
Subtotal of liabilities	6,225,495,018.63	6,343,519,980.39
Net Assets	4,053,274,889.91	1,744,444,665.19
Less: Minority shareholders' equity	2,828,545,130.13	1,200,345,792.58
Net assets acquired	1,224,729,759.78	544,098,872.61

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

Name of the Acquiree	Book value on the acquisition date of equity held before the acquisition date	Fair value on the acquisition date of equity held before the acquisition date	Gains or losses arising from the remeasurement of equity originally held before the acquisition date at fair value
Zhejiang DunAn Artificial Environment Co., Ltd.	None	None	None

(5) Method and key assumptions for determining the fair value on the acquisition date

1) Appraisal determination method: The assets and liabilities were mainly appraised by the cost method, income method, and market approach.

2) Key assumptions in the appraisal.

A. The appraised entity is capable of making timely adjustments and innovations in line with the development of the market and science and technology, while maintaining consistency in its business scope, business methods and management mode;

B. The assets and liabilities declared by the appraised entity are free from property disputes and other economic disputes;

C. The production and operation of the appraised entity and its economic activities related to production and operation are subject to national laws and regulations;

D. Except for the fixed-asset investment with exact evidence indicating that the production capacity will change in the future on the appraisal base date, the appraised entity will not conduct major fixed-assets investment activities that may affect its operation in the future income period, and its product production capacity are estimated based on the status on the appraisal base date; and

E. In the future income period, the appraised entity will maintain the turnover of accounts receivable and accounts payable similar to the historical years, with no payment in arrears that is significantly different from the historical years.

3) Reasons for asset appreciation:

A. Inventory: The market average selling price of the product is higher than its book value, resulting in appreciation of the appraisal value;

B. Investment real estate: The increase in rental prices leads to the appreciation of the appraisal value measured in income method;

C. Houses and buildings: The purchase time is long, and the market price has risen, resulting in appreciation of the appraisal value;

D. Machinery and equipment: The accounting depreciation period is shorter than the economic service life, and the replacement price on the appraisal base date is higher than the original purchase price, resulting in appreciation of the appraisal value;

E. Land use right: it was acquired earlier, and the land market price rose, resulting in the appreciation of the appraisal value;

F. Trademark rights, patent rights, and proprietary technology: As a listed company in the manufacturing industry, DunAn Environment has a high reputation in the same industry. Its developed patent rights and proprietary technologies have made significant contributions to production and business activities, resulting in the appreciation of the appraisal value; and

G. Other current liabilities: Some of the losses on guaranteed debts were reversed before the appraisal report date, while some of them were reversed within 12 months after the acquisition date, resulting in impairment of other current liabilities.

2. Business combination under common control

None.

3. Reverse acquisitions

None.

4. Disposal of subsidiaries

Company Name	Equity Disposal Price	Equity Disposal Proportion (%)	Equity Disposal Method	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 Remaining Equity on the Date of Losing Control	Fair Value of Remaining Equity 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	Amount of Other Comprehensive Income Related to Equity Investment of the Original Subsidiary Transferred into Investment Profits and Losses
Shanxi Yinlong Guangtong New Energy Vehicle Sales Co., Ltd.		100.00	Canceled	2022/11/8	Business registration	-317,466.94						None
Songliang (Shenzhen) South China Agricultural Development Co., Ltd.		100.00	Canceled	2022/7/28	Business registration	-165,104.22						None

5. Change of consolidation scope for other reasons

(1) 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
Pinquan Gree Altairnano New Energy Co., Ltd.	2022/2/16	2,009,569.41	-390,430.59
Gree Electromechanical Engineering (Luoyang) Co., Ltd.	2022/3/28	31,454,357.36	1,454,357.36
Gree Electromechanical Engineering (Xinzhou) Co., Ltd.	2022/6/20	20,701,097.80	20,701,097.80
Zhuhai Gree Electronic Components Co., Ltd.	2022/7/6	96,101,744.50	-3,898,255.50
Mingruida Supply Chain Technology (Linyi) Co., Ltd.	2022/8/12	-110.22	-110.22
Tieling Fengyu Agricultural Technology Co. Ltd.	2022/8/16	225,574.59	125,574.59
Tianjin Gree Renewable Resources Recycling Co., Ltd.	2022/10/27	10,019,500.43	-499.57
Zhuhai Gree Prefabricated Vegetable Equipment Technology Development Co., Ltd.	2022/12/8		
Zhuhai Gree Digital Technology Co., Ltd.	2022/12/21	50,000,000.15	0.15

VII Equity in other subjects

1. 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 Electronic 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	Hong Kong Gree Electric Appliances Sales Limited	Kowloon, Hong Kong	Kowloon, Hong Kong	Sales	100.00		100.00	Business combinations not under common control
11	Shanghai Gree Air Conditioners Sales Co., Ltd.	Shanghai City	Shanghai City	Sales	90.00	9.70	99.70	Establishment
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

S/N	Name of Subsidiary	Main Business Location	Place of Registration	Nature of Business	Shareholding Ratio (%)		Voting Right Proportion (%)	Acquisition Method
					Direct	Indirect		
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 Ligao Precision Manufacturing Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
28	Zhuhai Ewpe Information Technology Inc.	Zhuhai City	Zhuhai City	Information technologies	100.00		100.00	Establishment
29	Gree Changsha HVAC Equipment Co., Ltd.	Changsha City	Changsha City	Industrial manufacture	100.00		100.00	Establishment
30	Gree TOSOT (Suqian) Home Appliances Co., Ltd.	Suqian City	Suqian City	Industrial manufacture	100.00		100.00	Establishment
31	Gree Wuhu Precision Manufacturing Co., Ltd.	Wuhu City	Wuhu City	Industrial manufacture	100.00		100.00	Establishment
32	Zhuhai Gree Intelligent Equipment Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
33	Zhuhai Hengqin Gree Commercial Factoring Co., Ltd.	Zhuhai City	Zhuhai City	Finance	100.00		100.00	Establishment
34	Zhuhai Gree Precision Mold Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
35	Gree (Wuhan) HVAC and Refrigeration Equipment Co., Ltd.	Wuhan City	Wuhan City	Industrial manufacture	100.00		100.00	Establishment
36	Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
37	Zhuhai Gree New Material Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
38	Gree (Wuhan) Precision Mould Co., Ltd.	Wuhan City	Wuhan City	Industrial manufacture	100.00		100.00	Establishment
39	Zhuhai Gree Energy Environment Technology Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
40	Gree (Hangzhou) Electric Appliances Co., Ltd.	Hangzhou City	Hangzhou 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		
41	Gree Information Technology Co., Ltd. of Zhuhai	Zhuhai City	Zhuhai City	Information technologies	51.00		51.00	Establishment
42	Gree (Chengdu) HVAC Equipment Co., Ltd.	Chengdu City	Chengdu City	Industrial manufacture	100.00		100.00	Establishment
43	Zhuhai Gree CNC Machine Tool Research Institute Co., Ltd.	Zhuhai City	Zhuhai City	Technical research and development	100.00		100.00	Establishment
44	Gree (Wu'an) Precision Equipment Manufacturing Co., Ltd.	Wu'an County	Wu'an County	Industrial manufacture	70.00		70.00	Establishment
45	Zhuhai Gree Transportation Co., Ltd.	Zhuhai City	Zhuhai City	Transportation	100.00		100.00	Establishment
46	Gree (Luoyang) Robot Co., Ltd.	Luoyang City	Luoyang City	Technical research and development	100.00		100.00	Establishment
47	Gree (Nanjing) Electric Appliances Co., Ltd.	Nanjing City	Nanjing City	Industrial manufacture	100.00		100.00	Establishment
48	Gree (Luoyang) Electric Appliances Co., Ltd.	Luoyang City	Luoyang City	Industrial manufacture	100.00		100.00	Establishment
49	Zhuhai Edgeless Integrated Circuit Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
50	Zhuhai Lianyun Technology Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
51	Gree (Chengdu) Electric Appliances Co., Ltd.	Chengdu City	Chengdu City	Industrial manufacture	100.00		100.00	Establishment
52	Zhuhai Gree Material Supply Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
53	Zhuhai Gree Green Control Technology Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
54	Hefei Kinghome Electrical Co., Ltd.	Hefei City	Hefei City	Industrial manufacture	100.00		100.00	Business combinations not under common control
55	Zhuhai Gree Mechanical and Electrical Engineering Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Business combination under common control
56	Gree (Chengdu) Precision Mold Co., Ltd.	Chengdu City	Chengdu City	Industrial manufacture	100.00		100.00	Establishment
57	Gree (Luoyang) Electric Appliances Washing Machine Co., Ltd.	Luoyang City	Luoyang City	Industrial manufacture	100.00		100.00	Establishment
58	Guochuang Energy Internet Innovation Center (Guangdong) Co., Ltd.	Zhuhai City	Zhuhai City	Information technologies	75.00	1.52	76.52	Establishment
59	Zhuhai Gree (Anji) Precision Mold Co., Ltd.	Anji County	Anji County	Industrial manufacture	100.00		100.00	Establishment
60	Zhuhai Gree Green Resources Recycling Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
61	Gree E-commerce Co., Ltd.	Zhuhai City	Zhuhai City	Wholesales and retails	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		
62	Zhuhai Gejian Health Medical Technology Co., Ltd.	Zhuhai City	Zhuhai City	Medical device	100.00		100.00	Establishment
63	Zhuhai Gree Electric Appliances Intelligent Manufacturing Co., Ltd	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
64	Chengdu Gree Xinhui Medical Equipment Co., Ltd.	Chengdu City	Chengdu City	Medical device	75.00	1.52	76.52	Establishment
65	SL Group Co., Ltd.	Songyuan City	Songyuan City	Agriculture	75.00		75.00	Business combinations not under common control
66	Gree (Ganzhou) Electric Appliances Co., Ltd.	Ganzhou City	Ganzhou City	Industrial manufacture	100.00		100.00	Establishment
67	Tianjin Gree Xinhui Medical Equipment Co., Ltd.	Tianjin City	Tianjin City	Industrial manufacture	100.00		100.00	Establishment
68	Gree (Linyi) Electric Appliances Co., Ltd.	Linyi City	Linyi City	Industrial manufacture	100.00		100.00	Establishment
69	Gree (Zhuhai Hengqin) Development Co., Ltd.	Zhuhai City	Zhuhai City	Real estate industry	100.00		100.00	Establishment
70	Changsha Kinghome Electric Appliances Co., Ltd	Changsha City	Changsha City	Industrial manufacture	100.00		100.00	Establishment
71	Gree Altairnano New Energy Inc.	Zhuhai City	Zhuhai City	Research and experimental development	30.47		47.93	Business combinations not under common control
72	Zhuhai Mingruida Supply Chain Technology Co., Ltd.	Zhuhai City	Zhuhai City	Transportation	70.00		70.00	Establishment
73	Zhejiang DunAn Artificial Environment Co., Ltd.	Zhuji City	Zhuji City	Industrial manufacture	38.78		38.78	Business combinations not under common control
74	Zhuhai Gree Electronic Components Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
75	Zhuhai Gree Digital Technology Co., Ltd.	Zhuhai City	Zhuhai City	Wholesales and retails	100.00		100.00	Establishment
76	Zhuhai Gree Prefabricated Vegetable Equipment Technology Development Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment

(2) Important non wholly-owned subsidiaries

Information of equity held by minority shareholders of important non wholly-owned subsidiaries and profits and losses:

Name of Subsidiary	Shareholding ratio of minority shareholders	Profits and losses attributable to minority shareholders in the current period	Dividends declared to distribute to minority shareholders in the current period	Ending equity balance of minority shareholders
Gree Altairnano New Energy Inc.	69.53%	-1,324,660,653.05		110,709,555.85

[Note] The main financial information of Zhejiang DunAn Artificial Environment Co., Ltd., an important non wholly-owned subsidiary, is detailed in its announcement.

(3) Main financial information of important non wholly-owned subsidiaries

Name of Subsidiary	Ending Balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Gree Altairmano New Energy Inc.	10,926,357,342.59	14,097,757,824.94	25,024,115,167.53	23,572,307,994.49	1,214,140,306.09	24,786,448,300.58

(Continued)

Name of Subsidiary	Beginning Balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Gree Altairmano New Energy Inc.	11,242,319,318.29	16,040,144,209.59	27,282,463,527.88	23,499,417,858.35	1,635,252,186.15	25,134,670,044.50

(Continued)

Name of Subsidiary	Amount incurred in the current period			
	Operating revenue	Net Profits	Total comprehensive income	Cash flow from operating activities
Gree Altairmano New Energy Inc.	2,586,739,826.92	-1,905,163,969.71	-1,918,382,237.86	44,952,640.05

(Continued)

Name of Subsidiary	Amount incurred for the previous period			
	Operating revenue	Net Profits	Total comprehensive income	Cash flow from operating activities
Gree Altairmano New Energy Inc.	694,344,061.76	-321,184,218.65	-321,480,909.61	-228,842,362.62

Note: Since Gree Altairmano New Energy Inc. became a controlling subsidiary of the Company on October 31, 2021, only the operating income, net profit, total comprehensive income, and cash flow from operating activities from November to December are disclosed under the amount incurred in the same period last year.

2. Equities in joint ventures or associates

(1) Important joint ventures or associates

Name of invested entity	Main Business Location	Place of Registration	Nature of Business	Shareholding Ratio (%)		Accounting treatment to associates or joint ventures
				Direct	Indirect	
Zhuhai Ronglin Equity Investment Partnership (Limited Partnership)	Zhuhai City	Zhuhai City	Business services	91.27		Equity method
Zhuhai Hanling Equity Investment Partnership (Limited Partnership)	Zhuhai City	Zhuhai City	Business services	47.92		Equity method

(2) Main financial information of important associates

1) Zhuhai Ronglin Equity Investment Partnership (Limited Partnership)

Item	Ending balance/Current amount incurred	Beginning balance/Amount incurred in the previous period
Current assets	4,860,366,232.00	11,636,952,794.62
Including: Cash and cash equivalents	916,341.26	1,753,243.88
Total assets	4,860,366,232.00	11,636,952,794.62
Current liabilities	57,140,092.85	42,567,398.01
Total liabilities	57,140,092.85	42,567,398.01
Share of net assets calculated under the agreement	4,131,807,804.94	8,893,495,450.98
Total comprehensive income	-6,235,259,324.19	2,552,450,421.49

2) Zhuhai Hanling Equity Investment Partnership (Limited Partnership)

Item	Ending balance/Current amount incurred	Beginning balance/Amount incurred in the previous period
Current assets	906,107,901.07	678,478,666.88
Including: Cash and cash equivalents	16,800,298.33	3,478,666.88
Non-current assets	128,500,000.00	245,000,000.00
Total assets	1,034,607,901.07	923,478,666.88
Current liabilities	78,356,106.16	2,998,503.81
Total liabilities	78,356,106.16	2,998,503.81
Share of net assets calculated under the agreement	956,251,794.91	920,480,163.07
Total comprehensive income	45,154,377.43	53,187,718.56
Dividends received from associates in the current year	9,382,745.59	55,127,991.72

(3) Significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

None.

(4) 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 shared in the current period)	Accumulated unrecognized losses at the end of current period
Beijing Gree Technology Co., Ltd.	-181,810.76	-389,270.59	-571,081.35
Eocell Limited		-2,002,480.71	-2,002,480.71

(5) Unrecognized commitments related to investment in joint ventures

None.

(6) Contingent liabilities related to investment in joint ventures or associates

None.

3. Important co-management

None.

4. Equity in structured entities not included in the Consolidated Financial Statements

None.

VIII Risks associated with financial instruments

Main financial instruments of the Company includes 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 operation of the Company.

The main risks caused by the Company's financial instruments are credit risk, liquidity risk, and market risk.

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			Total
	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	
1. Measured at cost or amortized cost				
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
Loans issued and advances	719,799,280.27			719,799,280.27
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				
Trading financial assets			3,867,203,363.52	3,867,203,363.52

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
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		
	Derivative financial liabilities	Other financial liabilities	Total
1. Measured at cost or amortized cost			
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
Long-term payables		104,644,415.20	104,644,415.20
Subtotal		169,982,741,826.90	169,982,741,826.90
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	169,982,741,826.90	170,167,553,721.88

(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

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 cost or amortized cost				
Monetary funds	116,939,298,776.87			116,939,298,776.87
Accounts receivable	13,840,898,802.76			13,840,898,802.76
Other receivables	334,161,870.18			334,161,870.18
Non-current assets due within one year	3,406,416.52			3,406,416.52
Other current financial assets	5,249,688,091.77			5,249,688,091.77
Loans issued and advances	4,142,652,901.85			4,142,652,901.85
Long-term receivables	2,419,031.07			2,419,031.07
Subtotal	140,512,525,891.02			140,512,525,891.02
2. Measured at fair values				
Derivative financial assets			198,773,198.65	198,773,198.65
Receivables financing		25,612,056,693.07		25,612,056,693.07
Non-current assets due within one year		11,030,165,516.08		11,030,165,516.08
Other current financial assets		1,332,723,758.33	13,436,100.00	1,346,159,858.33
Other debt investments		5,910,056,891.62		5,910,056,891.62
Other equity instrument investments		10,114,246,030.05		10,114,246,030.05
Other non-current financial assets			81,309,327.39	81,309,327.39
Subtotal		53,999,248,889.15	293,518,626.04	54,292,767,515.19
Total	140,512,525,891.02	53,999,248,889.15	293,518,626.04	194,805,293,406.21

(Continued)

Item	Classification of financial liabilities		
	Derivative financial liabilities	Other financial liabilities	Total
Measured at cost or amortized cost			
Short-term borrowings		27,617,920,548.11	27,617,920,548.11
Loans from other banks		300,021,500.00	300,021,500.00
Notes payable		40,743,984,514.42	40,743,984,514.42
Accounts payable		35,875,090,911.05	35,875,090,911.05
Financial assets sold for repurchase		746,564,041.09	746,564,041.09

Item	Classification of financial liabilities		
	Derivative financial liabilities	Other financial liabilities	Total
Deposits from customers and interbank		182,681,905.74	182,681,905.74
Other payables		6,763,119,937.14	6,763,119,937.14
Non-current liabilities due within one year		1,243,822,222.57	1,243,822,222.57
Other current financial liabilities		7,819,060,868.44	7,819,060,868.44
Long-term borrowings		8,960,864,258.30	8,960,864,258.30
Long-term payables		446,194,591.92	446,194,591.92
Total		130,699,325,298.78	130,699,325,298.78

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. Trade terms and conditions between the Company and customers mainly adopt advance payments, banker's acceptance bill, or paying on delivery, assisted by transaction with credit.

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 at 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. For the Company's credit risk exposures arising from the above financial assets, see the disclosed information in this Note V 4 *Notes Receivable*, Note V 5 *Accounts Receivable*, Note V 6 *Receivables Financing*, Note V 8 *Other Receivables*, Note V 10 *Contract Assets*, Note V 13 *Loans Issued and Advances*, and Note V 16 *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 1.39 (which was 1.49 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, funds, large certificates of deposit, and bonds. Except for the significant fluctuations in the fair value of stocks, the fair value of products such as funds, large certificates of deposit, and bonds 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.

(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 at December 31, 2022, 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) *Foreign Currency Monetary Items*.

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, 2022, the Company's liabilities with interests are as follows:

Statement Item	Amount	Interest Rate Range	Remark
Short-term borrowings	52,895,851,287.92	0.70%-8.00%	Floating interest rate
Deposits from customers and interbank	219,111,069.61	0.55%-3.65%	Floating interest rate
Other payables	1,621,102,937.08	4.00%-5.00%	Floating interest rate
Non-current liabilities due within one year	188,387,613.61	1.20%-6.20%	Floating interest rate
Long-term borrowings	30,784,241,211.21	2.55%-6.18%	Floating interest rate
Long-term payables	104,644,415.20	4.67%-6.20%	Floating interest rate
Total	85,813,338,534.63		

IX Fair value disclosure**1. Ending fair value of assets and liabilities measured at fair value**

Item	Ending Fair Value			
	Measurement of level 1 of fair value hierarchy	Measurement of level 2 of fair value hierarchy	Measurement of level 3 of fair value hierarchy	Total
Continuous fair value measurement				
Trading financial assets	663,776,717.84	3,184,168,917.80	19,257,727.88	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 assets	2,259,200.00			2,259,200.00
Other debt investments	1,027,601,139.44	13,312,747,743.53		14,340,348,882.97
Other equity instrument investments	4,662,455,797.90		7,000,000.00	4,669,455,797.90

Item	Ending Fair Value			
	Measurement of level 1 of fair value hierarchy	Measurement of level 2 of fair value hierarchy	Measurement of level 3 of fair value hierarchy	Total
Other non-current financial assets	2,012,020,000.00	2,415,983,204.49		4,428,003,204.49
Total of assets measured at fair value continuously	8,368,112,855.18	50,616,057,813.76	26,257,727.88	59,010,428,396.82
Derivative financial liabilities		184,811,894.98		184,811,894.98
Total of liabilities measured at fair value continuously		184,811,894.98		184,811,894.98

2. Basis for determining market prices of items measured within the level 1 of 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 the level 1 of fair value hierarchy are determined based on the quotation of corresponding products and investment projects on the open market.

3. Qualitative and quantitative information on valuation techniques and important parameters for items measured within level 2 of fair value hierarchy continuously and not continuously

Receivables financing held by the Company measured within the level 2 of fair value hierarchy is 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 - structured deposits, non-current assets due within one year, other debt investments, other non-current financial assets, and derivative financial liabilities held by the Company and measured within level 2 of fair value hierarchy are mainly forward hedging instruments, large-denomination negotiable certificate of deposit, and assets management plans, thus determining their market value based on the recoverable amount of the corresponding financial assets.

4. Qualitative and quantitative information on valuation techniques and important parameters for items measured within level 3 of 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.

5. 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.

6. Changes in valuation techniques and reasons for changes occurred during the current period

None.

7. Fair values of financial assets and liabilities not measured at fair value

None.

X Affiliated parties and affiliated transaction

1. Parent company of the Company

The Company has no controlling shareholders or substantial controllers.

2. Subsidiaries of the Company

For details, see Note (VII) 1 *Equity in Subsidiaries*.

3. Joint ventures and associates of the Company

For important joint ventures and associates of the Company, see the Note VII 2 *Equity in Joint Ventures and Associates of the Company*.

For other joint ventures and associates of the Company, see the Note V 17 *Long-term Equity Investment*.

4. Other affiliated parties

Name of other affiliates	Relationships of other affiliated parties with the Company
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 Shengshi Xinxing Gree Trade Co., Ltd.	Companies where directors of the Company act as executive directors
Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	Companies where directors of the Company act as executive directors and general managers
Shandong Meili Property Co., Ltd.	Company where the son of the Company's supervisor acts as executive director and manager.
Henan Huizhong Yifeng E-commerce Co., Ltd.	Company where the son of the Company's director acts as executive directors
ETR Law Firm	Company where the Company's independent directors serve as its partner chair
Shandong Red April Holding Group Co., Ltd. and its subsidiaries	Company held by the Company's supervisor and where the Company's supervisor acts as executive director and manager.
Henan Hongli Electric Appliances Sales Co., Ltd.	Companies where the son of the Company's directors acts as executive directors and general managers
Zibo Qiaopeng Trade Co., Ltd.	Company where the younger brother of the Company's supervisor acts as an executive director and manager.
Shandong Jierui Logistics Co., Ltd.	Company held by the Company's supervisor.
Hunan Green Renewable Resources Recycling Co., Ltd.	Company that have a significant impact on it by 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.

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 incurred in the current period	Amount incurred for the previous period
Beijing Gree Technology Co., Ltd.	Material procurement	Accessories	39,096,011.43	58,532,547.11
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Material procurement	Raw materials	1,823,440,035.04	2,527,902,885.40
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	7,895,587.14
Sichuan Jinshi Leasing Co., Ltd. and its holding companies	Service procurement	Interest expense	28,480,495.00	
Henan Yuze Finance Leasing Co., Ltd.	Service procurement	Interest expense	5,633,699.15	1,387,542.20
Outlook All Media Co., Ltd.	Service procurement	Publicity and advertising fee		1,849,056.61
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Service procurement	Transport service	711,075.42	
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Fixed asset procurement	Equipment procurement	531,000.00	
Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	Accept money deposits	Interest expense	83.91	85.02

Affiliated parties	Type of Affiliated Transaction	Content of Affiliated Transactions	Amount incurred in the current period	Amount incurred for the previous period
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Accept money deposits	Interest expense	57.58	7,700.16
Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	Accept money deposits	Interest expense		96.10
Shandong Meili Property Co., Ltd.	Accept money deposits	Interest expense		0.17
DunAn (Tianjin) Energy Saving System Co., Ltd. and its holding companies	Service procurement	Design services	18,867.92	
Total			1,898,457,582.90	2,597,575,499.91

2) Schedule of commodity sold/services provided

Affiliated parties	Type of Affiliated Transaction	Content of Affiliated Transactions	Amount incurred in current period	Amount incurred for the previous period
Beijing Gree Technology Co., Ltd.	Loan	Interest income	939,755.42	1,055,231.60
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Loan	Interest income	11,901.29	8,055.86
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Loan	Commission income	4.91	14.62
Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	Loan	Commission income		9.91
Shandong Meili Property Co., Ltd.	Loan	Commission income		5.19
Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	Sale of goods	Sales revenue	5,731,889,146.80	6,174,062,804.40
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Sale of goods	Sales revenue	4,142,114,712.28	2,817,582,876.54
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Sale of goods	Sales revenue	886,224,374.20	1,066,814,988.67
Henan Huizhong Yifeng E-commerce Co., Ltd.	Sale of goods	Sales revenue	101,355,077.81	86,581,480.47
Lanzhou Guangtong New Energy Automobile Co., Ltd.	Sale of goods	Sales revenue	569,555.04	
Beijing Gree Technology Co., Ltd.	Sale of goods	Sales revenue	417,472.01	154,826.18
Eocell Limited	Sale of goods	Sales revenue	27,570.07	
ETR Law Firm	Sale of goods	Sales revenue	10,250.01	29,989.22
Henan Yuze Finance Leasing Co., Ltd.	Sale of goods	Sales revenue	3,074.34	10,662.83
Hunan Green Renewable Resources Recycling Co., Ltd.	Sale of goods	Sales revenue	2,160.00	
Shandong Red April Holding Group Co., Ltd. and its subsidiaries	Sale of goods	Sales revenue		152,586.11
Henan Hongli Electric Appliances Sales Co., Ltd.	Sale of goods	Sales revenue		14,158.41
Zibo Qiaopeng Trade Co., Ltd.	Sale of goods	Sales revenue		452.83
Total			10,863,565,054.18	10,146,468,142.84

(2) Associated trusteeship management/contracting or entrusted management/contract awarding

None.

(3) Associated lease

1) The Company as the Lessor:

Name of the Lessee	Type of Leased Assets	Recognized Rental Income	
		Amount incurred in the current period	Amount incurred for the previous period
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Lease of fixed assets		884.96

Name of the Lessee	Type of Leased Assets	Recognized Rental Income	
		Amount incurred in the current period	Amount incurred for the previous period
Total			884.96

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 incurred in the current period	Amount incurred for the previous period
Remunerations for key management personnel	31,583,041.09	28,776,688.73

(8) Other affiliated transactions

None.

6. 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	287,911,901.16	14,395,595.07	275,974,949.72	13,798,747.48
Accounts receivable	Lanzhou Guangtong New Energy Automobile Co., Ltd.	180,395,669.13	94,149,507.45	149,538,519.93	20,262,046.82
Accounts receivable	Wuhu Green Renewable Resources Recycling Co., Ltd.	6,053,077.41	3,026,538.71	6,053,077.41	1,210,615.48
Receivables financing	Henan Shengshi Xinxing Gree Trade Co., Ltd.	1,336,259,825.18		1,682,308,050.00	
Receivables financing	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	748,666,894.28		563,643,910.00	
Receivables financing	Shandong Jierui Logistics Co., Ltd.	312,596,763.66		807,003.00	
Receivables financing	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	221,903,936.78		209,459,790.34	
Receivables financing	Shandong Red April Holding Group Co., Ltd. and its subsidiaries	189,907,561.46			
Receivables financing	Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	54,569,724.30		7,212,720.20	
Receivables financing	Henan Hongli Electric Appliances Sales Co., Ltd.			254,056,500.00	
Prepayments	Sichuan Jinshi Leasing Co., Ltd. and its holding companies	12,164,450.00			

Item	Affiliated parties	Ending Balance		Beginning Balance	
		Book balance	Bad debt reserves	Book balance	Bad debt reserves
Prepayments	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	2,349,194.19		159,295.76	
Prepayments	Beijing Gree Technology Co., Ltd.	21,117.45			
Other receivables	DunAn (Tianjin) Energy Saving System Co., Ltd. and its holding companies	172,380,562.38	86,190,281.19		
Other receivables	Sichuan Jinshi Leasing Co., Ltd. and its holding companies	20,000,000.00	3,000,000.00	20,050,000.00	1,002,500.00
Other receivables	Henan Yuze Finance Leasing Co., Ltd.			2,000,000.00	100,000.00
Other receivables	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	5,000.00	350.00		
Contract assets	Lanzhou Guangtong New Energy Automobile Co., Ltd.	4,866,569.63	1,946,627.85	35,730,398.83	3,908,613.13
Contract assets	Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd.			230,520.00	11,526.00
Other non-current assets	Sichuan Jinshi Leasing Co., Ltd. and its holding companies	18,500,000.00	2,775,000.00	18,450,000.00	
Total		3,568,552,247.01	205,483,900.27	3,225,674,735.19	40,294,048.91

(2) Payables

Item	Affiliated parties	Ending Balance	Beginning Balance
Accept money deposits	Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	16,124.33	16,034.42
Accept money deposits	Henan Shengshi Xinxing Gree Trade Co., Ltd.	11,323.41	10,965.83
Accounts payable	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	184,621,746.92	315,231,596.28
Accounts payable	Lanzhou Guangtong New Energy Automobile Co., Ltd.	17,001,014.00	16,931,987.45
Accounts payable	Beijing Gree Technology Co., Ltd.	8,942,070.53	7,746,578.74
Accounts payable	Wuhu Green Renewable Resources Recycling Co., Ltd.	3,789,547.79	3,789,547.79
Accounts payable	Hunan Green Renewable Resources Recycling Co., Ltd.	2,437,065.09	2,455,852.10
Accounts payable	Henan Shengshi Xinxing Gree Trade Co., Ltd.	249,988.68	249,988.68
Other payables	Henan Yuze Finance Leasing Co., Ltd.	20,065,000.00	
Other payables	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	21,617.37	371,617.37
Other payables	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	12,200.00	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
Contract liabilities	Henan Shengshi Xinxing Gree Trade Co., Ltd.	589,585,262.00	1,467,255,376.86
Contract liabilities	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	368,281,472.85	711,732,407.73
Contract liabilities	Henan Huizhong Yifeng E-commerce Co., Ltd.	5,780,268.45	
Contract liabilities	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	416,534.37	82,274.34
Other current liabilities	Henan Shengshi Xinxing Gree Trade Co., Ltd.	76,646,084.07	190,743,199.00
Other current liabilities	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	47,876,591.48	92,525,213.00

Item	Affiliated parties	Ending Balance	Beginning Balance
Other current liabilities	Henan Huizhong Yifeng E-commerce Co., Ltd.	751,496.78	
Other current liabilities	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	54,149.47	10,695.66
Long-term payables	Sichuan Jinshi Leasing Co., Ltd. and its holding companies	83,990,713.19	284,365,068.96
Long-term payables	Henan Yuze Finance Leasing Co., Ltd.	16,053,322.20	66,568,502.22
Non-current liabilities due within one year	Sichuan Jinshi Leasing Co., Ltd. and its holding companies	129,789,372.21	57,772,199.14
Non-current liabilities due within one year	Henan Yuze Finance Leasing Co., Ltd.	34,595,617.06	23,069,527.48
Total		1,590,988,786.75	3,240,941,037.55

7. Commitment of affiliated parties

None.

XI Share-based payment

1. Overall situation of share-based payment

Item	Content
Total amount of equity instruments granted this year	None
Total amount of equity instruments exercised this year	None
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 year	RMB24.68/share; half a year.

2. 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.
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 year	None
Accumulated amount of equity settled share-based payments recognized in capital reserves	401,230,794.81
Total expenses recognized for equity settled share-based payments this year	370,227,884.10

3. Cash settled share-based payments

None.

4. Amendment and termination of share-based payment

Under the resolution of the 5th meeting of the 12th Board of Directors, the Company adjusted the performance assessment indicators of the phase I employee stock ownership plan;

(1) Assessment indicators before amendment. The first vesting period: The net profit in 2021 should increase by no less than 10% compared with that in 2020, and the cash dividend per share should not be less than RMB2 or the total cash dividend should not be less than 50% of the net profit in the current year. The second vesting period: The net profit in 2022 shall increase by no less than 20% compared with that in 2020, and the cash dividend per share shall not be less than RMB2 or the total cash dividend shall not be less than 50% of the net profit in the current year. Upon the expiration of the first vesting period, if the Company's performance assessment indicators do not meet the standards, all the attributable shares in the first period will be deferred to the second vesting period for consolidated assessment. If the Company's performance assessment indicators in the second vesting period meet the assessment standards, and the total net profits in 2021 and 2022 are not less than 230% of the net profits in 2020, the management committee will vest the attributable stock equity in both two periods based on the individual performance assessment results of the employees.

(2) Assessment indicators after amendment. The first vesting period: The net profit in 2021 should increase by no less than RMB1 billion compared with that in 2020, and the cash dividends per share should not be less than RMB2 or the total cash dividends should not be less than 50% of the net profit in the current year. The second vesting period: The net profit in 2022 should increase by no less than RMB2 billion compared with that in 2020, the return on equity (ROE) of the Company in 2022 should not be less than 22%, and the cash dividend per share should not be less than RMB2 or the total cash dividend should not be less than 50% of the net profit in the current year. Upon the expiration of the first vesting period, if the Company's performance assessment indicators do not meet the standards, all the attributable shares in the first period will be deferred to the second vesting period for consolidated assessment. If the Company's performance assessment indicators in the second vesting period meet the assessment standards, and the total increase in net profit for 2021 and 2022 compared with that in 2020 is not be less than RMB3 billion, the management committee will vest the attributable stock equity in both two periods based on the individual performance assessment results of the employees.

XII Commitments and contingencies

1. Important commitments

On December 10, 2018, DunAn Environment and Shuifa Energy Group Co., Ltd. (hereinafter referred to as "Shuifa Energy") reached and signed a *Strategic Cooperation Agreement* on the proposed sales of main assets and businesses of DunAn (Tianjin) Energy Saving System Co., Ltd. (hereinafter referred to as "Tianjin Energy Saving") from DunAn Environment to Shuifa Energy, including 100% equity of Changyuan DunAn Energy Saving Heating Co., Ltd., 75% equity of Hebi DunAn Heating Co., Ltd., 100% equity of Shandong Aoxiang Electric Power Engineering Design Consulting Co., Ltd., 100% equity of Yongji DunAn Heating Co., Ltd., and Yuanping Branch of DunAn (Tianjin) Energy Saving System Co., Ltd., all above held by Tianjin Energy Saving. Upon multiple rounds of negotiations, on November 21, 2019, Zhejiang DunAn Energy Saving Technology Co., Ltd. (hereinafter referred to as "Zhejiang Energy Saving"), a wholly-owned subsidiary of DunAn Environment, reached an equity transfer agreement with Shuifa Energy to transfer its 65% equity in Tianjin Energy Saving to Shuifa Energy. On December 30, 2019, Tianjin Energy Saving completed the changes in industrial and commercial registration, changed its legal representative, re-elected members of its board of directors, and revised its articles of association. Under the *Equity Transfer Agreement*, the commitment period of both parties regarding the performance of Tianjin Energy Saving is from 2019 to 2022. Zhejiang Energy Saving committed that the audited net profits deducting non-recurring profits and losses (excluding various operational and policy subsidies) of Tianjin Energy Saving will not be less than RMB74,766,900, RMB97,368,400, RMB98,368,700, and RMB106,153,100, respectively.

Within the aforementioned commitment period, if the cumulative performance reaches the total net profit for four years, the performance commitment shall be deemed as completed. At the end of the commitment period, performance compensation is calculated based on the Audit Report of DunAn (Tianjin) Energy Saving System Co., Ltd.(No.: XYZH/2023JNAA7B0026) provided by DunAn Environment and issued by the Shandong Branch of ShineWing (Special General Partnership) on March 1, 2023, and included in the long-term equity investment income; meanwhile, the calculation method of performance commitment stipulated in the *Equity Transfer Agreement* signed between Zhejiang Energy Saving and Shuifa Energy is under confirmation with Shuifa Energy.

2. Contingencies

(1) In December 2015, Sunshine Life Insurance Corporation Limited (hereinafter referred to as "Sunshine Insurance") and Gree Altairnano New Energy Inc.(hereinafter referred to as "Gree Altairnano New Energy") and the original major shareholder Zhuhai

Yinlong Investment Holding Group Co., Ltd. (hereinafter referred to as "Yinlong Group") and its actual controller Wei Yincang signed a capital increase agreement and a supplementary agreement, agreed to increase capital by RMB1 billion from Sunshine Insurance to Gree Altairnano New Energy, and agreed on a "valuation adjustment mechanism on performance." Later, due to unsatisfactory performance, Sunshine Insurance filed an arbitration at the Shenzhen International Arbitration Court, claiming performance compensation from Gree Altairnano New Energy and Yinlong Group, as well as Wei Yincang. The specific claims were a principal of RMB1 billion and interest of over RMB150 million, totaling over RMB1.15 billion. Under the capital increase agreement and supplementary agreement, Yinlong Group and Wei Yincang bear the direct responsibility for performance compensation, and Gree Altairnano New Energy bears indirect responsibility for the debt as the performance does not reach the agreed standard. This case is currently waiting for the arbitral court to investigate and obtain evidence and ruling upon two hearings and several written exchanges of opinions. The amount of litigation cost required to be borne by Gree Altairnano New Energy can hardly be estimated yet.

A capital increase agreement similar to "valuation adjustment mechanism on performance" with Sunshine Insurance involves a total of 7 shareholders (excluding Sunshine Insurance), with an investment principal of RMB1.11 billion.

(2) Under the *Equity Transfer Agreement* signed between Zhejiang Energy Saving and Shuifa Energy on November 21, 2019, the 65% equity of Tianjin Energy Saving held by Zhejiang Energy Saving shall be transferred to Shuifa Energy, and Zhejiang Energy Saving shall bear any contingent liabilities existing before the audit base date. On April 28, 2017, Hongyi Construction Group Co., Ltd. (hereinafter referred to as "Hongyi Group") and Changyuan DunAn Energy Saving Heating Co., Ltd. (hereinafter referred to as "Changyuan DunAn"), a subsidiary of Tianjin Energy Saving, signed a construction contract for the Central Heating Work of the Changyuan DunAn Heating Project (2017 expansion project). On July 30, 2018, both parties signed a construction contract for the 2018 Installation Work of the Secondary Pipe Network and Risers in the Building of the Changyuan Energy Saving Central Heating Project. Due to the failure to pay the project payment of RMB22,745,500 in time, Hongyi Group filed to the Court for conservatory measures against Zhejiang Energy Saving's property worth RMB20,949,800. Shuifa Energy filed to the court for conservatory measures against Zhejiang Energy Saving's property worth RMB26 million due to the payment of contingent liabilities by Tianjin Energy Saving and its subsidiaries. DunAn Environment is actively hiring intermediary agencies to audit the costs of above works of energy saving project to determine the amount of the aforementioned contingent liabilities, but as of the base date, the specific amount of these contingent liabilities cannot be determined yet. For the undetermined amount of contingent liabilities mentioned above, DunAn Environment has accounted for a 50% ratio of bad debt reserves based on a total of RMB393,880,562.38 of debts receivable from Tianjin Energy Saving and Shuifa Energy at the end of the period.

(3) On June 23, 2017, Zhejiang DunAn Precision Industries Group Co., Ltd. (hereinafter referred to as "DunAn Precision Industries") and the Zhejiang Branch of China Export-Import Bank (hereinafter referred to as "EXIMBC") signed a loan contract (Export Seller Credit) with the number of (2017) JCY(ZXH)Z No. 1-030. The loan contract was extended on June 20, 2018 and December 13, 2018 by signing extension agreements, respectively; and a supplementary agreement was signed on May 14, 2019. As of now, the outstanding loan of DunAn Precision Industries is RMB55 million. The EXIMBC has sued DunAn Precision Industries, Zhejiang DunAn Hetian Metals Co., Ltd. (hereinafter referred to as "DunAn Hetian"), and Zhejiang DunAn International Trade Co., Ltd. (hereinafter referred to as "DunAn International Trade") with them as the actual users of the loan, claiming that the three defendants jointly repay the loan principal of RMB55 million and interest, as well as the attorney fees and other expenses, and DunAn Holding shall bear joint and several liabilities. On May 5, 2022, under the Civil Judgment of Hangzhou Intermediate People's Court in Zhejiang Province (2021) (Z 01 MC No. 2806), the litigation request for ordering DunAn Hetian and DunAn International Trade to return the principal, interest, and attorney fees to EXIMBC has been rejected under the law. Given that the plaintiff, Zhejiang Branch of China Export-Import Bank, did not file an appeal within the statutory term, the first instance judgment has come into force.

3. Others

None.

XIII Matters after the balance sheet date

1. Important non-adjustment matters

None.

2. Distribution of profits

Under the resolution at the 12th meeting of the 12th session of the Board of Directors, the Company's profit distribution plan for 2022 is as follows: Since the total shares entitled to profit distribution as of April 28, 2023, totaling 5,613,841,613 shares (total share capital of 5,631,405,741 shares less 17,564,128 shares held in the Company's repo account), is proposed as the base temporarily, the Company plans to distribute a cash dividend of RMB10 (tax inclusive) per 10 shares to all shareholders, totaling RMB5,613,841,613. This distribution plan still requires approval of the General Meeting of Shareholders.

3. Sales return

No important sales return occurred after the balance sheet date.

4. Other matters after the balance sheet date

None.

XIV Other important matters

1. Correction of accounting errors in the previous period

None.

2. Debt restructuring

None.

3. Asset replacement

(1) Exchange of non-monetary assets

None.

(2) Replacement of other assets

None.

4. Annuity plan

None.

5. 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.		128,476.41	-128,476.41	5,392.08	-133,868.49	-133,868.49
Shanxi Yinlong Guangtong New Energy Vehicle Sales Co., Ltd.		73,939.58	-73,939.58		-73,939.58	-73,939.58

(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.	-133,868.50		
Shanxi Yinlong Guangtong New Energy Vehicle Sales Co., Ltd.	-5,404.47		

6. Other important transactions and matters affecting investor decisions

(1) The Company registers various debt financing instruments and issues SCPs

The 2021 Annual General Meeting of Shareholders deliberated and approved the *Proposal on Proposed Application for Unified Registration of Various Debt Financing Instruments*, and agreed to apply for unified registration of various debt financing instruments, with the total amount not exceeding RMB20 billion (inclusive). The varieties of debt financing instruments include SCPs, commercial papers (CPs), medium-term notes (MTNs), asset-backed medium-term notes (ABNs), perpetual notes (PNs), private placement notes (PPNs).

The National Association of Financial Market Institutional Investors (hereinafter referred to as the "NAFMII") has agreed to the registration of the Company's debt financing instruments and issued the *Notice of Acceptance of Registration*. The registration of the Company's debt financing instruments is valid for two years from the date stipulated on the *Notice of Acceptance of Registration*, and is underwritten by the Agricultural Bank of China. The Company may publicly issue serial SCPs, CPs, MTNs, ABNs, PNs, green debt financing instruments and other products within the registration validity period, and may also issue related products in introduction. The current main underwriter, issuing products, issuing scale, issuing period and other factors shall be determined at each issue. After the issuance is completed, the issuance results shall be disclosed through channels recognized by the NAFMII.

According to the Company's funding plan and interbank market situation, from March 27 to March 28, 2023, the Company issued the phase I green SCPs for the year 2023, with an actual total issuance amount of RMB900 million, which is expected to be cashed on October 25, 2023.

(2) The Company implements the phase II employee stock ownership plan

On May 20, 2022, the Company held the 5th meeting of the 12th Board of Directors and approved the *Proposal on the Phase II Employee Stock Ownership Plan (Draft) of Gree Electric Appliances, Inc. of Zhuhai* (hereinafter referred to as the "Phase II Employee Stock Ownership Plan") and the *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Phase II Employee Stock Ownership Plan of the Company*. The price for purchasing the Company's repo shares under the phase II employee stock ownership plan is RMB16.36/share, which is 50% of the closing price of RMB32.72/share on the trading day before the Board Meeting. The number of shares covered by the phase II employee stock ownership plan shall not exceed 94,728,008.

The performance assessment indicators of the Company are as follows: In the first assessment period, the net profit in 2022 should increase by no less than RMB2 billion compared with that in 2020, and the net ROE of the Company in 2022 should not be less than 22%, the cash dividend per share of the year should not be less than RMB2, or the total cash dividend should not be less than 50% of the net profit in the current year. In the second assessment period, the net profit in 2023 should increase by no less than RMB3 billion compared with that in 2020, and the net ROE of the Company in 2023 should not be less than 21%, the cash dividend per share of the year will not be less than RMB2, or the total cash dividend should not be less than 50% of the net profit in the current year. Upon the expiration of the first vesting period, if the Company's performance assessment indicators do not meet the standards, all the attributable shares in the first period will be deferred to the second vesting period for consolidated assessment. If the Company's performance assessment indicators in the second vesting period meet the assessment standards, and the total increase in net profit for 2022 and 2023 compared with that in 2020 is not be less than RMB5 billion, the management committee will vest the attributable stock equity in both two periods based on the individual performance assessment results of the employees. Individual performance assessment is subject to the Company's internal individual performance assessment measures.

On August 5, 2022, the Company distributed a cash dividend of RMB2 (tax inclusive) per share to all shareholders, completing the 2021 annual equity distribution. Under the above regulations, the price for purchasing the Company's repo shares in the phase II employee stock ownership plan was adjusted from RMB16.36 per share to RMB14.36 per share.

On February 6, 2023, the Company received the *Confirmation of Securities Transfer Registration* from the Shenzhen Branch of CSDC. The Company's repo special securities account transferred 77,163,880 shares to the special account for the "Gree Electric Appliances, Inc. of Zhuhai - Phase II Employee Stock Ownership Plan" through non-transaction transfer on February 3, 2023, accounting for 1.37% of the Company's total share capital, with a total purchase amount of RMB1,108,073,316.80.

(3) Company guarantee

As of December 31, 2022, the total amount of guarantees provided by Gree Altairnano New Energy, a holding subsidiary of the Company, was RMB4,367,747,000, of which the total amount of guarantees provided by Gree Altairnano New Energy to its subsidiaries for short-term borrowings, long-term loans, accounts payable (EICT), bank acceptance bills issued, long-term payables and other funds was RMB1,723,248,700; the total amount of guarantees provided to companies outside the Consolidated Statements was

RMB2,644,498,300 (which is the stock guarantee provided by Gree Altairnano New Energy to its customers such as public transport companies for vehicle purchase business by financial lease).

(4) Financial support

1) Gree Altairnano New Energy Inc., a holding subsidiary of the Company, 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 DunAn Energy Saving Technology Co., Ltd. (hereinafter referred to as "Zhejiang Energy Saving"), a holding subsidiary of the Company, signed an equity transfer agreement with Shuifa Energy Group Co., Ltd. (hereinafter referred to as "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 RMB60 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.

XV Notes to main items of financial statements of the parent company

1. Accounts receivable

(1) Accounts receivable disclosed by account age

Account age	Ending Balance
Within 1 year	2,801,488,718.60
1-2 years	122,421,456.35
2-3 years	19,975,735.77
Over 3 years	20,339,910.40
Subtotal	2,964,225,821.12
Less: Bad debt reserves	152,602,498.35
Total	2,811,623,322.77

(2) Disclosure of accounts receivable classification

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	0.16	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

(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	0.12	4,715,115.32	100.00	
Accounts receivable with bad debt reserves accrued by portfolios	3,867,631,846.10	99.88	182,011,896.81	4.71	3,685,619,949.29
Including: account age portfolio	3,127,809,201.36	80.77	182,011,896.81	5.82	2,945,797,304.55
Free-risk portfolios	739,822,644.74	19.11			739,822,644.74
Total	3,872,346,961.42	100.00	186,727,012.13	4.82	3,685,619,949.29

1) 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	4,715,115.32	4,715,115.32	100.00	It is expected to be difficult to be recovered in full
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	1,955,808,575.60	97,790,428.79	5.00
1-2 years	122,421,456.35	24,484,291.27	20.00
2-3 years	19,975,735.77	9,987,867.89	50.00
Over 3 years	15,624,795.08	15,624,795.08	100.00
Total	2,113,830,562.80	147,887,383.03	7.00

(3) Bad debt reserves accrued, recovered or reversed in the current period

Category	Beginning Balance	Recovery or reversal in the current period	Ending Balance
Accrual by individual item	4,715,115.32		4,715,115.32
Account age portfolio	182,011,896.81	34,124,513.78	147,887,383.03
Total	186,727,012.13	34,124,513.78	152,602,498.35

[Note] No important recovery or reversal of bad debt reserves 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

Name of entity	Ending Balance of Accounts Receivable	Proportion (%) to the Total Ending Balance of Accounts Receivable	Ending Balance of Bad Debt Reserves
First	943,104,423.38	31.82	47,155,221.17
Second	689,467,999.07	23.26	
Third	107,230,596.92	3.62	5,361,529.85

Name of entity	Ending Balance of Accounts Receivable	Proportion (%) to the Total Ending Balance of Accounts Receivable	Ending Balance of Bad Debt Reserves
Fourth	89,675,044.46	3.03	4,483,752.22
Fifth	83,699,704.97	2.82	4,184,985.25
Total	1,913,177,768.80	64.55	61,185,488.49

(6) Accounts receivable derecognized due to the transfer of financial assets

None.

(7) Assets and liabilities formed due to the transfer and continuous involvement of accounts receivable

None.

2. Other receivables

Item	Ending Balance	Beginning Balance
Other receivables [Note 1]	3,602,220,649.55	2,076,879,180.43
Total	3,602,220,649.55	2,076,879,180.43

[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.

(1) Dividends receivable

None.

(2) Other receivables

1) Other receivables classified by nature

Nature of payment	Ending book balance	Beginning book balance
Intercourse and free-risk funds	3,611,496,688.61	2,083,804,977.50
Less: Bad debt reserves	9,276,039.06	6,925,797.07
Total	3,602,220,649.55	2,076,879,180.43

2) Accrual of bad debt reserves

Bad debt reserves	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Beginning Balance	1,918,422.41		5,007,374.66	6,925,797.07
Accrual in the current period	139,888.84		2,210,353.15	2,350,241.99
Ending Balance	2,058,311.25		7,217,727.81	9,276,039.06

3) Disclosure by account age

Account age	Book balance
Within 1 year	3,593,232,529.73
1-2 years	8,697,524.27
2-3 years	8,176,823.31

Account age	Book balance
Over 3 years	1,389,811.30
Subtotal	3,611,496,688.61
Less: Bad debt reserves	9,276,039.06
Total	3,602,220,649.55

4) Bad debt reserves accrued, recovered or transferred back in the current period

Category	Beginning Balance	Current accrual/reversal	Ending Balance
Account age portfolio	6,925,797.07	2,350,241.99	9,276,039.06
Total	6,925,797.07	2,350,241.99	9,276,039.06

5) Other receivables actually written off in the current period

None.

6) Other receivables of top 5 debtors in terms of ending balance collected by debtors

Name of entity	Nature of payment	Ending Balance	Account age	Proportion to the total ending balance of other receivables (%)	Ending Balance of Bad Debt Reserves
First	Free-risk funds	1,639,993,730.52	Within 1 year	45.41	
Second	Free-risk funds	1,317,005,860.00	Within 1 year	36.47	
Third	Free-risk funds	255,752,915.46	Within 1 year	7.08	
Fourth	Free-risk funds	173,610,000.00	Within 1 year	4.81	
Fifth	Free-risk funds	116,036,705.58	Within 1 year	3.21	
Total		3,502,399,211.56		96.98	

7) Receivables involving government grants

None.

8) Other receivables derecognized due to the transfer of financial assets

None.

9) Assets and liabilities formed due to the transfer and continuous involvement of other receivables

None.

3. Long-term equity investments

Item	Ending Balance			Beginning Balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investments to subsidiaries	25,037,260,734.86		25,037,260,734.86	20,871,011,854.66		20,871,011,854.66
Investments to associates and joint ventures	4,257,128,029.39	1,940,009.35	4,255,188,020.04	9,019,517,140.98	1,940,009.35	9,017,577,131.63
Total	29,294,388,764.25	1,940,009.35	29,292,448,754.90	29,890,528,995.64	1,940,009.35	29,888,588,986.29

(1) Investments to subsidiaries

Investee	Beginning balance (book value)	Increase/Decrease in the Current Period				Ending balance (book value)	Ending balance of impairment reserves
		Additional Investment	Decreased Investment	Accrual of impairment reserves	Others		
Gree (Chongqing) Electric Appliances Co., Ltd.	223,100,000.00				3,129,869.60	226,229,869.60	
Zhuhai Landa Compressor Co., Ltd.	968,225,519.93				11,904,271.50	980,129,791.43	
Zhuhai Gree Electric Enterprises Ltd.	1,684,680,359.95				4,245,059.51	1,688,925,419.46	
Zhuhai Gree Xinyuan Electronic Co., Ltd.	154,290,096.61				3,296,986.22	157,587,082.83	
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	83,860,929.67				4,627,460.56	88,488,390.23	
Gree (Hefei) Electric Appliances Co., Ltd.	505,370,626.10				2,748,036.06	508,118,662.16	
Gree (Zhongshan) Small Home Appliances Co., Ltd.	30,000,000.00				2,886,680.43	32,886,680.43	
Zhuhai Gree Group Finance Company Limited	4,040,371,239.99	364,425,800.00			638,363.59	4,405,435,403.58	
Gree Electric Appliances (Brazil) Co., Ltd.	659,342,914.36				1,436,865.61	660,779,779.97	
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	
Zhuhai Gree Daikin Precision Mold Co., Ltd.	201,911,186.86				116,534.81	202,027,721.67	
Zhuhai Gree Dakin Device Co., Ltd.	283,117,574.47					283,117,574.47	
Zhuhai Gree Green Refrigeration Technology Research Center Co., Ltd.	676,040,000.00					676,040,000.00	

Investee	Beginning balance (book value)	Increase/Decrease in the Current Period				Ending balance (book value)	Ending balance of impairment reserves
		Additional Investment	Decreased Investment	Accrual of impairment reserves	Others		
Gree (Zhengzhou) Electric Appliances Co., Ltd.	720,000,000.00				2,900,444.95	722,900,444.95	
Gree (Wuhan) Electric Appliances Co., Ltd.	600,000,000.00				2,507,444.72	602,507,444.72	
Zhengzhou Gree Green Resources Recycling Co., Ltd.	5,000,000.00				8,960.53	5,008,960.53	
Hunan Green Resources Recycling Co., Ltd.	5,000,000.00				89,645.23	5,089,645.23	
Wuhu Green Resources Recycling Co., Ltd.	2,000,000.00				83,410.43	2,083,410.43	
Gree (Shijiazhuang) Small Home Appliances Co., Ltd.	10,000,000.00				1,393,405.86	11,393,405.86	
Gree (Wuhu) Electric Appliances Co., Ltd.	20,000,000.00				2,956,278.38	22,956,278.38	
Shijiazhuang Green Resources Recycling Co., Ltd.	5,000,000.00				8,960.53	5,008,960.53	
Gree (Shijiazhuang) Electric Appliances Co., Ltd.	98,940,059.97				3,337,664.29	102,277,724.26	
Tianjin Green Renewable Resources Utilization Co., Ltd.	5,000,000.00					5,000,000.00	
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.	30,000,000.00				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.	50,000,000.00				2,571,759.08	52,571,759.08	
Gree TOSOT (Suqian) Home Appliances Co., Ltd.	140,000,000.00				1,167,674.13	141,167,674.13	
Gree Wuhu Precision Manufacturing Co., Ltd.	30,000,000.00				471,646.63	30,471,646.63	
Zhuhai Gree Intelligent Equipment Co., Ltd.	100,000,000.00				5,056,894.40	105,056,894.40	
Zhuhai Hengqin Gree Commercial Factoring Co., Ltd.	100,000,000.00					100,000,000.00	
Zhuhai Gree Precision Mold Co., Ltd.	100,000,000.00				9,346,308.91	109,346,308.91	
Gree (Wuhan) HVAC and Refrigeration Equipment Co., Ltd.	100,000,000.00					100,000,000.00	
Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.	50,000,000.00				26,881.58	50,026,881.58	

Investee	Beginning balance (book value)	Increase/Decrease in the Current Period				Ending balance (book value)	Ending balance of impairment reserves
		Additional Investment	Decreased Investment	Accrual of impairment reserves	Others		
Zhuhai Gree New Material Co., Ltd.	30,000,000.00				773,083.23	30,773,083.23	
Gree (Wuhan) Precision Mould Co., Ltd.	100,000,000.00				570,444.23	100,570,444.23	
Zhuhai Gree Energy Environment Technology Co., Ltd.	200,000,000.00				2,771,064.85	202,771,064.85	
Gree (Hangzhou) Electric Appliances Co., Ltd.	550,000,000.00				772,403.79	550,772,403.79	
Zhuhai Gree Information Technology Co., Ltd.	510,000.00					510,000.00	
Gree (Wu'an) Precision Equipment Manufacturing Co., Ltd.	210,000,000.00				319,941.16	210,319,941.16	
Zhuhai Gree Transportation Co., Ltd.	50,000,000.00				553,930.01	50,553,930.01	
Gree (Nanjing) Electric Appliances Co., Ltd.	700,000,000.00				681,927.25	700,681,927.25	
Gree (Luoyang) Electric Appliances Co., Ltd.	50,000,000.00				1,017,511.37	51,017,511.37	
Zhuhai Edgeless Integrated Circuit Co., Ltd.	50,000,000.00					50,000,000.00	
Zhuhai Lianyun Technology Co., Ltd.	40,000,000.00				300,301.54	40,300,301.54	
Gree Electric Appliances (Chengdu) Co., Ltd.	400,000,000.00				454,836.65	400,454,836.65	
Zhuhai Gree Material Supply Co., Ltd.	150,000,000.00					150,000,000.00	
Zhuhai Gree Green Control Technology Co., Ltd.	270,000,000.00					270,000,000.00	
Hefei Kinghome Electrical Co., Ltd.	1,247,087,108.76				1,492,515.20	1,248,579,623.96	
Zhuhai Gree Mechanical and Electrical Engineering Co., Ltd.	149,092,300.30				751,149.52	149,843,449.82	
Gree (Luoyang) Electric Appliances Washing Machine Co., Ltd.	50,000,000.00					50,000,000.00	
Guochuang Energy Internet Innovation Center (Guangdong) Co., Ltd.	22,500,000.00	52,500,000.00				75,000,000.00	
Gree (Anji) Precision Mould Co., Ltd.	78,800,000.00	34,400,000.00				113,200,000.00	
Zhuhai Gree Green Resources Recycling Co., Ltd.	50,000,000.00				1,527,406.10	51,527,406.10	
Gree E-commerce Co., Ltd.	100,000,000.00				329,005.60	100,329,005.60	
Zhuhai Gejian Health Medical Technology Co., Ltd.	20,000,000.00				8,960.53	20,008,960.53	

Investee	Beginning balance (book value)	Increase/Decrease in the Current Period				Ending balance (book value)	Ending balance of impairment reserves
		Additional Investment	Decreased Investment	Accrual of impairment reserves	Others		
Zhuhai Gree Electrical Intelligent Manufacturing Co., Ltd.	1,000,000,000.00				1,034,984.79	1,001,034,984.79	
Chengdu Gree Xinhui Medical Equipment Co., Ltd.	75,000,000.00					75,000,000.00	
SL Group Co., Ltd.	230,223,945.05					230,223,945.05	
Gree (Ganzhou) Electric Appliances Co., Ltd.	100,000,000.00				167,596.22	100,167,596.22	
Gree (Linyi) Electric Appliances Co., Ltd.	200,000,000.00	167,820,000.00			129,060.36	367,949,060.36	
Gree (Zhuhai Hengqin) Development Co., Ltd.	1,000,000,000.00					1,000,000,000.00	
Changsha Kinghome Electric Appliances Co., Ltd.	6,000,000.00	44,000,000.00				50,000,000.00	
Gree Altairmano New Energy Inc.	1,828,275,113.56				128,404.91	1,828,403,518.47	
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				100,000,000.00	
Zhuhai Gree Digital Technology Co., Ltd.		50,000,000.00				50,000,000.00	
Total	20,871,011,854.66	4,085,141,222.29			81,107,657.91	25,037,260,734.86	

[Note] Changes in Others are the expenses allocated by the parent company for the subsidiaries, involving the employee equity incentive – employee stock ownership plan.

(2) Investments to associates and joint ventures

Investee	Beginning Balance		Increase/Decrease in the Current Period						Ending Balance	
	Original value	Impairment provision	Additional investment/d isinvestment	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	Other deductions	Original value	Impairment provision
I. 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.	37,385,552.00			-1,907,177.74					35,478,374.26	

Investee	Beginning Balance		Increase/Decrease in the Current Period						Ending Balance	
	Original value	Impairment provision	Additional investment/d isinvestment	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	Other deductions	Original value	Impairment provision
Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd.	14,942,039.60			297,034.32					15,239,073.92	
Coresing Semiconductor Technology Co., Ltd.	20,004,740.59			66,923.31					20,071,663.90	
Zhuhai Ronglin Equity Investment Partnership (Limited Partnership)	8,893,495,450.98			-13,812,616.74	-4,747,875,029.30				4,131,807,804.94	
Henan Yuze Finance Leasing Co., Ltd.	51,749,348.46			1,791,375.31			949,620.75		52,591,103.02	
Total	9,019,517,140.98	1,940,009.35		-13,564,461.54	-4,747,875,029.30		949,620.75		4,257,128,029.39	1,940,009.35

4. Operating revenues and costs

Item	Amount incurred in the current period		Amount incurred for the previous period	
	Revenue	Cost	Revenue	Cost
Main business	114,824,763,292.63	79,648,915,725.67	111,783,657,570.87	79,364,424,299.73
Other business	4,965,687,298.82	4,544,120,744.77	5,718,557,388.28	5,212,016,098.84
Total	119,790,450,591.45	84,193,036,470.44	117,502,214,959.15	84,576,440,398.57

5. Income from investment

Item	Amount incurred in the current period	Amount incurred for the previous period
Long-term equity investment income measured by the equity method	-13,564,461.54	-12,905,170.50
Investment income recognized for trading financial assets	12,657,637.64	35,444,353.04
Dividend shares recognized for long-term equity investment measured in the cost method	3,932,671,473.40	2,526,350,566.25
Others	47,059,977.00	411,276,921.75
Total	3,978,824,626.50	2,960,166,670.54

XVI Supplementary**1. Detailed statement of non-recurring profits and losses**

Item	Amount	Description
Profits and losses from disposal of non-current assets	-51,428,778.52	For details, please refer to this Note V. 67, 68, and 69
Government subsidies included in the current profits and losses (excluding the governmental subsidies closely relating to the business operations of the Company and enjoyed by a fixed quota or a fixed amount in accordance with national unified standards)	873,695,831.91	For details, please refer to this Note V. 62 and 68
In addition to the effective hedging business related to the Company's normal business operations, the profits and losses from fair value changes generated by holding trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, and investment incomes obtained from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investment	-300,034,685.05	
Reversal of impairment reserves for the receivables under independent impairment test	118,276,955.90	
Non-operating revenues and expenditures other than the above items	-25,299,493.59	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	-30,904,028.44	
Subtotal	584,305,802.21	
Less: Amount affecting income tax	64,515,784.15	
Affected amount of minority shareholders' equity	-585,500.25	
Total	520,375,518.31	

2. ROE and earnings per share

Profits for the report period	Weighted average return on equity	Earnings per share	
		Basic earnings per share (yuan/share)	Diluted earnings per share (yuan/share)
Net profit attributable to common shareholders of the Company	24.19%	4.43	4.43
Net profit deducting non-recurring profits and losses attributable to common shareholders	23.68%	4.33	4.33

Gree Electric Appliances, Inc. of Zhuhai

April 29, 2023