

Gree Electric Appliances, Inc. of Zhuhai

2024 Annual Report

April 2025

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, the 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 the 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 parties should therefore make rational investments 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 5,585,138,741 shares enjoying profit distribution rights at the time of disclosure of this profit distribution plan (the total stock capital of 5,601,405,741 shares excluding the 16,267,000 shares held in the repurchase account of the Company), the Company plans to distribute all shareholders a cash dividend of CNY20 (tax included) per 10 shares, but does not plan to give any bonus share (0 share, tax included) or convert any capital reserves into share capital. If there is a change in the total share capital of the Company entitled to profit distribution from the date of disclosure of this 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.

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References

- (I) The accounting statements signed and sealed by Dong Mingzhu, the legal representative, Liao Jianxiong, chief accountant and Liu Yanzi, head of accounting department.
- (II) The original audit report sealed by Union Power Certified Public Accountants (Special General Partnership) with signatures and seals of certified public accountants Qiu Yiwu and Wang Huijun.
- (III) Originals and original drafts of all the Company's documents and announcements published on the media and CNINFO designated by the Company within the report period.

Paraphrase

Item	Means	Definition
Company, the Company, the Enterprise, Gree Electric Appliances or GREE	Means	Gree Electric Appliances, Inc. of Zhuhai
Zhuhai Mingjun	Means	Zhuhai Mingjun Investment Partnership (Limited Partnership)
GREE GROUP	Means	Zhuhai Gree Group Co., Ltd.
Finance Company	Means	Zhuhai Gree Group Finance Company Limited
Jinghai Internet	Means	Jinghai Internet Technology Development Co., Ltd.
DunAn Environment	Means	Zhejiang DunAn Artificial Environment Co., Ltd.
CSRC	Means	China Securities Regulatory Commission
Report period	Means	2024/01/01 to 2024/12/31

Section II Company Profile and Main Financial Indicators

I. Company information

Stock Abbreviation	Gree Electric Appliances	Stock code	000651
Stock Exchange	Shenzhen Stock Exchange		
Name in Chinese	Gree Electric Appliances, Inc. of Zhuhai		
Name Abbreviation in Chinese	Gree Electric Appliances		
Name in Foreign Language (if any)	Gree Electric Appliances, Inc. of Zhuhai		
Name Abbreviation in Foreign Language (if any)	GREE		
Legal Representative of the Company	Dong Mingzhu		
Registered Address	Office 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	Zhang Zhouhu	
Address	Jinji West Road, Qianshan, Zhuhai City, Guangdong Province	
Tel.	0756-8669232	
Fax	0756-8614998	
Email	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 the listing of the Company	No change
Changes (if any) in the controlling shareholders	On December 2, 2019, GREE GROUP and Zhuhai Mingjun signed the Share Transfer Agreement. 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 CNY46.17/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 Transfer Registration Confirmation issued by China Securities Depository and Clearing Corporation Limited (CSDC) Shenzhen Branch on February 3, 2020. The share transfer registration procedures for the transfer of this agreement have been completed, and the transfer date is January 23, 2020. After the completion of the share transfer registration, the Company has neither a controlling shareholder nor an actual controller.

V. Other related information

Accounting firm engaged by the Company

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

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	2024	2023	Increase/Decrease Over the Previous Year	2022
Operating revenue (CNY)	189,163,654,064.64	203,979,266,387.09	-7.26%	188,988,382,706.68
Net profits attributable to shareholders of the listed companies (CNY)	32,184,570,372.28	29,017,387,604.18	10.91%	24,506,623,782.46
Net profits attributable to shareholders of the listed companies less non-recurring profits	30,099,760,382.99	27,565,461,117.79	9.19%	23,986,248,264.15

and losses (CNY)				
Net cash flows from operating activities (CNY)	29,369,250,570.66	56,398,426,354.17	-47.93%	28,668,435,921.27
Basic earnings per share (CNY/share)	5.83	5.22	11.69%	4.43
Diluted earnings per share (CNY/share)	5.83	5.22	11.69%	4.43
Weighted average ROE	25.42%	26.53%	-1.11%	24.19%
Item	At the End of 2024	At the End of 2023	Increase/Decrease Over the End of Previous Year	At the End of 2022
Total assets (CNY)	368,031,704,522.86	368,053,902,576.37	-0.01%	355,024,758,878.82
Net assets attributable to shareholders of the listed companies (CNY)	137,416,898,946.39	116,793,716,103.39	17.66%	96,758,734,892.25

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

Currency: CNY

Item	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating revenue	36,364,269,766.89	63,418,846,729.70	46,939,261,479.69	42,441,276,088.36
Net profits attributable to shareholders of listed companies	4,675,160,247.24	9,460,959,120.36	7,824,777,633.58	10,223,673,371.10
Net profits attributable	4,525,486,717.09	9,338,477,416.48	7,298,976,638.82	8,936,819,610.60

to shareholders of listed companies after deduction of non-recurring profits and losses				
Net cash flows from operating activities	-2,940,867,716.29	8,063,034,127.69	7,590,273,332.59	16,656,810,826.67

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

Currency: CNY

Item	Amount in 2024	Amount in 2023	Amount in 2022
Profits and losses from disposal of non-current assets (including the write-off of accrued asset impairment reserves)	-96,493,268.06	324,413,866.77	-51,428,778.52
Governmental subsidies included in the current profits and losses (excluding the governmental subsidies closely relating to the normal business operations of the Company, conforming to national policies and regulations, enjoyed according to established standards, and having a sustained impact on the Company's profits and losses)	1,921,209,083.93	784,275,516.36	873,695,831.91
Profits and losses from changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises, and profits and losses from disposal of financial assets and financial liabilities, except for the effective hedging business related to the Company's normal business operations	465,704,232.40	553,697,207.25	-300,034,685.05
Reversal of impairment reserves for the receivables under independent impairment test	151,629,418.16	72,395,388.85	118,276,955.90
Non-operating revenues and expenditures other than the	19,359,525.22	-21,226,697.92	-25,299,493.59

above items			
Other profit and loss items conforming to the definition of non-recurring profits and losses	69,040,924.47	40,553,390.36	-30,904,028.44
Less: Amount affecting income tax	368,577,572.53	301,917,937.60	64,515,784.15
Amount affecting minority equity (after tax)	77,062,354.30	264,247.68	-585,500.25
Total	2,084,809,989.29	1,451,926,486.39	520,375,518.31

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

Applicable Not applicable

Currency: CNY

Item	Amount Involved (CNY)	Reason
Other profit and loss items conforming to the definition of non-recurring profits and losses	69,040,924.47	Tax preferences for key groups 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. Consumption field — stable growth in the home appliance industry and sustainable growth in the air conditioner market

In 2024, China's economy maintained an overall recovery and positive trend. Policies promoting the consumption economy's large circulation accelerated the release of updated demand and further stimulated the market's consumption potential. According to data from AVC, the retail sales of all home appliance categories in China (excluding 3C products) reached CNY907.1 billion in 2024, representing a year-on-year growth of 6.4%.

In March 2024, the state officially launched the "Large-scale Equipment Renewal and Consumer Goods Trade-in" action plan. In late July, the central government further increased its support, clearly stating that it would provide trade-in subsidies for consumers purchasing eight types of home appliances, including air conditioners, refrigerators, and washing machines, that meet or exceed the secondary energy or water efficiency standards. The subsidy rate is 15% of the product's sales price. For products that meet or exceed the primary energy or water efficiency standards, an additional 5% subsidy will be provided to promote the upgrading of home appliance consumption. From August to September, local governments successively introduced supporting policies, and the policy effects continued to be released, with the consumer market showing a recovery and improvement trend. Driven by the trade-in and fiscal subsidy policies, the domestic sales volume of white goods in the fourth quarter increased significantly quarter-on-quarter. Data from the National Bureau of Statistics shows that the annual production of air conditioners, washing machines, and refrigerators increased by 9.7%, 8.8%, and 8.3% respectively, indicating a continuous recovery in the home appliance consumption market.

2. Industrial sector — production shows a sustained recovery trend

Data from the National Bureau of Statistics indicates that in 2024, China's large-scale industrial enterprises achieved operating income of CNY137.77 trillion, representing a year-on-year growth of 2.1%. The industrial economy is demonstrating a sustained recovery trend.

The industrial scale of air conditioner core parts and components increases significantly. According to data from ChinaIOL.com, in 2024, the overall scale of the rotor compressor market reached a new high, with an annual sales volume of nearly 300 million units, representing a year-on-year growth of 13.7%. In the domestic market, the sales volume was approximately 251.69 million units, increasing by 11.9% year-on-year; in the export market, the sales volume was about 44.88 million units, growing by 24.8% year-on-year. Benefiting from the growth in the sales scale of the downstream air conditioner market, the domestic sales volume of air conditioner motors was approximately 396 million units, increasing by 13% year-on-year; the export volume was about 92 million units, growing by 28.9% year-on-year.

The scale of the intelligent manufacturing equipment industry is growing. The Development Plan on Smart Manufacturing During the "14th Five-Year Plan" takes the development of advanced intelligent manufacturing industry as the core goal to overall arrange and plan the promotion of manufacturing power. At present, China has formed an intelligent manufacturing industry system represented by automated production lines, intelligent detection and assembly equipment, intelligent control systems, industrial robots, etc., and the scale of the industry is growing. According to data from INSIGHT AND INFO, the market size of China's intelligent manufacturing equipment was CNY3.4 trillion, representing a year-on-year growth of 6.3%. Data from the China Machinery Industry Federation shows that the output of industrial robots in 2024 was 556,000 units, increasing by 14.2% year-on-year. According to data from the Zhongshang Industry Research Institute, the scale of the CNC machine tools exceeded CNY430 billion, with a year-on-year growth of approximately 5.7%. With the advancement of technology and the coordinated development of industries, the industrial chains of CNC machine tools and industrial robots will continue to expand and deepen, becoming the core driving force for industrial transformation and upgrading.

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. Its industry covers two major areas of household consumer goods and industrial equipment. In the consumption field, it covers residential air conditioners, HVAC, refrigerators, washing machines, water heaters, kitchen appliances, environmental appliances, smart buildings, and smart home appliances. In the industrial sector, it covers high-end equipment, precision molds, freezers and refrigeration equipment, motors, compressors, capacitors, semiconductor devices, precision casting equipment, basic materials, industrial energy storage, renewable resources, etc. So far, GREE products have served more than 190 countries and regions around the world, and continue to meet people's needs for a better life.

During the report period, GREE's sales of central air conditioners remained the largest in the industry. According to the "2024 China Central Air Conditioner Industry Development Report" released by iHos's "HVAC & Heat Pump" magazine, GREE achieved the top sales volume in the domestic central air conditioner market with a market share of over 15%, leading the market for 13 consecutive years.

During the report period, GREE continuously enriched its product categories. Multiple categories of its home appliances were highly favored by the market, with its retail sales and volumes ranking among the top in the industry. According to data released by Euromonitor, GREE ranked first in the global retail volume of split air conditioners in 2024. Data from AVC shows that in 2024, GREE's share of online retail sales of residential air conditioners was 25.40%, ranking first in the industry; its share of online retail sales of electric fans was 13.01%, ranking second; its share of online retail sales of electric heaters was 9.66%, ranking third; and its share of online retail sales of air source water heaters was 17.45%, also ranking third in the industry.

In the future, the Company will continue to take "promoting the industrial spirit, mastering core technologies, pursuing perfect quality, providing first-class services, Made in China, Loved by the World" as its mission, and steadily move forward towards the realization of its corporate vision of "building a world-class enterprise and making GREE a century-old brand".

III. Core competence analysis

The Company adheres to independent innovation, breaks through core technologies, focuses on consumer demands, provides professional services, leads industry development, and jointly creates a better life for humanity.

(I) World-famous brand, continuing to create value for the society

GREE is a diversified technological global industrial group integrating R&D, production, sales and service. Over the years, the Company has successively won numerous honors such as "China World-famous Brand", "Most Competitive Brand in the Market", "National Quality Award", "Enterprise Exempted from Export Inspection", "China Brand Innovation Award", "Top 100 Scientific and Technological Enterprises in China's Light Industry", and "Top 500 Creditworthy Enterprises in China".

During the report period, the Company was once again listed on Forbes "Global 2000", made it onto the "2024 China's Top 500 Private Enterprises List", and was included in the "2024 World IoT 500 Golden List", receiving multiple honors including the "Global Business Contribution Award". It was also selected for the "2024 China's Top 100 Overseas Brands Index" and the "People's Craftsmanship Brand" list. In the "2024 China Brand Value Evaluation Information", it ranked first in the home appliance industry of the light industry group with a brand value of CNY188.253 billion.

GREE adheres to the core values of quality first, customer satisfaction, honest operation and win-win for all parties. It builds and establishes its brand with perfect quality and world-leading technology, and continuously creates value for society and consumers.

(II) Outstanding R&D capabilities demonstrate an industry leading role

The Company adheres to the principle of "independent research and development of core technologies", builds a multi-level and high-level R&D platform system relying on national-level scientific research platforms, and forms a technological innovation system that is "enterprise-oriented, market-driven, and combines industry, academia, and research". It continuously overcomes key core technologies and leads the development of the industry.

The Company has the world's largest air conditioner R&D center, with 16 institutes, 152 research institutions, 1,411 laboratories, and 1 academician workstation (electric motor and control). It also has one National Engineering Technology Research Center, one State-level Industrial Design Center, one State Recognized Enterprise Technology Center, and one Robot Engineering Technology R&D Center. At the same time, it has become the research and evaluation base for refrigeration equipment of the National Notification Enquiry Center and the national standard verification point for energy conservation of refrigeration equipment. As of the end of 2024, the Company has cumulatively won 2 National Science and Technology Progress Awards; received a total of 122 important awards at the national, provincial, and industrial levels, and has possessed 46 "World Leading" technologies; has applied for 129,524 patents, including 70,884 invention patents; has obtained 25,883 invention patent grants, making it the only home appliance enterprise to enter the top ten in China's invention patent grants for 9 consecutive years; has won 81 Chinese patent awards, including 3 gold awards for invention and 4 gold awards for appearance; and has got 15 gold awards of International Exhibition of Inventions of Geneva and 12 gold awards of iENA. At the same time, the Company is one of the first batch of national enterprise intellectual property demonstration units, "National Patent Operation Pilot Enterprise", and won the China Trademark Gold Award. The Company's steady increase in the number and quality of patents fully demonstrates GREE's invention and creation capabilities and international leading research and development strength to the world.

(III) Leading PQAM mode, achieving "Made in China, Loved by the World"

The Company adheres to the quality policy of "pursuing perfect quality, establishing an international brand, and building a century-old enterprise". It always prioritizes quality and is guided by the pursuit of perfect quality. Through continuous innovation, it enhances product quality to give back to consumers.

Innovation drives quality management. GREE's quality model sets an industry benchmark. Since 2012, the Company has vigorously carried out quality management innovation, method innovation and theoretical innovation, deepened the construction of a quality-strong enterprise, and proposed the forward quality-driven "Five-step Quality Prevention Method" and the reverse quality-driven "D-CTFP Quality Technology Innovation Cycle" methodology; with the T9 comprehensive quality control model and PQAM (perfect quality assurance model) as the core framework, it has established a unique GREE "perfect quality" management model, and won the third "China Quality Award" in 2018. In March 2021, the Company launched a "ten-year free repair" policy for residential air conditioners, which is the longest repair period promised by the Chinese residential air conditioner industry to date. It is also an upgrade of the service quality since GREE was the first in the industry to introduce the "six-year free repair" policy for residential air conditioners in 2005, and it is a demonstration of the strength of GREE air conditioners in leading the industry service standards.

The Company adheres to the original intention of "taking consumer demand as the highest standard" and contributes to the high-quality development of Made-in-China products with the spirit of "conduct self-examination". In 2019, the Company's quality technology innovation cycle D-CTFP was elevated to the national standard *Quality Management - Innovation Cycle Guide Based on Customer Demand* (GB/T 38356-2019). In 2023, the book "Pursuing Perfection - Innovation & Progress: GREE Quality Model", co-authored by GREE and South China University of Technology, was selected for the "Best Quality Practices in China in the 21st Century" series published by Standards Press of China. During the report period, the Company once again received the two highest honors in its field, "Enterprise Market Quality Credit AAA Level" and "Five-Star User Satisfaction Benchmark Enterprise", awarded by the China Association for Quality, demonstrating consumers' recognition of GREE's high-quality products and showcasing GREE's strong strength as a leading player in the industry.

Through continuous innovation and outstanding management, GREE has set an industry benchmark with its "Perfect Quality" management model, demonstrating the absolute advantage of "Made in China". In the future, we will continue to take "pursuing perfect quality" as our responsibility and "satisfying users" as our goal, to win global admiration for "Made in China"!

(IV) The full series of home appliances, providing consumers with a high-quality living environment

GREE's products cover a full range of home appliances, including residential air conditioners, HVAC systems, refrigerators, washing machines, water heaters, kitchen appliances, and environmental appliances, fully meeting consumers' comprehensive needs for a high-quality living experience. During the report period, the Company adhered to the principle of user demand-oriented and launched a

series of new home appliances, including AI Savenergior Air Conditioner, Cool Comfort-II Energy-saving Air Conditioner, Ultimate Refresh Air Conditioner, Pure Fresh Air Conditioner, residential central air conditioners with Gentle Air Comfort technology, Pular and Charmo series of photovoltaic storage air conditioners for tropical regions, All-round Freshness Preservation series refrigerators, “Zhenrou” series washing machines, high-efficiency heat exchange series gas water heaters, instant heating wall-mounted pipeline water dispensers, stove range hood sets, air circulators, air cooler, new tower-type warm air fans, and new humidifying skirting boards, providing consumers with a high-quality home living environment.

The Company has deepened its layout in areas such as the whole-house intelligent system, the whole-house communication architecture, intelligent voice interaction, and the intelligence of home appliances, achieving the construction of a “Healthy Home” from individual smart products to the entire smart home appliance ecosystem. The Company takes “A Better Life, One Step Ahead” as its core concept and independently created the 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 and other intelligent IoT technologies. It has launched a series of smart home products and formed a smart home solution covering five systems: energy, air, health, security and lighting. It has achieved a leap from “GREE, Making Better Home Appliances” to “Smart life, Created by GREE”, and comprehensively and systematically created a healthy and intelligent home environment.

(V) A new retail system under autonomous control, meeting consumers' new demands through digitalization

The Company is committed to building an independent, controllable, mutually beneficial and win-win channel system. By continuously promoting the innovation of the new retail marketing system, it has formed a dual-line integrated sales network covering the whole country. Through the in-depth application of digital technology, the Company continuously enhances channel efficiency, achieving a win-win situation for the enterprise, distributors and consumers.

The Company has established a nationwide dual-channel integrated sales network through 30 regional sales companies across the country, over 30,000 offline outlets, its own online platform and official flagship stores on third-party e-commerce platforms, further strengthening its channel retail capabilities and market service capabilities. It has also set up a unified national marketing and inventory management plan to enhance the transparency and controllability of channel management, reduce channel inventory, optimize logistics costs and improve channel operation efficiency. The Company is actively creating an offline experiential shopping environment and has launched a new channel strategy brand, “Dong Mingzhu Healthy Home”, integrating multiple categories of home appliances to meet consumers’ diverse needs and provide comprehensive and high-quality home life solutions for them.

Digitalization empowers new advantages in channel management. By building an advanced digital information system, the Company has achieved full-process digitalization from procurement and logistics to sales and services, enhancing overall efficiency. Digital technology improves the timeliness of sales information for dealers, facilitating precise decision-making and efficient implementation, and further enhancing the service efficiency of dealers and inventory turnover rate. Digital means make the Company's terminal business situation visible, enhancing user stickiness; through the digital upgrade of terminal stores, it deepens the flattening reform of the channel, improves operational efficiency, continuously improves the shopping experience of consumers, and further consolidates the Company's market position.

(VI) Scientific production capacity layout and leading intelligent manufacturing level to respond to market demand flexibly

The Company scientifically arranges its production capacity distribution based on factors such as the market demand characteristics of different products and the differences in regional production factor endowments. By the end of 2024, the Company had established 77 production bases in multiple provinces and cities including Guangdong, Chongqing, Anhui, and in countries such as Brazil, covering air conditioners, home appliances, industrial products, etc., achieving industrial agglomeration and highly coordinated development of the upstream and downstream industrial chains. The Company, guided by the principles of serving the market, overall planning, local production, and regional collaboration, and following the allocation principles of economic transportation and balanced production, arranges the production capacity of each base to promote the optimal benefits. Meanwhile, the Company has established 6 recycling

resource bases, covering the entire industrial chain from upstream production to downstream recycling, and has achieved a green, circular and sustainable development model.

With the goal of enhancing the operational efficiency of the entire production process, the Company fully integrates advanced technologies such as industrial robots, CNC machine tools, 5G, and AI into its production scenarios, striving to build and cultivate leading demonstration factories in the industry. By the end of 2024, the Company had been awarded a total of 2 national-level intelligent factories, 3 national-level 5G factories, 9 national-level green factories, and 8 national-level industrial internet pilot demonstrations/application cases, fully demonstrating the Company's leading position in the field of intelligent manufacturing.

Precise production capacity layout and leading intelligent manufacturing level further enhanced GREE's manufacturing and cost advantages, realized the rapid response to market demand and brought high-quality life enjoyment to consumers.

(VII) With strong self-research and self-made ability of core components, the comprehensive competitiveness of products continues to lead the industry

The Company possesses strong capabilities in core component research and development as well as manufacturing. It has subsidiaries such as Landa Compressor, Kaibang Motor, Xinyuan Electronics, Gree Electric, and Gree Mold. It leads the industry in terms of production capacity, technology and quality, and has successively won honors such as the "National Quality Award", "National Quality Benchmark", "Top 100 Enterprises in China's Electronic Components Industry", "National Intellectual Property Advantage Enterprise", "Guangdong Famous Product", and "Guangdong Provincial Enterprise Technology Center". It has established key industry experimental and testing centers and research centers such as the "National CNAS Testing Center", "Guangdong Provincial Engineering Technology Research Center for Key Electronic Components", "Guangdong Provincial Engineering Technology Research Center", and "Guangdong Provincial Intelligent Mold Technology Innovation Center", demonstrating the Company's hard power and brand influence in industrial product development.

The Company's independently developed products, including the two-stage enthalpy-increasing compressor, three-cylinder two-stage variable displacement compressor, rare-earth-free main drive motor system, high-performance linear servo motor and driver, high-performance servo motor and driver for industrial robots, and magnetic levitation motor drive system, have all received the "World Leading" technology certification. The CD294W large ripple aluminum electrolytic capacitor with welded plates has been shortlisted for the 2024 AWE Award. The Company has a comprehensive grasp of the advanced technology of core components and continuously consolidates its leading position in the market.

GREE has strong R&D capability of core components and excellent processing and manufacturing capability. The GA-UHD500 horizontal machining center from GREE adopts a stepped column lightweight and high-rigidity structural design, breaking through the technical challenges of high speed and high precision. Its maximum feed rate reaches 60 m/min, with a minimum division of 0.001 mm. The positioning accuracy and repeatability of the equipment are 0.006 mm and 0.004 mm respectively, and the efficiency is increased by more than 15% compared with the same type of equipment. It meets the high-quality processing requirements of core components. The powerful R&D and manufacturing capabilities of core components ensure the extremely high degree of autonomy and comprehensive competitiveness of the Company's products, providing strong support for the Company's continuous and stable development and guaranteeing that the Company's products always remain at the leading position.

(VIII) Refine the cost control system and continuously enhance the competitiveness of products

The Company adheres to the customer demand-oriented approach, combines its business goals, and establishes and improves the cost control system. It deepens the cost control of products, implements value chain analysis, and through the decomposition and analysis of the impact of the input, transformation and output of costs in each business link inside and outside the group on the final value of the product, it improves operations and reduces costs accordingly, thus forming a sustainable competitive advantage.

Supply chain integration promotes cost reduction on a large scale. The Company implements a centralized procurement policy, continuously expands its layout in the upstream and downstream of the industrial chain, actively builds strategic partnerships with leading enterprises in the industry, continuously optimizes the supply chain structure, integrates and utilizes high-quality supply chain resources, and is committed to achieving a win-win situation for all parties. The Company continuously deepens its cooperative

relationship with high-quality suppliers, shares resources, and strives to maximize the interests of both parties, achieving mutual benefit and win-win results.

Digital technology drives cost reduction across the entire value chain. The Company continuously increases the application of digital technology in its operation and management, achieving digital control over the entire chain from product research and development, procurement, production to sales, and promoting optimization throughout the product life cycle and the entire manufacturing process, as well as overall cost reduction.

Continuous innovation leads to cost reduction in product technology. The Company has further enhanced material utilization and accelerated the generalization of materials by improving product structure design, optimizing process links, and developing lean models, achieving a sustained decline in costs.

(IX) A well-developed system for cultivating independent talents to ensure a high-quality supply of human resources

GREE always adheres to the principle of "focusing on the strategic layout of the Company and adhering to independent training of talents" and gradually forms an independent talent training mode with an independent talent introduction channel, independent training and development mechanism and all-round incentive and guarantee system as the core based on the development experience and cultural deposit of the Company, striving to make employees and the Company make progress and develop together.

The Company has established a systematic "selection, cultivation, utilization and retention" independent talent training system. It attaches great importance to introducing outstanding talents from universities. Through various forms such as employer brand characteristic activities, university-enterprise co-construction of characteristic courses and campus recruitment fairs, it recruits professional talents who recognize the Company's corporate culture and have high quality. It always regards talent cultivation as an important strategic resource for the development of the enterprise. By building a learning organization, it promotes the inheritance of management experience, the sharing of R&D technology and the improvement of skills and qualities. For key groups, it organizes and conducts "Cornerstone Plan" supervisor training camps, "Spark Plan" team leader training camps and college student talent training projects, providing all-round and multi-level training support for employees. It continuously strengthens the talent evaluation and selection mechanism to provide strong support for talent identification. It also enhances talent care, enabling employees to share the dividends of the Company's development through employee stock ownership plans, talent subsidies, talent housing and other aspects, thereby improving employee satisfaction and happiness.

By the end of 2024, the Company had been awarded 2 National Ten Thousand Talents Program Leading Talents in Science and Technology Innovation, 4 experts enjoying special government allowances from the State Council, 4 advanced basic process talents from the MIIT, 1 national leading talent in intellectual property, 1 national technical expert, 1 outstanding contribution award in South Guangdong, 2 young outstanding talents under the Guangdong Special Support Program, 76 high-level talents in Zhuhai, 390 outstanding young talents in Zhuhai's industries, 14 Guangdong Provincial Technical Experts, 2 Nanyue Technical Experts, 17 Zhuhai Municipal Technical Experts, 16 Zhuhai Municipal Chief Technical Experts, 14 Zhuhai Special Artisans, and 341 Zhuhai Artisans. The Company's strong capabilities in talent cultivation lay a solid foundation for its long-term development.

IV. Analysis of main business

1. Overview

The Company, with the vision of "building a world-class enterprise and establishing a century-old brand of GREE", relies on the enterprising and pioneering spirit of all GREE employees to forge ahead and overcome challenges. In 2024, the Company achieved a total operating revenue of CNY190.038 billion; the net profit attributable to the parent company was CNY32.185 billion, representing a year-on-year growth of 10.91%, with its profitability continuously improving.

(I) Focus on market demand and continuously provide users with innovative consumer products.

1. Residential air conditioner sector

During the report period, the Company focused on "energy conservation and low carbon, comfort and health, and personalization and intelligence" to upgrade its residential air conditioners, creating a new generation of high-performance, healthy and intelligent residential air conditioner products.

In terms of energy conservation and efficiency, the Company has launched a series of wall-mounted air conditioners such as "Cool Comfort-II" and "Savenergior". These products are designed to meet the high standards of green and energy-efficient operation, integrating key technologies for low-carbon dynamic operation of inverter air conditioners, energy-saving control technologies based on artificial intelligence algorithms, and highly applicable AI chips, effectively enhancing the dynamic energy efficiency throughout the year. Based on the number of air conditioners sold in this series, it is estimated that about 308 million kilowatt-hours of electricity can be saved each year, and about 306,700 tons of CO₂ emissions can be reduced, truly achieving energy conservation and carbon reduction in the operation of air conditioners.

In terms of comfort and health, the Company has launched fresh air conditioner series such as "Ultimate Refresh" and "Pure Fresh". These products focus on users' demands for low-noise and high-efficiency fresh air replacement, as well as bacteria removal and purification. They are equipped with technologies like low-noise and large fresh air volume, and high-efficiency water condensation purification and bacteria removal, achieving professional-level air circulation, purification and bacteria removal. With low noise and large fresh air volume, they significantly enhance users' experience of using the fresh air function.

In terms of personalized intelligence, the Company has launched the "Pure Air" floor-standing air conditioner, which is equipped with millimeter-wave radar technology. It intelligently monitors the situation of people in the area and adjusts the air supply of the air conditioner accordingly, achieving the intelligent and flexible "wind avoids direct blowing people and follows people". It can also intelligently detect when users leave the area and automatically turn off the air conditioner, eliminating the trouble of forgetting to turn it off and providing consumers with a more intelligent, worry-free, comfortable experience.

In response to the environmental protection requirements of the EU region, the Company has independently developed active and precise detection technology, full-system collaborative control leakage prevention technology, and high-precision regulation technology of the unique electronic expansion valve for R290. It has launched a new series of residential air conditioners with R290 eco-friendly refrigerant, achieving safe, reliable and efficient operation within a wide temperature range from -25 °C to 50 °C. The SEER reaches A+++, and the SCOP reaches A++. It has been successfully launched in many countries and regions in Europe, Africa and others. In response to the high-temperature environment in tropical regions, the Company has developed the Pular and Charmo series products suitable for different areas. These products integrate technologies such as stepwise heat exchange parallel compression refrigeration, photovoltaic direct drive, and energy storage, achieving efficient and stable cooling under high-temperature conditions and solving the problem of cooling demands in high-temperature environments.



2. HVAC equipment sector

The Company's HVAC sector covers over a thousand categories of 13 major series, including centrifugal chiller, VRF, screw chiller, chiller, unit chiller, household chiller, and precision air conditioner, which, by continuously upgrading product technology, can meet the application demands of different working conditions, scenarios, and industries, and serve major benchmarking projects.

Residential central air conditioner

In response to the long-standing industry pain points such as poor heating efficiency and cold air blowing directly onto people in traditional air conditioners, the Company has innovatively extended the "Gentle Air Comfort" technology from the residential air conditioner field to the residential central air conditioner field, and launched the central air conditioner with gentle air comfort technology. The product adopts the industry's first reversible air supply technology, which ensures that the air does not blow on people during cooling and quickly warms up the human activity area in the room during heating. The vertical temperature difference in the room is as low as 0.11 °C, keeping people in the most comfortable zone.

In response to consumers' demands for comfort and weather resistance of residential air conditioners, the Company has launched the "Smart Comfortable Home" central air conditioner system for homes based on years of technological accumulation. The product is equipped with temperature and humidity balance technology, enabling intelligent adjustment; it is combined with an air purification function to meet customers' health demands; it adopts a brand-new sand-textured black appearance and standard golden anti-corrosion fins, effectively resisting daily wind and rain erosion.

In response to the problems of traditional water floor heating systems, such as freezing in winter and large pipe diameters that occupy floor height, the Company has launched the "Yuxiang" dual-purpose central air conditioner system for home use that combines ceiling and floor heating. The product adopts fluorine floor heating, with capillary copper tubes as the heating pipes, which have a diameter of only 4 mm, effectively saving floor height. Meanwhile, the entire system is designed without water, eliminating the risk of freezing in winter. The product is equipped with the world's leading intelligent predictive control technology, which reduces room temperature fluctuations and saves over 30% of energy in actual operation. At the same time, it undergoes functional upgrades, featuring body-sensing control and self-cleaning functions. It meets the demands of three-dimensional heating in winter, cooling in summer, and temperature control and dehumidification in the high-humidity transitional seasons, achieving precise regulation of indoor temperature and humidity throughout the year and fulfilling the comfort requirements.

In response to the limited installation space issue for modern green buildings, the Company has launched a full range of "GMV ES"

high-capacity side discharge VRF, with the maximum cooling capacity increased to 68.5 kW. The floor space occupied by the product is 45% less than that of the same cooling capacity top discharge VRF. It does not require the operation of a large hoisting machine. A single outdoor unit can support up to 40 indoor units, reducing installation difficulty and cost, and meeting the usage requirements of more installation scenarios.

In response to consumers' demands for indoor air purification and low maintenance costs of equipment, the Company has launched the "SelectAir" DB series of full heat exchange fresh air purifiers. The product features a high-molecular washable core, achieving "zero consumables" for the core. It is equipped with an air quality detection device inside, making air quality visible. The PM2.5 and carbon dioxide concentration parameters can be viewed through the wire controller. It adopts a four-layer purification and antibacterial filter combined with ion sterilization technology, effectively removing formaldehyde, purifying PM2.5 and eliminating bacteria.

In response to the challenges of on-site energy efficiency detection and regulation for commercial VRF in large buildings, the Company has conducted research and development in areas such as real-time performance calculation technology, flexible refrigerant regulation technology, and full-scenario AI energy-saving technology. It has launched the "AI Wide-range Energy-saving" GMV9 Zhiyue series VRF, which is the first in the industry to achieve an online measurement accuracy of indoor unit capacity of $\geq 90\%$, real-time power consumption measurement accuracy of the unit of $\geq 95\%$, and an average energy-saving rate of 25%. This technological achievement was appraised by the Appraisal Committee of China Machinery Industry Federation as being at the "World Leading" level.



Commercial air conditioner

In response to the energy efficiency demands in public buildings, rail transit, data centers and other fields, the Company has conducted research in the directions of screw compressor structure design and high-precision control, and launched a new generation of two-stage permanent magnet variable frequency screw water chillers, achieving a significant improvement in performance across all operating conditions, with a COP of 7.0+ under national standard conditions. This technological achievement was appraised as "World Leading" by the Appraisal Committee of the China Machinery Industry Federation, won the First Prize of the Guangdong Science and Technology Progress Award, and was selected as a "Gold Award Product" and "Product of the Year" at the 2024 China Refrigeration Expo. It has been widely applied in various projects such as public buildings, subway stations, and industrial refrigeration, and is exported to many countries and regions including Singapore and Russia.

In response to the market demand for energy-saving renovations of buildings, the Company has launched modular integrated dynamic pressure gas suspension centrifugal machines. Product COP and IPLV both reach dual primary energy efficiency. It adopts a small modular design, equipped with dynamic pressure air suspension bearings, ensuring all-time high efficiency, flexibility, compactness,

and ease of maintenance, making building renovations simple and flexible.

In response to the problems of low energy efficiency, difficulty in batch replication at the line level, large variations in operating conditions, and inability to self-adjust operating parameters in traditional metro station air conditioner systems, the Company has developed a fully-conditioned high-efficiency intelligent environmental control system for metro stations based on variable frequency and variable capacity technology, variable dynamic correction energy-saving control technology based on actual operating data of air conditioner systems, and a full-condition integrated environmental control system with low thermal resistance heat exchange and low water resistance pipe networks, achieving batch application in the metro field. This technological achievement was appraised by the Appraisal Committee of China Energy Conservation Association as being at the "World Leading" level.



Clean heating

In response to the demand for clean energy heating in place of coal in northern regions, the Company has launched the low-temperature and high-efficiency integrated heat pump heating product. This series of products adopts dual-stage compression low-temperature heating gas injection and enthalpy increase technology, direct current variable frequency drive liquid cooling and heat recovery technology, and stepwise precise gas injection control technology, achieving ultra-low temperature heating at -35°C and high water supply temperature of 60°C , with heating/cooling energy efficiency exceeding the first level. The integrated modular design makes selection, installation and operation simple and flexible, meeting the heating market demand in northern regions.

For non-process industrial heating applications, the Company has launched industrial large-capacity high-temperature centrifugal heat pump units. The product features high temperature, high efficiency, low carbon emissions, large capacity, and significant temperature rise. It breaks through the bottleneck of comprehensive utilization of low-grade heat sources such as waste heat, with a single unit heat output reaching 10 MW and the highest outlet water temperature reaching 150°C . It can replace boilers for heating and promote energy conservation in the industrial sector.

In response to the diverse demands for engineering hot water, the Company has launched a new generation of "Hot.Spa Area" full DC inverter air source heat pump water heaters. The product features two operation modes: hot water and heating, making it more adaptable to various engineering projects. It supports wide ambient temperature operation, providing stable heating from -20°C to 45°C and can produce hot water up to 60°C . The side discharge shell design offers greater installation flexibility, reducing the floor space by up to 37%, meeting diverse engineering requirements. It has obvious advantages in energy-saving performance, hot water supply capacity, operational stability, and ease of installation, effectively addressing the demand for clean hot water in public places such as schools, hotels, shopping malls, and shops.



Refrigeration and freezing

In response to the demands for rapid freezing and high energy efficiency in the cold chain logistics market, the Company has launched ultra-low temperature single-stage double-screw parallel units. The product's COP has been increased by more than 40% compared to single-stage compression, ensuring long-term efficient and stable operation of the units under rapid freezing conditions, significantly reducing freezing time and operational energy consumption. In response to the demand for large-scale cooling applications, the Company has launched an open-type screw compressor unit. The product has a single-unit displacement of up to 3,000 m³/h, achieving a 5% increase in energy efficiency. It adopts a new 7/8 tooth high-efficiency rotor profile, which is more suitable for low-temperature conditions and effectively ensures the stable operation of the unit under harsh conditions.

"Zero-carbon source" air conditioner

After ten years of technological research and development, the Company innovatively integrates photovoltaic energy and air conditioner products across borders. The world's first GREE "zero carbon source" air conditioner system won the highest award at the 2021 Global Cooling Prize, which is highly in line with the national "dual carbon" goals.

During the report period, the advanced photovoltaic energy storage direct current flexible system quality standard laboratory, led by GREE and jointly established with the University of Macau and Guangdong Power Grid, was approved for establishment in June 2024. The "zero carbon source" photovoltaic energy storage air conditioner system product series were further enriched, increasing to 15 categories and 101 models. This successfully addressed the technical pain points of local consumption of photovoltaic power and peak shaving and valley filling of electricity. The application of this technology was included in the "Opinions of the Central Committee of the Communist Party of China and the State Council on Accelerating the Comprehensive Green Transformation of Economic and Social Development". As of the end of 2024, the technology related to the photovoltaic (storage) DC air conditioner system has won multiple domestic and international awards, including the first Chinese Patent Gold Award in the home appliance industry, the UK RAC Annual Achievement Award, and the International Exhibition of Inventions of Geneva Gold Award; the Company's "zero carbon source" system has been implemented in 35 countries and regions around the world, and it is estimated that it can achieve an annual reduction of about 110,000 tons of carbon emissions.

3. Home appliances

The Company, centering on the product strategy of "GREE, Making Better Home Appliances", has achieved full coverage of a series of products including refrigerators and washing machines, kitchen appliances, water heaters, environmental appliances and medical aesthetics, etc. The products are positioned towards health, intelligence and personalization, and a set-based layout is implemented.

Refrigerator and washing machine

The Company's All-round Freshness Preservation series of refrigerators have developed self-balancing fruit and vegetable preservation technology, natural convection meat preservation technology and meat ultra-freezing storage technology. These technologies effectively solve problems such as fruit and vegetable dehydration, meat surface drying and discoloration, nutrient loss, myoglobin and unsaturated fatty acid oxidation and deterioration in complex storage scenarios, achieving constant humidity control in fruit and vegetable storage scenarios and reducing meat juice loss rate. This technological achievement was appraised by the Appraisal Committee of China National Light Industry Council as being at the "World Leading" level.



The Company has launched the "Zhenrou" series of washing machines and washer dryer. These products feature an active water rinse technology, addressing users' demands for deep cleaning, efficient sterilization, and smart interconnection scenarios of washing machines. It achieves uniform and full coverage within the rinse bucket, saving 40% of time compared to traditional soaking rinse methods, significantly reducing laundry time. The rinse efficiency reaches up to 97.4%, and the sterilization rate exceeds 99.99%. Additionally, they are equipped with smart WiFi functionality, enhancing the user experience. The product won the bronze medal at the 49th International Exhibition of Inventions of Geneva with its outstanding performance and innovative technology, and has been widely praised by users.



Kitchen appliance

The Company has launched a wall-mounted instant hot water dispenser that can achieve "boiling and then cooling to produce warm water in seconds", provide hot water at all temperature ranges and offer 1 °C precise temperature adjustment. With a large flow rate of 800 mL/min, it is compatible with full-flow water purifiers, making it convenient to use. Moreover, the water tank is equipped with ultraviolet sterilization technology to ensure drinking water safety.

The Company has launched uncoated cast iron rice cookers and stainless steel rice cookers. The cast iron rice cooker adopts the ancient casting process and combines modern high-temperature nitriding and oxidation surface treatment technology to achieve a chemical-free coating, preventing air, moisture and the iron base material from coming into contact, thus making the cast iron inner pot less prone to sticking and rusting, allowing consumers to use it with confidence and enjoy healthy meals. The stainless steel rice cooker is made of high-quality 316L food-grade stainless steel, treated with polishing and brushing processes, without coating, wear-resistant, corrosion-resistant, and resistant to hard object scratches, ensuring a longer service life. Meanwhile, the inner pot is specially designed with micro-scale dot array pits, which can reduce the contact area of the rice and lower the adhesion force of the rice, achieving long-lasting non-stick performance.

The Company has launched the "Clean Star" range hood, which is equipped with a 10-year inner cavity maintenance-free cleaning technology, solving the industry's difficult problems of hard-to-clean and strong odor inside the range hood. Through the motor FOC control technology and NVH noise reduction technology, it has continuously broken through in terms of air volume and performance. The Company has launched a new type of built-in disinfection cabinet. With its efficient sterilization and drying composite technology, it can easily kill 99.99% of bacteria and viruses, and its disinfection level has reached the highest two-star standard in the industry.



Water heater

The Company has launched a 18-liter large-capacity gas water heater. The product is equipped with a zero-cold-water function, achieving constant temperature and comfortable bathing needs, which is more suitable for families with many people, multiple kitchens and bathrooms, and villa-type families. Moreover, in response to the problem of water tank corrosion caused by poor water quality, a no-coil high-efficiency heat exchange system has been developed, successfully solving the problem of water tank corrosion.

Environmental appliance

The Company has launched a tower-shaped voice-activated warm air blower. It is equipped with an offline voice module and features a separate sound cavity structure. Without the need for an internet connection, it achieves a voice recognition rate of over 91% and has no false wake-ups within 48 hours. It adopts an anti-disturbance dual-power pressurized air duct to keep the noise level at or below 50 dB. The design of a large arc-shaped air outlet with anti-scalding structure ensures even heat dissipation, better meeting the needs of consumers.

The Company has launched the Flame Humidifying Baseboard, which integrates ultrasonic humidification to ensure warmth without dryness. It features a flame-like ambient light design to create a cozy fireplace-like heating experience. Equipped with IPX4 water resistance and graphene heating elements, it offers a temperature range of 16 °C to 30 °C, with smart temperature control, making it safe for both home and bathroom use.

Medical aesthetic products

The Company, centering on users' demands for a healthy and high-quality life, has launched a series of home health products such as the GREE Double-sided Beauty Instrument, blood pressure monitors, nebulizers, and pulse oximeters.

The Double-sided Queen Microcurrent Beauty Device is equipped with 1.5 kHz oscillating current technology that adapts to skin characteristics and dual cold and hot face plates technology, allowing you to enjoy salon-level care at home.

The Masked Queen Spectral Beauty Device adopts a rapid response self-sensing technology, completely solving the problem of dazzling strong light during use.

The blood pressure monitor adopts a stable pressure measurement technology, which can reduce the risk of measurement result fluctuations caused by factors such as patients' psychology during the testing process, ensuring the accuracy of the measurement data.

The nebulizer adopts reflux liquid level detection technology, lengthening the path between the electrode and the nebulization membrane, solving the problem in the industry where the liquid level detection of nebulizers is inaccurate due to the influence of water film, and ensuring the accuracy and reliability of liquid level detection for drug solutions with different conductivities.

The blood oxygen monitor adopts photoelectric blood oxygen detection technology combined with volume pulse plethysmography technology to enhance the accuracy of blood oxygen saturation and pulse rate sensing, and achieve rapid analysis and measurement results.



(II) Adhere to independent innovation, constantly make breakthroughs in world-leading technologies

The Company adheres to independent research and development of core technologies, upholds the concept of "unlimited investment based on demand", and has established a multi-level and high-level R&D platform system relying on national-level scientific research platforms. It has formed a technological innovation system that is "enterprise-oriented, market-driven, and combines industry, academia, and research", achieving remarkable results.

1. Major scientific research achievements have been certified as "World Leading", and core technologies have been broken through.

The project "**120 °C+ Industrial Large-capacity High-efficiency High-temperature Centrifugal Heat Pump**" has been appraised by the Appraisal Committee of China Machinery Industry Federation as being at the "World Leading" level. The Company has independently developed three innovative technologies: 120 °C+ high-speed direct-drive high-temperature heat pump centrifugal compressors, 60K+ temperature rise dual-compressor series and multi-stage compression gas injection high-efficiency industrial heat pump units, and high-temperature enhanced heat exchange. These innovations have addressed industry problems such as the difficulty in cooling compressors in high-temperature environments, the easy overheating and failure of bearings, motors, and lubricating oil, the poor stability of rotor high-speed operation under high-temperature and heavy load conditions, the low system performance with a 120 °C water outlet and large temperature rise, and the poor performance of heat exchangers at high temperatures.

The project "**COP7.0+ Dual-stage Permanent Magnet Variable Frequency Screw Chiller**" has been appraised by the Appraisal Committee of China Machinery Industry Federation as being at the "World Leading" level. The Company has applied the two-stage screw compressor technology to water-cooled chillers, achieving inter-stage gas injection to enhance system efficiency. At the same time, it is equipped with a new type of small pressure ratio, same-tooth, different-structure, isochoric and highly efficient rotor profile, as well as precise and adaptive control of the two-stage pressure ratio without position identification, significantly improving the efficiency across all operating conditions. The COP under the national standard condition C reaches 7.0+, which can meet the usage requirements of various public buildings, rail transit, data centers and other fields.

The project "**Research and Application of Key Technologies for Low-carbon Dynamic Operation of Inverter Air Conditioners**"

has been appraised by the Appraisal Committee of China National Light Industry Council as being at the "World Leading" level. The Company has launched air conditioners equipped with the "Key Technology for Low-carbon Dynamic Operation of Inverter Air Conditioners". After third-party testing, the product's dynamic energy efficiency optimization control technology based on artificial intelligence algorithms and room load adaptive technology based on neural network self-learning have achieved a dynamic energy efficiency improvement of over 15.8% throughout the year and a reduction in annual power consumption of 13.6%. It realizes the best dynamic operation effect of air conditioners, rapid temperature control, comfort and energy saving, and solves the problems of the lack of dynamic operation energy efficiency evaluation methods for current air conditioners and inconsistent actual energy-saving effects.

The project "**Research and Application of Key Technologies for Fresh-keeping of Fruits, Vegetables and Meats in Household Refrigerators**" has been appraised by the Appraisal Committee of China National Light Industry Council as being at the "World Leading" level. The Company has developed a series of innovative technologies for preserving fruits and vegetables and meats, including self-balancing high-permeability moisture membranes and air-source vapor humidification for fruits and vegetables, natural convection overcooling for meat preservation, and wide-frequency fully enclosed piston compressors for ultra-freezing storage of meats. These technologies have effectively addressed the challenges of excessive moisture condensation and bacterial growth or insufficient humidity leading to dehydration in complex storage scenarios for fruits and vegetables, with measured humidity reaching up to 95%. Additionally, the Company has expanded the maximum operating frequency of R600a fully enclosed piston compressors to 120 Hz, enabling long-term stable operation of refrigerators at -38 °C. This breakthrough has overcome the issues of rapid volume efficiency decline and poor reliability of existing refrigerator compressors at ultra-high frequencies.

The project "**Key Technologies and Applications of High-Efficiency Intelligent Environmental Control System for Metro Stations under All Operating Conditions**" has been appraised by the Appraisal Committee of China Energy Conservation Association as being at the "World Leading" level. The Company has established a comprehensive standard system for the entire life cycle of efficient computer rooms for intelligent environmental control systems in subway stations, adopting a full-process standard digital implementation and delivery model to ensure the efficient construction and operation and maintenance of the environmental control system. At the same time, it has developed a full-condition efficient integrated environmental control system based on permanent magnet variable frequency variable capacity screw chillers, low-resistance distribution pipelines throughout the process, matrix EC fan walls, and variable flow direct-drive cooling towers with permanent magnet synchronous motors, solving the industry problem of the inability to decouple flow and pressure ratio. It has also created a simulation system architecture with data model accompaniment and invented a variable dynamic correction energy-saving control technology based on actual operation data of the air conditioner system, achieving global optimization of operating parameters for the environmental control system under all conditions and ensuring a comprehensive improvement in the "quantity-quality-efficiency" of the environmental control system in subway stations.

The project "**Key Technologies and Applications of Magnetic Bearing Motor System**" has been appraised by the Appraisal Committee of the China Electrotechnical Society as being at the "World Leading" level. The Company has broken through the technical barriers of the industry, independently mastered the full set of core technologies of the magnetic bearing system, and for the first time achieved the industrialization of the full series of magnetic bearing compressors. It has also realized the serialization of industrial products such as magnetic levitation air compressors and magnetic bearing high-speed motors, solving the key technical problems of magnetic bearing motor systems and their application in refrigeration and air compressors, as well as the stability, reliability and safety issues of magnetic bearing technology in complex environments.

2. Multiple R&D projects have won important awards, and the achievements in innovation are remarkable.

The project "**Key Technologies and Industrialization of High-Performance Screw Refrigeration Compressors in Complex Environments**" won the First Prize of Science and Technology Progress of Guangdong Province. The Company, in collaboration with Xi'an Jiaotong University and Zhejiang University, has gone through four generations of technological innovation and spent ten years in research and development to break through the bottleneck. It has achieved significant breakthroughs in compressor theory, rotor profile, flow layout, and pressure ratio control. It has overcome the challenge of simultaneously enhancing the rated efficiency and variable working condition efficiency of compressors under complex climatic conditions. Moreover, it has broken through the

reliability guarantee technologies for compressors in extreme environments, such as anti-impact, long service life, and low vibration. The first small pressure ratio dual-stage permanent magnet variable frequency adaptive variable pressure ratio screw compressor has been created. The COP of the entire series under national standard conditions has exceeded 7.0, setting a new energy efficiency benchmark for water chillers.

The project "**Research and Application of Key Technologies for Efficient Room Temperature Catalytic Formaldehyde Removal**" won the second prize of Science and Technology Progress of Guangdong Province. The Company has invented a highly active and selective dual-metal room-temperature catalytic formaldehyde removal material, which can rapidly, effectively and environmentally decompose formaldehyde into harmless carbon dioxide and water at room temperature. The formaldehyde decomposition efficiency is as high as 99.9%, making it suitable for high-quality air purification in enclosed and semi-enclosed spaces. The technological achievement has been applied to the Company's room-temperature catalytic formaldehyde removal series of air purifiers, and has won the Gold Award at the International Exhibition of Inventions of Geneva and the China Patent Excellence Award. The project "**Research and Industrialization of Key Technologies for Servo Motors and Control of High-Performance Robots**" won the second prize of Science and Technology Progress of Guangdong Province. The Company has successfully developed an integrated high-power density servo motor and a single-chip multi-core multi-axis integrated collaborative precision servo control technology. It has also overcome a new high-anti-disturbance technology for complex multi-dimensional disturbances, and developed high-performance servo motors and drivers dedicated to robots, achieving industrialization. These products have now been widely applied by mainstream domestic robot manufacturers and have been extended to fields such as CNC machine tools and semiconductors.

3. Actively participating in the formulation of standards, the Company has demonstrated its leading innovative strength

The Company has taken the lead in or participated in formulating 873 international standards, national standards, etc., among which 64 are international standards. The Company actively participates in and assumes responsibilities for a total of 153 domestic and international standardization organizations related to the home appliance industry, among which 40 are international and foreign standardization organizations. The Company is among the first batch of intellectual property demonstration units of enterprises and institutions in the country and has won the China Trademark Gold Award. As of the end of 2024, Gree Electric Appliances's 7 subsidiaries have been selected as National Intellectual Property Demonstration Enterprise and 17 subsidiaries as National Intellectual Property Advantage Enterprise. During the report period, the Company filed 10,112 patent applications, including 6,959 invention patent applications, and was granted 5,413 invention patents. It won one Gold Award for China's Design Patent, three China Patent Excellence Awards, and two provincial patent gold awards. It also received three Gold Awards, four Silver Awards and one Bronze Award at the Geneva and Nuremberg International Invention Exhibitions, demonstrating the power of innovation of GREE to the world.

4. Continue to increase investment in research and development in new product areas and continuously enhance product competitiveness

The Company has vigorously promoted the development of original products and achieved remarkable success in industrial design, winning 26 international design awards, including 15 iF Industrie Forum Design Awards and 11 Red Dot Design Awards. By the end of 2024, the Company had 4 national-level research platforms and 13 provincial and ministerial-level research platforms. It had accumulated a total of 122 important awards at the national, provincial and ministerial, and industry levels. It also possessed 46 "World Leading" technologies, demonstrating the Company's strong innovation capabilities.

During the report period, the Company not only achieved fruitful results in technological research and development, but also demonstrated outstanding capabilities in standard setting and intellectual property protection, fully reflecting the Company's development strategy of adhering to the spirit of independent innovation and continuously breaking through world-leading technologies.

(III) Continuously optimize the quality management system to achieve outstanding product quality for the Company

The Company has always adhered to the principle of quality first, with the pursuit of perfect quality as its guiding orientation. It implements strict quality control throughout the entire process, from the design of products to procurement, production, packaging, transportation, installation and service. By strictly controlling the quality at the source and building a sound system, we ensure the high stability and leading level of the Company's product quality.

Continuously leading industry standards, the Company has received numerous honors. During the report period, the standards it led in formulating, namely Quality Management - Innovation Cycle Guide Based on Customer Demand (GB/T 38356-2019) and Evaluation Method and Testing Method for Energy Performance of Refrigerating Systems - Part 1: Energy-Storage Air Conditioning Systems (GB/T 37227.1-2018), won the second and third prizes respectively in the Guangdong Province Standardization Outstanding Contribution Award for Standard Projects, making it the home appliance enterprise that received the most awards this time. It undertook the work of the Refrigeration Equipment Research and Review Base of the China WTO/TBT-SPS National Notification Enquiry Center and was recognized as one of the six outstanding review bases nationwide by the General Administration of Customs. It was also awarded the titles of "Guangdong Province Leading Standard Enterprise" and "Guangdong Province Standardization Outstanding Contribution Award for Standard Organization", and was approved to establish the Guangdong Province Advanced Light Storage Direct System Quality Standard Laboratory, being rated as a "2024 Outstanding Contribution Unit in Standardization".

During the report period, the Company's products were recognized in both domestic and international markets for their outstanding quality and leading edge. The Company's ACCL, WCCL, USHP, PTAC, PTHP, and VRF have maintained a 100% pass rate in market spot checks for three consecutive years, and have once again been awarded the "Outstanding Performance" certificate by the AHRI. The Company has won one first prize, two second prizes and nine third prizes in the China Quality Technology Award. According to the evaluation data from the Customer Satisfaction Evaluation Center of China National Institute of Standardization, since 2011, GREE's air conditioner products have maintained the industry's top customer satisfaction for 13 consecutive years.

(IV) Focus on industrial transformation, continuously promote diversified development, and actively explore new growth areas

Compressor

The Company has launched a broadband and high-efficiency rotor compressor. Its operating frequency range is 33% wider than that of conventional mass-produced inverter compressors, with energy efficiency improved by more than 10% and low-temperature heating capacity increased by more than 10%. The maximum operating frequency reaches 160 Hz, solving the problems of insufficient high-frequency operation and low-temperature heating in air conditioners. It has been fully serialized and mass-produced for export in residential air conditioners.

The Company has launched a new generation of high-efficiency compressors for base station air conditioners. With innovative designs such as low-power motors, compact and efficient pump structures, and low-friction bearing systems, the energy efficiency ratio has been increased by 5%.

The Company has launched a new generation of ultra-efficient floor-standing air conditioner compressors, featuring innovative designs such as friction-reducing and energy-saving materials and low-power motors. The energy efficiency ratio has been increased by 5.3%, and they have been fully applied to residential floor-standing air conditioners.

The compressor series products help further enhance the core competitiveness of the Company.

Motor

In home appliance motors, the Company has adopted new energy-saving materials, optimized motor design and electromagnetic schemes, etc., to introduce high-performance, noise-reducing motor vector controllers and shock-absorbing structures that block the transmission of motor noise. It has also promoted the application of high-power-density 10-pole IPM DC brushless motors in home appliances.

In servo motors, the Company has launched high-reliability, ultra-high power density and ultra-compact servo motor products. In the domestic robot market, our market share has rapidly increased.

In new energy motors, the Company has successfully developed the industry's first high-speed reluctance main drive motor for logistics vehicles, with a higher efficiency than rare earth motors. The Company has also completed the development of the Company's first main drive motor platform for integrated electric drive axles in buses. Compared with traditional direct drive motors, the new product reduces costs by 15%. Additionally, the Company has completed the research and development of new energy generators for extending the range of ships, oil pump motors for heavy trucks, and generators for extending the range of mining trucks, expanding the application of new energy motors to the fields of electric ships and construction machinery.

In industrial motors, the Company has tackled the industry's bottlenecks, such as magnetic circuit saturation, easy demagnetization, and large torque pulsation at deep weak magnetic fields in high-power new reluctance motors through technological breakthroughs. The Company has launched a series of high-efficiency, high-power new reluctance motors with power ranging from 0.75 to 315 kW, exceeding the industry's highest efficiency IE5. The related products have been widely applied in equipment in industries such as metal wire drawing, ball mills, and rubber open mills, breaking free from the constraints of rare earth resources and ensuring the sustainable development of the industry.

Wire and cable

The Company has launched large-sized enameled flat wires, which have been successfully applied in transformers, inverters, wind power, photovoltaic and other fields. It has also introduced a series of products including 155, 180 and 200 grades, covering varieties such as EI/AI/SB, UE/SB, EI/SB, with self-adhesive temperatures ranging from 150 to 230 °C. Moreover, it has developed new types of wires for the automotive industry and passed the IATF16949 system certification. The continuous breakthroughs in new products and new technologies help the Company enhance the competitiveness of its products in emerging fields.

Capacitor

The Company has continuously achieved technological breakthroughs in reducing the cost of electrolyte, new energy products of film capacitors and intelligent power modules. In terms of reducing the cost of electrolyte, by applying low-cost electrolyte and high-tolerance ripple electrolyte technology, the Company has launched large-capacity and high-performance products for the home appliance sector, which can operate stably at 125 °C with a 4.0 A ripple for 500 hours. In the field of film capacitors for new energy, the Company has introduced new products that feature high energy density, high voltage resistance, and low loss, and can work stably at 110 °C, with a broader range of applications. Regarding intelligent power modules, through the technological upgrade of bonding wires, the packaging cost of the products has been significantly reduced, further enhancing their competitiveness in the market.

Cooling parts

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

During the report period, the market share of DunAn Environment's cut-off valve ranked first in the world, that of four-way valve ranked second in the world, and that of electronic expansion valve ranked second in the world.

Semiconductor

The Company offers a range of products including MCU, power semiconductors, and AIoT SoC series. Among them, the 32-bit series MCU chips have been widely applied in batch in terminal products such as residential air conditioners, commercial VRF, wire controllers, and remote controls, with an annual usage exceeding 40 million units. They can be widely used in consumer electronics,

wearable devices, home appliances, health care equipment, commercial large-scale units, industrial sensors, high-performance motor control, and other fields. The power semiconductors such as FRD, IGBT, IPM, and PIM have been applied in batch in inverter air conditioners, with an annual usage exceeding 30 million units. They can be widely used in home appliances, intelligent equipment, new energy, and other fields. The AIoT SoC intelligent chips, with innovative embedded architecture, integrate high-performance AI computing power and the real-time performance of MCUs, and have been applied in batch in air conditioner products, further improving the energy efficiency of air conditioners. At the same time, they can be widely used in machine vision, intelligent voice, HMI, intelligent home appliances, and other fields. By the end of 2024, the Company had cumulatively applied for 738 patents related to integrated circuits in the semiconductor field and obtained 255 patents. It has successively won the Excellent Award of the 22nd China Patent Award, the Silver Award of the 7th Guangdong Province Patent Award, the Excellent Award of the 10th Guangdong Province Patent Award, and the Excellent Market Performance Product Award of the 16th "China Chip". A total of 9 products have been awarded the title of Guangdong Province Famous and High-tech Products, and 2 products have been awarded the title of Zhuhai City Innovative Products.

Recycling

The Company actively practices the producer responsibility extension system and innovatively proposes the circular development model of "green design - green manufacturing - green recycling" to ensure the green efficiency of the whole industrial chain.

In accordance with the requirements of the "Action Plan for Promoting Large-scale Equipment Upgrading and Consumer Goods Trade-in" issued by the State Council, the Company has comprehensively integrated its 30 regional sales networks, 20,000 sales stores, and 30,000 service outlets to provide users with an integrated "delivery, disassembly, and installation" service. All old devices are 100% traceable through the system and enter standardized recycling and dismantling factories to achieve resource recycling and regeneration. Through its unremitting efforts in the construction of the recycling system and the closure of the circular resource chain, Gree Recycling Resources Co., Ltd. has been approved as a national pilot for circular economy standardization and a pilot enterprise for the construction of the recycling system of the Ministry of Commerce. By the end of 2024, the Company's recycling resource system has processed more than 64.77 million units (sets) of various types of waste electrical and electronic products, and has transformed about 880,000 tons of recycled copper, iron, aluminum and plastic.

Smart device

The Company is actively making strategic plans in CNC machine tools, industrial robots and automation, providing intelligent equipment products for many leading enterprises both at home and abroad. By the end of 2024, the Company had established 2 provincial-level scientific research platforms in the field of intelligent equipment, including 1 provincial-level enterprise technology center and 1 provincial-level manufacturing innovation center. It had cumulatively applied for 5,096 patents and obtained 1,966 patents, among which 3,642 were invention patents and 1,081 were granted.

The Company has launched three new products for processing components of new energy vehicles in the new energy vehicle market. These include high-speed five-axis swivel heads, high-rigidity and high-torque electric spindles, and servo motors for machine tools, which are core components of CNC machine tools. Based on its expertise in processing battery trays for new energy vehicles, the Company has expanded its services to offer one-stop solutions for processing die-cast aluminum and large-scale integrated die-cast parts for new energy vehicles, increasing processing efficiency and stability by 50%.

For the new energy photovoltaic and lithium battery sectors, the Company has launched a series of six-axis robot products such as GR35 and GR50, as well as SCARA robot products like GRS10 and GRS20. For the shipbuilding and steel structure welding markets, the Company has introduced new products such as the GRH6 arc welding robot and intelligent welding workstations. Based on different customer demands, the Company provides intelligent robot automation application solutions for the manufacturing of new energy vehicle components and the welding of ships and steel structures. Guided by the demands of industrial development, the Company has established stable cooperative relationships with key national universities through multi-level and multi-form collaborations. We are committed to promoting resource sharing, mutual empowerment, enhancing academic and research exchanges, and intensifying research and breakthroughs in standards, processes, and key technologies in the field of intelligent manufacturing equipment.

During the report period, the Company successfully completed the acceptance of multiple provincial and municipal-level scientific and technological projects, including the "Guangdong Provincial Key Laboratory of High-Performance Servo Systems", the Zhuhai Industrial Core Technology Breakthrough Project "Research and Development of Intelligent Logistics and Warehousing System", and the Zhuhai Industry-University-Research Project "Research and Product Application Development of Key Technologies for High-Precision Intelligent Measurement System of Industrial CT". These achievements were highly recognized by industry review experts.

Precision mold

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

During the report period, Gree Precision Mold intensified its research on the waste-free layout stamping process for straight bar stator cores in the motor field, significantly reducing material consumption and achieving a 20% increase in material utilization rate, which notably lowered the cost of straight bar cores. Based on the NSGA-II algorithm, it enhanced the efficiency research of deep rib CNC high-speed processing through the optimization of existing parameters, increasing processing efficiency by over 20%. The optimization of high-efficiency precision electrical discharge machining (EDM) processes continued to deepen, achieving an electrode wear prediction accuracy of 99% and a 20% increase in the processing efficiency of parting surfaces. In the field of aluminum sheet precision forming technology, it successfully overcame the technical challenge of "shear bright band", enabling the shear bright band of product shapes to reach over 80%.

(V) Strengthen digital operation, promote the integration of dual lines, and achieve efficiency improvement throughout the entire channel chain

1. Digital operation, optimizing channel efficiency

The Company, centering on its business strategy planning, continuously optimizes the efficiency of the entire channel chain through meticulous management and digital operation methods. It implements a scientific inventory strategy to reduce stock and increase inventory turnover rate; adjusts the layout of the warehousing network to enhance logistics efficiency and shorten delivery time; predicts market demand through data analysis to lower the risk of inventory stagnation; and uses digital tools to monitor product circulation to improve product turnover rate.

2. Expand online marketing channels to facilitate the integrated development of both online and offline business

The Company actively expands its online marketing channels, strengthens its layout across the entire network and all platforms, and enhances its brand influence. For the young consumer group, it adopts various marketing methods such as live-streaming sales, community marketing, cooperation with private domain influencers, and precise advertising placement to increase brand appeal. It has entered multiple platforms such as JD.com, Tmall, and Douyin, and opened the GREE Dong Mingzhu Store on mainstream e-commerce platforms to broaden its online marketing channels. It also deepens the integration of online and offline, promotes offline merchants to participate in expanding online channels, achieves sales growth, and creates an integrated online and offline shopping experience.

3. Deepen the user service system and enhance the consumer experience

The Company is committed to building an integrated online and offline user service system to enhance the overall consumer experience. It promotes the digital transformation of offline stores to offer immersive shopping experiences. Through system integration, it improves the efficiency of after-sales processing to ensure that order fulfillment is both efficient and accurate. It utilizes digital means to enhance supply chain management capabilities, optimize the layout of intelligent warehouses, and increase the efficiency of business

personnel.

4. Launch innovative brands and expand the business of immediate retail

The Company has launched a new channel strategy brand, "Dong Mingzhu Healthy Home", which reconfigures the retail value chain through innovative means such as scene-based experiences, data visualization, and intelligent interactive services, providing consumers with a more convenient and intelligent shopping experience. At the same time, relying on local physical stores, it deeply integrates online traffic with the offline supply chain to meet consumers' immediate demands for goods, further expanding new traffic channels and empowering terminal stores.

The Company will establish a nationwide dual-channel sales network based on its existing 30 regions, over 30,000 offline outlets and flagship stores on third-party e-commerce platforms, providing an integrated dual-channel service that combines offline experience, online ordering, and unified national delivery and installation, to achieve a win-win situation for the enterprise, distributors and consumers.

(VI) Launch differentiated products in the global market and continuously enhance brand competitiveness

The Company adheres to a market and user-centered approach, continuously making efforts in overseas markets. It has been developing its own brand in various aspects such as products, quality, and services, and is constantly enhancing the global influence of the GREE brand. By the end of 2024, GREE products have covered over 190 countries and regions worldwide, with its own brand accounting for nearly 70% of total export sales.

In response to the diverse demands of overseas markets, the Company has continuously launched innovative products. During the report period, in extreme temperature regions around the world, it introduced ultra-high temperature refrigeration and ultra-low temperature heating air conditioners, achieving stable operation in environments with the highest temperature of 68 °C and the lowest of -40 °C. For the severe cold climate in the northeastern United States and northern Canada, it launched a new dual heat source product, ensuring stable heating in extremely cold weather. The single category of ultra-low temperature heating household units in North America became a bestseller. According to the market demand and local aesthetic characteristics of Brazil, it customized high-end products for local customers, with sales increasing by 75% year-on-year. To meet the demands of high-end residences in North America, it launched refined and differentiated patio units, catering to the diverse needs of overseas consumers.

Strengthening self-owned brands and channel expansion. In the North American market, the three self-owned brands of GREE, TOSOT, and KINGHOME are developing together. The Company actively explores local traditional HVAC channels, large-scale installation company channels, and large-scale retail channels, and has opened several new GREE stores in the New York area of the United States. In Eastern Europe, the number of GREE stores has exceeded 200. In Latin America, a 1,200-square-meter GREE flagship store was newly built in Bolivia. These measures not only enhance the popularity of self-owned brands but also lay a solid foundation for subsequent business development. During the report period, the Company has cooperated with international sports events or organizations in different regions and countries, such as the 2024 Summer Olympics in Paris, the Saudi King's Cup football tournament and the national league, the Spanish Real Betis football club, the Italian Napoli football club, and the Bolivian football powerhouse Blooming club, to strengthen brand promotion and product marketing.

Winning multiple landmark projects, the Company has been widely recognized in overseas markets. During the report period, the Company successively won bids for several large-scale commercial engineering projects, such as the Morowali Industrial Park in Indonesia, the largest shopping complex in Iraq - Karbala Shopping Resort, the Ferrari Museum office building in Greece, the St. George Hospital in Plovdiv, Bulgaria, the BYD Cama çari factory in Brazil, the headquarters building of Band in Brazil, the sports venues for the Asian Youth Games in Uzbekistan, the National Stadium in Ethiopia, and the Prime Minister's Office in Ethiopia. The implementation of these large-scale projects in public facilities, industrial parks, star hotels, and chain restaurants has established the international image of the GREE brand.

(VII) Building the Internet of Everything, leading a Smart and Healthy Life

GREE Smart Home adheres to independent innovation, R&D, and manufacturing. It uses core technologies to create a zero-carbon

healthy home, continuously upgrading the five smart living systems of whole-house energy, air, health, security and lighting. It has launched the Smart Comfortable Home whole-house smart solution based on the characteristics of different living spaces such as living rooms, bedrooms and kitchens, to create a green, efficient, convenient and safe home Internet of Things space.

In terms of smart products, the Company offers a rich and professional range of whole-house smart products, including air system products such as heating and cooling, fresh air, and environmental appliances; health system products such as water usage, diet, and personal care; energy system products for light, storage, and air; lighting system products like lights and curtains; and security system products including door locks, cameras, and safety sensor kits. The Company will continue to expand its product matrix and ecosystem partnerships to provide users with more high-quality and personalized product options.

In the field of intelligent health technology, the Company has made in-depth layouts in full-house intelligent systems, full-house communication architectures, intelligent voice interaction, and home appliance intelligence. It has independently created the IoT platform, intelligent decision-making system, G-Voice voice interaction system, intelligent vision system, G-Learning comfort and energy-saving algorithm, AI energy-saving modules, and user behavior habit learning energy-saving algorithm, among other intelligent IoT technologies. According to the "2024 Top 100 Global Smart Home Invention Patents Ranking" released by the intellectual property industry media IPRdaily, GREE ranked among the top globally with 3,097 patents, once again receiving professional recognition for its R&D strength.

(VIII) Accelerate the transformation and upgrading of intelligent manufacturing and build an industry-leading smart factory

The Company promotes efficiency improvement, value creation and business goal enhancement through digitalization, builds a lean manufacturing system centered on dual effectiveness, and promotes systematic optimization and comprehensive upgrading throughout the entire product life cycle, the entire production process and the entire supply chain, to drive the transformation of intelligent manufacturing in the enterprise.

Establish a lean manufacturing system to empower efficient production management. The Company aims to build a digital factory, based on lean manufacturing. By enhancing flexible automation capabilities, integrating internal and external factory data, consolidating information system platforms, and promoting intelligent applications, it optimizes production operations. It establishes a group-wide lean smart manufacturing system that fully connects machines, materials, personnel, control systems, and information systems, to improve quality, increase efficiency, reduce costs, and lower inventory in the production process. This approach enables rapid resolution of on-site production issues and enhances management efficiency. During the report period, the Company's project "Construction and Implementation of Lean Manufacturing System for Large Home Appliance Enterprise Group" won the "First Prize" of the 31st National Modernization Innovation Achievements in Enterprise Management.

Build a leading intelligent factory. Based on the lean manufacturing system, the Company continuously applies information technologies such as industrial internet, cloud platforms, artificial intelligence, big data and 5G to every aspect of the smart factory, achieving interconnection and interoperability among production equipment, instruments and meters, sensors, control systems and management systems, as well as in-depth application in scenarios such as operation monitoring, intelligent production, quality inspection, warehouse storage and logistics distribution. During the report period, the Company's Jinwan factory was selected into the first batch of "Outstanding Intelligent Factory" list by the MIIT of the People's Republic of China.

(IX) Build an efficient talent cultivation and incentive system to support the steady progress of the group

The Company adheres to the strategic guideline of "strengthening the enterprise with talent", attaches great importance to internal talent cultivation and team building, and promotes the overall development of the enterprise.

Build a high ground for skills and facilitate the enhancement of talents' skills. During the report period, the Company integrated policies at all levels and internal and external teaching resources and venues to establish a national-level high-skilled talent training base covering multiple professional fields. It organized 31 skill competitions in three major directions: frontline operation skills, production quality and lean production, and equipment operation and debugging. It trained nearly 1,500 special workers and was awarded the qualification of the chain leader of the "industry-education-evaluation" skill ecosystem in Guangdong Province. In 2024,

a total of 850 skilled workers of the Company obtained vocational skill level certificates, and 3,376 skilled workers were honored with the title of "craftsman", further consolidating the Company's talent foundation.

Accelerate the construction of a learning organization and continuously enhance the professional capabilities of all employees.

During the report period, the Company focused on three directions: general capabilities, professional knowledge, and quality courses. It systematically organized and carried out open classes for all employees and key business training in technology research and development, production management, product planning, and sales expansion. It conducted nearly 6,000 specialized training sessions, with an average of over 46 hours per person, significantly enhancing the professional quality and technical proficiency of its staff.

Diversified incentive policies, sharing the dividends of development, and stabilizing the talent echelon. During the report period, the Company established a diverse bonus system including the Science and Technology Progress Award, Management Innovation Award, Rationalization Suggestion Award, Performance Award, and Year-end Bonus, and organized honor selection activities such as GREE Advanced Pioneers, Workers' Vanguard, Advanced Work Teams, Excellent Teams in Quality Activities, Lean Improvement Projects, and Most Beautiful Veterans, to motivate employees to be proactive and innovative. The Company consistently launched and implemented the employee stock ownership plan to improve the benefit sharing and risk sharing mechanism between the Company and core employees, fully mobilize the enthusiasm and cohesion of employees, and promote the long-term, sustainable, and healthy development of the Company.

2. Revenue and cost

(1) Composition of operating revenue

Currency: CNY

Item	2024		2023		Year-on-year Increase/Decrease
	Amount	Proportion to Operating Revenue	Amount	Proportion to Operating Revenue	
Total Operating Revenue	189,163,654,064.64	100%	203,979,266,387.09	100%	-7.26%
By Industries					
Manufacturing Industry	169,715,353,002.47	89.72%	174,565,470,852.38	85.58%	-2.78%
Other Business	19,448,301,062.17	10.28%	29,413,795,534.71	14.42%	-33.88%
By Products					
Home Appliances	148,559,931,838.58	78.54%	155,218,482,437.25	76.09%	-4.29%
Industrial Products and Green Energy	17,246,185,690.02	9.12%	17,109,354,623.75	8.39%	0.80%
Smart Device	424,131,758.64	0.22%	669,842,288.11	0.33%	-36.68%
Other Main Business	3,485,103,715.23	1.84%	1,567,791,503.27	0.77%	122.29%
Other Business	19,448,301,062.17	10.28%	29,413,795,534.71	14.42%	-33.88%
By Regions					
Domestic Sales – Main Business	141,512,822,056.59	74.81%	149,661,934,832.94	73.37%	-5.45%
Export sales – Main Business	28,202,530,945.88	14.91%	24,903,536,019.44	12.21%	13.25%
Other Business	19,448,301,062.17	10.28%	29,413,795,534.71	14.42%	-33.88%

(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

Currency: CNY

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 Costs 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	169,715,353,002.47	114,476,752,530.27	32.55%	-2.78%	-1.17%	-1.09%
Other Business	19,448,301,062.17	19,019,367,093.09	2.21%	-33.88%	-32.36%	-2.20%
By Products						
Home Appliances	148,559,931,838.58	96,691,946,304.39	34.91%	-4.29%	-3.34%	-0.65%
Other Business	19,448,301,062.17	19,019,367,093.09	2.21%	-33.88%	-32.36%	-2.20%
By Regions						
Domestic Sales – Main Business	141,512,822,056.59	93,045,292,807.84	34.25%	-5.45%	-3.93%	-1.04%
Export Sales – Main Business	28,202,530,945.88	21,431,459,722.43	24.01%	13.25%	12.86%	0.26%
Other Business	19,448,301,062.17	19,019,367,093.09	2.21%	-33.88%	-32.36%	-2.20%

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 classification

Currency: CNY

Industry Classification	Item	2024		2023		Year-on-year Increase/Decrease
		Amount	Proportion to Operating Cost	Amount	Proportion to Operating Cost	
Manufacturing of Home Appliances	Raw Materials	93,363,351,952.22	86.05%	93,909,272,081.72	86.13%	-0.58%
	Labor Costs	4,879,947,485.74	4.50%	4,839,203,936.92	4.44%	0.84%
	Depreciation	1,759,556,442.08	1.62%	1,950,717,636.85	1.79%	-9.80%
	Energy	1,131,053,297.69	1.04%	1,060,398,535.08	0.97%	6.66%

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

Yes No

1. Business combination not under common control

(1) Business combinations not under common control that occurred during the period

Currency: CNY

Name of the Acquiree	Time Point of Equity Acquisition	Equity Acquisition Cost	Equity Acquisition Proportion	Equity Acquisition Method	Acquisition Date
Shanghai Datro Automotive Technology Co., Ltd.	2024/07/01	244,597,668.00	65.95%	Purchase by cash	2024/07/01

(Continued)

Currency: CNY

Name of the Acquiree	Basis for Determining the Acquisition Date	Operating Income of the Acquiree from the Acquisition Date to the End of the Period	Net Profit of the Acquiree from the Acquisition Date to the End of the Period	Cash Flow of the Acquiree from the Acquisition Date to the End of the Period
Shanghai Datro Automotive Technology Co., Ltd.	Acquisition of control	50,610,255.50	-10,890,056.09	3,852,261.61

On June 30, 2024, the Company's wholly-owned subsidiary, DunAn Environment, acquired 62.95% of the equity of Shanghai Datro Automotive Technology Co., Ltd. (hereinafter referred to as "Datro") through a cash transaction valued at CNY214.5977 million, and also increased its capital in Datro by CNY30 million. After the transaction was completed, DunAn Environment held 65.95% of the equity in Datro. DunAn Environment has completed the equity transfer and industrial and commercial change registration procedures. Datro has been included in the consolidated scope of DunAn Environment.

(2) Cost and goodwill of business combination

Currency: CNY

Cost of Business Combination	Amount
Total cost of business combination	244,597,668.00
Including: Cash	244,597,668.00
Less: Fair value of the identifiable net assets acquired	62,667,044.92
Goodwill	181,930,623.08

DunAn Environment currently holds 65.95% of the equity in Datro. The enterprise merger cost is CNY244,597,668.00. The fair value share of identifiable net assets attributable to the parent company shareholders obtained is CNY62,667,044.92. The corresponding fair value of identifiable net assets was assessed by Zhonglian Appraisal Consulting (Shanghai) Co., Ltd. and an assessment report with the number ZLHP Zi [2024] No. 20 was issued. The difference between the enterprise merger cost and the fair value share of identifiable net assets attributable to the parent company shareholders of Datro forms goodwill of CNY181,930,623.08.

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

Currency: CNY

Item	Shanghai Datro Automotive Technology Co., Ltd.	
	Fair Value on the Acquisition Date	Book Value on the Acquisition Date

Assets:		
Monetary Funds	5,152,822.52	5,152,822.52
Notes Receivable	715,882.91	715,882.91
Receivables	36,803,450.59	36,803,450.59
Receivables Financing	5,824,589.99	5,824,589.99
Advance Payments	1,041,919.28	1,041,919.28
Other Receivables	31,512,194.62	31,512,194.62
Inventory	20,200,520.76	17,127,908.27
Other Current Assets	2,080,550.17	2,080,550.17
Fixed Assets	34,644,958.89	32,761,348.70
Construction in Progress	7,780,042.42	7,780,019.35
Usufruct Assets	5,801,258.04	5,801,258.04
Intangible Assets	23,614,360.78	394,064.49
Long-term Unamortized Expenses	2,896,776.52	2,896,776.52
Deferred Income Tax Assets	10,437,280.23	10,437,280.23
Other Non-current Assets	37,924.20	37,924.20
Liabilities:		
Short-term Borrowings	39,000,000.00	39,000,000.00
Notes Payable	1,487,740.22	1,487,740.22
Payables	27,451,609.43	27,451,609.43
Contract Liabilities	18,956.40	18,956.40
Payroll Payable	2,627,612.49	2,627,612.49
Taxes and Dues Payable	12,974.49	12,974.49
Other Payables	1,245.36	1,245.36
Non-current Liabilities Due within One Year	4,367,779.95	4,367,779.95
Other Current Liabilities	2,464.33	2,464.33
Long-term Borrowings	7,000,000.00	7,000,000.00
Lease Liabilities	3,744,872.39	3,744,872.39
Deferred Income	518,000.00	518,000.00
Deferred Income Tax Liabilities	7,285,908.39	241,772.88
Net Assets	95,025,368.47	73,892,961.94
Less: Minority Shareholders' Equity	32,358,323.55	25,162,253.08
Net Assets Acquired	62,667,044.92	48,730,708.86

2. Business combination under the same control

None.

3. Reverse purchase

None.

4. Disposal of subsidiaries

Currency: CNY

Name of Subsidiary	Time Point of Losing Control	Disposal Price of the Time Point of Losing Control	Disposal Ratio of the Time Point of Losing Control (%)	Disposal Methods of the Time Point of Losing Control	Basis for Determining the Time Point of Losing Control	The Difference Between the Disposal Price and the Share of the Subsidiaries' Net Assets at the Level of Consolidated Statements Corresponding to the Disposal Investment	Proportion of Remaining Equity on the Date of Losing Control (%)	Book Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Fair Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Gains or Losses Arising from Remeasurement of Remaining Equity at Fair Value	Determination Methods and Main Assumptions of the Fair Value of the Remaining Equity on the Date of Losing Control at the Consolidated Financial Statement Level	Amount of Other Comprehensive Income Related to Equity Investment of the Original Subsidiary Transferred into Investment Profits and Losses or Retained Earnings
Shenyang Water and Heat Source Development Co., Ltd.	2024/01/25	1,000,001.00	56.00	Sale	Business registration	-230,233.67						
Gree (Chengdu) Precision Mold Co., Ltd.	2024/05/27		100.00	Cancelled	Business registration							
Gree Robot (Luoyang) Co., Ltd.	2024/05/31		100.00	Cancelled	Business registration							
Jilin Songliang Modern Agricultural Development Co., Ltd.	2024/07/10	2,000,000.00	70.00	Sale	Business registration	2,354,547.19						
Jilin Songliang Tianfuyu Agricultural Development Co., Ltd.	2024/07/10	It was merged and sold together with its parent company, Jilin Songliang Modern	100.00	Sale	Business registration	It was merged and sold together with its parent company, Jilin Songliang Modern Agricultural Development						

		Agricultural Development Co., Ltd.				Co., Ltd.						
Gelan Environmental Protection Technology (Shaoguan) Co., Ltd.	2024/08/23		100.00	Cancelled	Business registration							
Datro (Weihai) Auto Parts Co., Ltd.	2024/09/13		65.95	Cancelled	Business registration							
Gree HVAC Equipment (Chengdu) Co., Ltd.	2024/10/16		100.00	Cancelled	Business registration							
Gree CNC Machine Tool Research Institute Co., Ltd. of Zhuhai	2024/10/22		100.00	Cancelled	Business registration							

5. Change of combination scope for other reasons

Newly established entity in the current period:

Currency: CNY

Name	Date of Establishment	Net Assets at the End of the Period	Net Profit from the Combination Date to the End of the Period
DunAn International (Hong Kong) Company Limited	2024/02/06		
DunAn Hong Kong Industrial Co., Ltd.	2024/02/16		
Zhuhai Gree Technology Management Co., Ltd.	2024/03/11	932,242.59	-67,757.41
Zhuhai Hengqin Gree Materials Supply Co., Ltd.	2024/03/29	127,406,890.56	27,442,815.56
Zhuhai Gree Medical Equipment Co., Ltd.	2024/04/22	62,774.57	62,774.57
Henan Gree Refrigeration and Washing Machine Sales Co., Ltd.	2024/05/15	178,759.00	178,759.00
Shanghai Gree Green Energy Technology Co., Ltd.	2024/06/06	-128,016.30	-149,016.30
Hebei Gree Refrigeration and Washing Machine Sales Co., Ltd.	2024/06/13	389,714.82	389,714.82
Shanghai Gree Auto Technology Co., Ltd.	2024/10/11	3,996,764.92	-3,235.08
Gree Green Resources Recycling (Linyi) Co., Ltd.	2024/09/12		
Gree Digital Technology (Jieyang) Co., Ltd.	2024/12/3	277,073.26	277,073.26
Gree Digital Technology (Hunan) Co., Ltd.	2024/12/31		
Gree Digital Technology (Hebei) Co., Ltd.	2024/12/31		
Gree Digital Technology (Henan) Co., Ltd.	2024/12/31		

(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 (CNY)	32,115,902,791.82
Proportion of total sales amount of top five customers to the total annual sales	16.90%
Proportion of sales amount of related parties in the sales amount of top five customers to the total annual sales	2.83%

Information of top five customers

S/N	Customer Name	Sales Amount (CNY)	Proportion to Total Annual
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			Sales
1	First	9,386,594,497.87	4.94%
2	Second	9,003,671,846.32	4.74%
3	Third	5,377,436,945.43	2.83%
4	Fourth	4,619,372,742.09	2.43%
5	Fifth	3,728,826,760.11	1.96%
Total	--	32,115,902,791.82	16.90%

Other description of major customers

Applicable Not Applicable

Main suppliers of the Company

Total purchase amount of the top five suppliers (CNY)	32,207,232,224.97
Proportion of total purchase amount of top five customers to the total annual purchases	25.94%
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 (CNY)	Proportion to Total Annual Purchases
1	First	8,174,120,015.24	6.58%
2	Second	7,753,189,937.39	6.24%
3	Third	6,885,837,560.54	5.55%
4	Fourth	5,598,466,112.44	4.51%
5	Fifth	3,795,618,599.36	3.06%
Total	--	32,207,232,224.97	25.94%

Other description of major suppliers

Applicable Not Applicable

3. Expenses

Currency: CNY

Item	2024	2023	Year-on-year Increase/Decrease	Significant Changes Description
Sales Expenses	9,753,022,469.17	14,801,702,209.41	-34.11%	It was mainly affected by the changes in channel marketing expenses and the changes in the product sales structure.
Administrative Expenses	6,057,608,713.94	6,542,161,037.82	-7.41%	
Financial Expenses	-3,300,417,558.96	-3,526,521,851.75	6.41%	
R&D Expenses	6,904,084,981.92	6,762,136,262.23	2.10%	

4. R&D investment

Applicable Not applicable

Name of Major R&D Project	Project Purpose	Project Progress	Objectives to be Achieved	Expected Impact on the Future Development of the Company
Key energy-saving technologies for dynamic operation of variable frequency air conditioner AI	It has addressed the pain points of "high power consumption and discomfort" during air conditioner usage caused by the "single control strategy of air conditioners and the diversity of usage environments and user habits", achieving self-optimization, self-adaptation and self-matching of air conditioner output and room load in various actual usage scenarios of users, ensuring the rapid, comfortable and energy-efficient operation of air conditioners.	It has been applied to residential air conditioner products such as Satin Time, AI Energy-saving Prince, Cool Summer-II, etc. The products have been launched on the market.	The annual power consumption of the product is reduced by more than 13.6%, achieving energy conservation and carbon reduction in air conditioner operation.	This technology has been appraised as being at the "World Leading" level. It is the core highlight technology of GREE's air conditioner products, forming the development route and product line of AI energy-saving technology for residential air conditioners, and further promoting the application of AI algorithms and operation energy-saving technology in GREE's air conditioners and other electrical products.
Research and application of key technologies for high efficiency, comfort, and health of room air conditioner	Solving the industry problems such as the low efficiency of the fan, the obvious blowing sensation and the stuffy and stale air in the room when using traditional air conditioners, and promoting the transformation of the air conditioner industry towards high efficiency, comfort and health.	The PureFresh series of products have been launched on the market.	Under the same noise level, the air volume is increased by 15%, reaching 2,000 m ³ /h. The APF reaches 4.86, which is 15% higher than the primary energy efficiency standard. The air delivery range is expanded by 110%, ensuring that cold air does not blow directly on people. The fresh air volume is increased by 43% compared to the previous model, reaching 344 m ³ /h in actual measurement. It only takes 18 minutes to completely replace the air in the entire house.	Promoting the development of products towards greater efficiency, comfort and health will have a broad market prospect and significant social benefits.
Research on high-efficiency light storage air conditioner technology	In response to the energy conservation and environmental protection policies in various global	The product has entered mass production.	Equipped with stepwise heat exchange parallel compression refrigeration	Promote the development of products towards high efficiency, environmental

	markets, the Company has developed a residential split photovoltaic storage air conditioner product.		technology and high-efficiency utilization technology of renewable energy (solar energy), it comprehensively enhances the high-temperature refrigeration performance and achieves near-zero carbon emissions.	friendliness and reliability, and enrich the product layout in different climate zones.
Research on active safety technology and industrialization application of R290 variable frequency heat pump air conditioners	Focusing on enhancing the safe application and energy efficiency of R290 air conditioners, we aim to create a new generation of environmentally friendly heat pump air conditioners, providing consumers with reliable and safe usage experiences.	The product has entered mass production.	Develop R290 refrigerant active safety control technology and full-chain explosion-proof and leak-proof design technology, propose a high-reliability system solution for R290 refrigerant, achieve reliable operation over a wide temperature range, with SEER comprehensive energy efficiency reaching A+++ level, meeting the application requirements of multiple scenarios including cooling and heating.	Developing the industry's first split air conditioner product that complies with the new IEC standard of R290 will promote the green development of the industry, which is conducive to the expansion of the global market and the enhancement of the brand's international influence.
Research and development of central air conditioner without blowing air on people	Solve the industry-wide problems such as the accumulation of hot air at the top of the room and large vertical temperature differences when traditional central air conditioners are heating, and the discomfort caused by cold air blowing directly on people when they are cooling.	The product has been developed and launched in the first quarter of 2025.	Compared with traditional side air supply, when heating, the room temperature rises 53% faster and power consumption is reduced by 42.7%. The vertical temperature distribution in the room is uniform. When cooling, the cold air does not blow on people.	This technology has been appraised as being at the "World Leading" level. It adopts an industry-first reversible air supply design, enhancing the product's competitiveness and promoting technological innovation in the industry.
R&D of GMV 9 Zhiyue series VRF	Solve the industry's difficult problems such as real-time measurement, regulation and optimization of the performance of traditional VRF, achieve further improvement in the energy efficiency of	The basic model has been completed.	For the first time, the indoor unit capacity is accurately measured online, with the real-time power measurement accuracy of the unit reaching over 95%. This enables the VRF to achieve adaptive high-efficiency energy	This technology has been appraised as being at the "World Leading" level. It is the first to create an all-scenario AI energy-saving technology, leading the VRF industry into the era of real-time energy efficiency.

	multi-split operation, and promote the green transformation of the industry.		saving, with an average energy-saving rate of more than 25%.	
Key technologies and applications of high-efficiency intelligent environmental control system for metro stations under all operating conditions	Research and develop a highly efficient and intelligent environmental control system for metro stations under all operating conditions to address the challenges of traditional station environmental control systems, such as the difficulty in load adjustment, low efficiency in condition deviation, and high operational power consumption.	The product has been launched on the market.	Establish a replicable standard system for the intelligent environmental control system of metro stations, achieving an average annual energy efficiency of 5.74 for the entire line's refrigeration rooms and 3.70 for the environmental control system. The energy efficiency of the Xin'an Park station's refrigeration room, as a demonstration station, reaches 7.17 during its annual operation.	The project was appraised as being at the "World Leading" level for ensuring a comprehensive improvement in the "quantity, quality and efficiency" of the environmental control system in metro stations.
Research on medical refrigeration and freezing technology	Develop 2-8 °C medical refrigerators and -40 °C medical freezers, improve the layout of medical refrigeration and freezing products, and enhance competitiveness.	The product has entered mass production.	Develop a medical refrigerator with a temperature uniformity of 2 °C to 8 °C, a temperature uniformity $\leq 2^{\circ}\text{C}$, a fluctuation $\leq 2.5^{\circ}\text{C}$, an actual/nominal volume exceeding 85%, and a load line volume loss of less than 50 L. Develop a medical low-temperature preservation box for -40 °C, equipped with enhanced heat exchange refrigeration technology, achieving powerful cooling at -40 °C, with a cooling time of ≤ 240 minutes and a temperature uniformity inside the box of $\leq 4^{\circ}\text{C}$.	It can meet the requirements of the combination of freezing and refrigeration for reference, and improve the product layout of the series of medical ultra-low temperature preservation boxes.
Fully automatic drum washing machine based on live water rinsing technology	Aiming at the problems of long washing time of traditional washing machines and the potential for secondary pollution caused by tub washing, a new type of quick-cleaning drum washing	The TrueSoft series of products have been launched on the market.	The brand-new live water rinse technology integrates the rinse and spin-dry processes, shortening the washing time by 40%. It achieves 360 ° all-round rinsing without dead corners through the design of	It has solved the problems of long washing time and secondary pollution of drum washing machines, won the bronze award at the International Exhibition of Inventions of Geneva,

	machine with live water spray has been developed.		large-angle spray heads.	and enhanced the market competitiveness of the product.
Research on instantaneous high-flow hot water technology	Develop a hot water heating system to address key user experience issues such as the fact that the hot water setting is not boiled in the instant heating mode, and to optimize the initial water temperature output which is far lower than the set value during the cold start of the heating element.	The product has been launched on the market.	Developing a cooked water heating system that enables the production of cooked water by boiling hot water, while solving the problem of low initial water temperature during cold start. It achieves the first cup of "no cold water" and breaks through the industry limit of 420 mL/min of cooked water flow rate under the power limit of 2,100 W, comprehensively improving the user experience.	The independently developed high flow cooked water technology can be applied and promoted to products such as pipeline machines, desktop water purifiers, and integrated kitchen heat and water purifiers to enhance product competitiveness.
High-efficiency anti-corrosion heat exchange series gas water heaters	By independently developing the single-row uniform-temperature heat exchange technology without coil, we aim to address the industry pain point that the waterway of gas water heaters is prone to corrosion due to water quality, thereby enhancing product reliability.	The product has been launched on the market.	Through the single-row uniform-temperature heat exchange solution without heat exchanger tubes, the heat exchange capacity of the unit has been increased by more than 30%, and the corrosion resistance of the product has been enhanced by more than four times.	The independently developed high-efficiency anti-corrosion heat exchange solution can be applied and promoted to all platform products of the Company's gas water heaters, enhancing user experience and improving product competitiveness.
Development of domestic products for robot-specific servo drives	Develop the first domestically produced servo driver for the 2005 model robot to ensure that the core components of the Company's robots are independently developed.	The product has been launched on the market.	Overcoming the reliability design technology of drivers, the localization rate of components is over 95%, the volume is reduced by 50%, and it has full dimensional operation status monitoring function. The product is fully applied to our industrial robots.	Independently develop domestic servo drivers specifically for robots, achieve self-sufficiency in core components of robots, ensure that the overall performance of the driver is at the leading level in the industry, and enhance the market competitiveness of GREE's robots.
High-efficiency and high-power new type reluctance motor	To address the industry bottleneck problems such as magnetic circuit saturation, easy	The product has been launched on the market.	For the first time, a series of high-efficiency, high-power novel reluctance motor products have been	The independently developed high-power new type reluctance motor, which exceeds the industry's highest

	demagnetization, and large torque pulsation in deep weak magnetic field of high-power reluctance motors, a new type of high-power reluctance motor is developed to meet the demands of low-voltage industrial equipment and realize a series of high-efficiency and environmentally friendly reluctance motor products.		developed, with power ratings spanning from 0.75 kW to 315 kW. These motors meet and surpass the industry's highest energy efficiency standard, IE5, and offer advantages such as high efficiency, high reliability, low noise, and excellent cost-effectiveness.	efficiency IE5, has been widely applied in equipment for industries such as wire drawing, ball mills, and rubber open mills, enhancing the market competitiveness of the Company's motor industry.
R&D of a rotary four-cylinder volumetric liquid refrigerant pump	Develop a brand-new rotary four-cylinder volumetric liquid refrigerant pump to address the problems of low efficiency, poor reliability and poor adaptability to working conditions of the existing centrifugal pumps in computer room air conditioners.	The product has been launched on the market.	The weight of the fluorine pump is reduced by more than 50% compared with the competing products, and its efficiency is increased by more than 30%. The annual comprehensive energy efficiency of the computer room air conditioner system is improved by more than 10%, achieving remarkable energy-saving effects.	Achieve a major breakthrough in the core component of the fluorine pump for the Company's data center air conditioner, reduce the cost of the fluorine pump, enhance the market competitiveness of the data center air conditioner, and promote its application in the fields of new energy vehicles, charging piles, and battery thermal management.
High-efficiency compressor with low-temperature vapor injection enthalpy-enhancement technology for the new generation of residential VRF	Develop a new generation of low-temperature jet gas-increasing high-efficiency compressors to enhance the competitiveness of existing household VRF products.	The product has been completed and is awaiting market launch.	Develop a new patented technology of sales valve check valve gas injection enthalpy-increasing high-efficiency compressor, achieving continuous and efficient gas injection across the entire temperature range, with the lowest evaporation temperature extended to -35 °C, and improving the compressor energy efficiency by more than 5%. The VRF APF energy efficiency can reach as high as 6.25.	Independently develop low-temperature heat-injection compressors, achieving higher energy efficiency for household VRF and greater heating capacity at ultra-low temperatures, thereby enhancing the market competitiveness of VRF products.
Development of high-speed dual five-axis	For the body parts of automobiles such as	The product has been launched on the	It features dual five-axis collaborative	Independently develop high-speed dual five-

gantry vertical machining center for integrated die-casting body	the front compartment, battery box, and rear floor that are produced through integrated die-casting, dedicated high-speed processing equipment is developed to complete all feature processing in a single clamping of the integrated die-cast body parts, significantly enhancing production efficiency.	market.	processing capabilities, adopts full closed-loop linear motor direct drive control, with a running speed reaching 110 m/min, and the product processing cycle is <650s.	axis gantry machining centers, become one of the first units in the industry to master this technology independently and promote its application on a large scale, and contribute to the development of China's automotive industry.
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Company R&D personnel

	2024	2023	Change Ratio
Number of R&D Personnel (persons)	15,800	15,282	3.39%
Proportion of Number of R&D Personnel	21.70%	21.05%	0.65%
Educational Structure of R&D Personnel			
Bachelor	8,945	8,773	1.96%
Master	1,809	1,407	28.57%
Age Composition of R&D Personnel			
Under 30	7,686	7,667	0.25%
30-40	6,087	5,915	2.91%
Over 40	2,027	1,700	19.24%

R&D investment of the Company

Item	2024	2023	Change Ratio
Amount of R&D Investment (CNY)	7,139,948,094.03	7,006,497,352.61	1.90%
Proportion of R&D Investment to the Operating Revenue	3.77%	3.43%	0.34%
Capitalization Amount of R&D Investment (CNY)	235,863,112.11	244,361,090.38	-3.48%
Proportion of Capitalized R&D Investment to R&D Investment	3.30%	3.49%	-0.19%

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

5. Cash flow

Currency: CNY

Item	2024	2023	Year-on-year Increase/Decrease
Subtotal of Cash Inflows from Operating Activities	179,524,300,805.87	228,996,916,924.84	-21.60%
Subtotal of Cash Outflows from Operating Activities	150,155,050,235.21	172,598,490,570.67	-13.00%
Net Cash Flows from Operating Activities	29,369,250,570.66	56,398,426,354.17	-47.93%
Subtotal of Cash Inflows from Investment Activities	34,854,865,752.75	49,223,300,660.90	-29.19%
Subtotal of Cash Outflows from Investment Activities	50,412,775,368.32	90,240,520,005.31	-44.14%
Net Cash Flows from Investment Activities	-15,557,909,615.57	-41,017,219,344.41	62.07%
Subtotal of Cash Inflows from Financing Activities	74,558,134,239.70	88,825,770,725.94	-16.06%
Subtotal of Cash Outflows from Financing Activities	98,261,347,147.86	105,183,587,284.78	-6.58%
Net Cash Flows from Financing Activities	-23,703,212,908.16	-16,357,816,558.84	-44.90%
Net Increase in Cash and Cash Equivalents	-9,773,238,106.29	-840,460,509.20	-1,062.84%

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

Applicable Not applicable

1. The net cash flow from operating activities decreased by 47.93% year-on-year, mainly due to changes in channel models and market conditions, among other factors.
2. The net cash flows from investing activities increased by 62.07% year-on-year, mainly due to the decrease in cash paid for investments.
3. The net cash flows from financing activities decreased by 44.90% year-on-year, mainly due to the decline in cash received from other financing activities-related sources.

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

Currency: CNY

Item	At the End of 2024		At the Beginning of 2024		Proportion Increase or Decrease	Significant Changes Description
	Amount	Proportion to Total Assets	Amount	Proportion to Total Assets		
Monetary funds	113,900,461,797.94	30.95%	124,104,987,289.62	33.72%	-2.77%	
Accounts Receivable	16,831,887,388.06	4.57%	16,099,477,117.56	4.37%	0.20%	
Contract Assets	592,399,551.89	0.16%	838,812,133.65	0.23%	-0.07%	
Inventory	27,910,910,515.55	7.58%	32,579,140,028.70	8.85%	-1.27%	
Investment Real Estate	464,658,386.20	0.13%	633,262,161.10	0.17%	-0.04%	
Long-term Equity Investments	4,355,712,251.54	1.18%	4,488,967,031.20	1.22%	-0.04%	
Fixed Assets	36,996,168,856.84	10.05%	34,034,829,116.47	9.25%	0.80%	
Construction in Progress	3,076,380,868.80	0.84%	6,563,911,378.94	1.78%	-0.94%	
Usufruct Assets	789,763,790.64	0.21%	842,250,508.12	0.23%	-0.02%	
Short-term Borrowings	39,009,527,273.22	10.60%	26,443,476,388.52	7.18%	3.42%	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	12,491,059,928.53	3.39%	13,588,771,210.88	3.69%	-0.30%	
Long-term Borrowings	18,229,817,922.13	4.95%	39,035,742,535.09	10.61%	-5.66%	The main reason for the decrease in long-term borrowings in this period is the transfer to non-current liabilities due within one year.
Lease Liabilities	711,291,189.69	0.19%	767,007,951.92	0.21%	-0.02%	

Overseas assets account for a relatively high proportion.

Applicable Not Applicable

2. Assets and liabilities measured at fair value
 Applicable Not applicable

Currency: CNY

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)	9,614,423,403.40	-5,658,203.37			34,092,466,372.39	27,152,972,939.93		16,548,258,632.49
2. Derivative Financial Assets	108,919,513.22	108,919,513.22						
3. Other Debt Investments	16,363,841,665.96	17,793,161.63	33,692,789.92		1,262,229,794.52		10,627,309,401.35	7,016,555,220.76
4. Other Equity Instrument Investments	3,864,865,509.37	68,354,002.03	814,907,198.40			910,032,151.80	16,401,203.86	3,039,588,563.46

5. Receivables Financing	10,176,089,668.41	-8,182,565.61	-15,271,343.64			567,180,818.03		9,600,726,284.77
6. Others	2,366,316,637.89	13,981,641.99	-4,007,667.72		5,700,000,000.00	2,180,335,007.45	11,039,899,904.81	16,939,863,177.24
Subtotal of Financial Assets	42,494,456,398.25	-22,631,476.55	- 800,493,419.84		41,054,696,166.91	30,810,520,917.21	428,991,707.32	53,144,991,878.72
Total above	42,494,456,398.25	-22,631,476.55	- 800,493,419.84		41,054,696,166.91	30,810,520,917.21	428,991,707.32	53,144,991,878.72
Financial Liabilities	4,079,919.91	- 164,637,455.29					2,023,359.67	170,740,734.87

Other changes

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

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

Yes No

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

Currency: CNY

Item	End of Period	
	Book Value	Reason for Restriction
Monetary Funds	36,145,202,061.32	Required deposit reserve, earnest money, etc.
Accounts Receivable	18,433,952.94	Pledged
Receivables Financing	3,723,514,867.14	Pledged
Contract Assets	1,725,716.05	Pledged
Other Current Assets	3,170,000,000.00	Pledged
Non-current Assets Due within One Year	8,000,000,000.00	Pledged
Other Debt Investments	2,290,000,000.00	Pledged
Long-term Equity Investments	326,352,154.19	Pledged
Investment Real Estate	3,985,469.17	Pledged
Fixed Assets	2,927,927,740.11	Pledged
Construction in Progress	4,169,396.70	Pledged
Intangible Assets	920,002,049.00	Pledged
Other Non-current Assets	13,710,000,000.00	Pledged
Total	71,241,313,406.62	

VII. Analysis of investments

1. Overview

Applicable Not applicable

Investment in the Report Period (CNY)	Investment in the Same Period of Last Year (CNY)	Change Range
42,462,983,876.69	84,267,244,633.47	-49.61%

2. Significant equity investments obtained during the report period

Applicable Not Applicable

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

Applicable Not Applicable

4. Financial assets investments

(1) Securities investments

Applicable Not applicable

Currency: CNY

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	-	Anxin Lixiang Asset Management Plan	5,013,875,167.10	Measured at fair value	1,854,962,886.80	26,146,274.96		10,000,000,000.00	6,838,405,652.84	127,995,929.44	5,042,703,508.92	Trading financial assets	Own funds
Others	-	BankComm Yangtze River Delta No.1 Asset Management Plan	2,500,000,000.00	Measured at fair value		52,509,692.22		2,500,000,000.00		52,509,692.22	2,552,509,692.22	Trading financial assets	Own funds
Others	-	Zunyu No.1 Fund Trust Plan	2,152,863,789.13	Measured at fair value	2,883,110,552.52	9,935,694.55		2,415,350,682.37	3,153,607,583.33	98,333,571.33	2,154,789,346.11	Trading financial assets	Own funds
Others	-	Xingyun No.112 Asset Management Plan	1,500,000,000.00	Measured at fair value		30,583,676.80		1,500,000,000.00		30,583,676.80	1,530,583,676.80	Trading financial assets	Own funds
Stocks listed on domestic and overseas stock exchanges	600703	San'an Optoelectronics	2,000,000,000.00	Measured at fair value	1,586,483,387.45	-192,439,862.16	-605,956,474.71			3,436,426.11	1,394,043,525.29	Other equity instrument investments	Own funds
Stocks listed on domestic and overseas stock exchanges	600745	WINGTECH	759,332,324.16	Measured at fair value	1,517,194,078.45	-198,377,802.65	433,816,279.20		125,667,672.44	4,482,374.38	1,193,148,603.36	Other equity instrument investments	Own funds

Others	-	Xingyun No.230 Asset Management Plan	1,000,000,000.00	Measured at fair value		5,828,285.02		1,000,000,000.00		5,828,285.02	1,005,828,285.02	Trading financial assets	Own funds
Others	-	Xingqi Exclusive No.1	500,000,000.00	Measured at fair value		19,522,442.61		500,000,000.00		19,522,442.61	519,522,442.61	Trading financial assets	Own funds
Stocks listed on domestic and overseas stock exchanges	600619	Highly	363,282,097.68	Measured at fair value	626,491,486.09	495,357,248.70	-23,695,744.78		783,163,963.16	960,805.37	339,586,352.90	Other equity instrument investments	Own funds
Bonds	160017	16 coupon-bearing bond 17	288,405,500.00	Measured at fair value	306,780,382.20	3,039,207.92	9,805,588.17			12,579,424.81	311,139,682.20	Other debt investments	Own funds
Other securities investments held at the end of the period			1,699,419,241.35	--	1,408,343,614.19	-32,673,339.86	-599,191,724.08	2,032,265,690.02	2,302,029,819.97	44,365,826.23	1,119,876,492.98	--	--
Total			17,777,178,119.42	--	10,183,366,387.70	219,431,518.11	-785,222,076.20	19,947,616,372.39	13,202,874,691.74	400,598,454.32	17,163,731,608.41	--	--
Announcement disclosure date of board's meeting for approval of securities investment			April 30, 2024										
Announcement disclosure date of shareholders' meeting for approval of securities investment (if any)			June 29, 2024										

(2) Derivative investments

Applicable Not applicable

1) Derivative investment for speculative purposes during the report period

Applicable Not applicable

Unit: CNY10,000

Derivatives Investments Type	Initial Investment Amount	Beginning Amount	Profits and Losses From Changes in Fair Value in the Current Period	Cumulative Fair Value Changes Included in Equity	Purchase Amount During the Report Period	Sales Amount During the Report Period	Investment Amount at the End of the Period	Proportion of the Investment Amount at the End of the Period to Net Assets at the End of the Report Period
Futures Hedging Contracts	858.06	858.06	1,612.96	-264.68			2,471.02	0.02%
Forward Financial Contracts	10,483.96	10,483.96	-27,355.70				-17,074.07	-0.12%
Total	11,342.02	11,342.02	-25,742.74	-264.68			-14,603.05	-0.10%
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 to the previous report period	No change							
Statement of actual profits and losses during the report period	The actual profits and losses of futures hedging contracts during the report period was CNY42.8305 million, and that of forward financial contracts during the report period was CNY150.9706 million.							
Description of the hedging effect	-							
Capital source of derivative investments	Own funds							

<p>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>	<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>
<p>Changes in the market price or fair value of the product during the report period of the invested derivatives, with the analysis of the fair value of the derivatives disclosing the specific methodology used and the setting of relevant assumptions and parameters</p>	<p>The fair value change income of derivatives during the report period was CNY-257,427,400.</p>
<p>Involvement in lawsuits (if applicable)</p>	<p>Not applicable</p>
<p>Announcement disclosure date of Board of Directors for approval of derivative investment (if any)</p>	<p>April 30, 2024</p>
<p>Announcement disclosure date of shareholder's meeting for approval of derivative investment (if any)</p>	<p>June 29, 2024</p>

2) Derivative investment for speculative purposes during the report period

Applicable Not Applicable

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

5. Use of placements

Applicable Not Applicable

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

VIII. Significant assets and equity sales**1. Significant assets sales**

Applicable Not Applicable

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

2. Significant equity sales

Applicable Not Applicable

IX. Analysis of main holding and joint-stock companies

Applicable Not applicable

During the report period, the Company had no significant information on its major subsidiaries or associated companies that should be disclosed.

X. Structured entities controlled by the Company

Applicable Not Applicable

XI. Prospects for the future development of the Company**(I) Development vision of the Company**

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

(II) 2025 business plan**1. Focus on product-driven all-domain growth and multi-dimensional layout to facilitate marketing breakthroughs**

Deepen terminal construction, actively respond to market demands, accelerate the renewal and upgrading of national full-category specialty stores, and enhance brand image and market competitiveness. Build a precise product matrix and layout the market across

all price segments. Improve the brand ecosystem and explore new market areas. Focus on industries such as intelligent equipment, industrial robots, industrial products, and molds, and continuously explore the market potential of industrial products. At the same time, we will continuously enhance the competitiveness of our products, optimize the overseas market layout, and facilitate market breakthroughs.

2. Firmly commit to scientific and technological innovation and continuously promote breakthroughs in key core technologies

Focus on original technological innovation, comprehensively layout national and provincial-level innovation platforms, introduce integrated product management systems, strengthen demand management and full life cycle management, and enhance the success rate of product development. Accelerate the digital transformation of laboratories and fully implement the new model of interaction among testing, standards, and R&D. Continuously improve the high-value patent cultivation system, drive industrial upgrading with technology, and promote breakthroughs in core technologies.

3. Strengthen quality management innovation and continuously leverage the advantages of the full-process quality control system

Continue to strengthen the concept of quality, accelerate the construction of smart laboratories and the research and promotion of digital detection technologies, and promote management innovation in the mode of interaction among testing, standards and R&D. Focus on the independent research and development of originality detection technology, and realize the application of original technologies for automatic leak detection and automatic process inspection. Establish a comprehensive quality control system covering the entire process in new fields, continuously improve product quality, and help the "Perfect Quality Management Model" serve every consumer.

4. Promote the digital upgrade of the entire process and continuously deepen cost reduction and efficiency improvement

Accelerate the optimization of 5G private networks, consolidate the digital information foundation, continuously improve the production, supply and sales collaborative management platform, break down data barriers across multiple processes, achieve full digitalization of business processes, and promote cost reduction and efficiency improvement throughout the entire value chain. Continuously promote lean design of new products to achieve cost reduction from the source. Refine the analysis of long-term materials, shorten the material turnover period, reduce inventory risks, and enhance operational efficiency and cost control capabilities.

5. Focus on Party building leadership to promote high-quality development of enterprises

Adhering to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we will advance the implementation of the 16-character spirit from the Party Congress, namely "remember the entrustment, rally our forces, be grateful and forge ahead, and grow together." Through conducting a diverse range of learning and educational activities, we will strengthen the ideals and convictions of Party members, reinforce the leading role of Party building work, and continue to promote the standardized construction of Party organizations and the implementation of mechanisms for managing and supervising Party members. This will provide a solid organizational guarantee for the high-quality development of GREE.

6. Implement the strategy of strengthening the enterprise with talents and forge a high-quality talent team

Continue to optimize the talent management mechanism, strengthen the orientation of promoting competent people and demoting the mediocre, and stimulate the internal drive of the enterprise. Continue to deepen our recruitment channels, optimize the recruitment process, and build a comprehensive and refined recruitment system. For key groups such as middle and senior management, core employees and skilled talents, customized and in-depth talent development programs are carried out to fully

empower business operations and provide high-quality talent supply for the stable development of the Company.

7. Comprehensively deepen audit and supervision, and improve the risk control system

Focus on the key areas of the Company, expand the scope of auditing, deeply explore potential problems, and ensure the transparency and standardization of the Company's business operations. Strengthen financial management, apply information technology means, and enhance financial security and risk management capabilities. Strengthen the network defense system, ensure the efficient and controlled operation of information systems, build a comprehensive risk management and internal control system, enhance risk control, promote the rational and orderly development of various businesses, and facilitate long-term healthy growth.

(III) Main risks to future development

1. Risk of macroeconomic fluctuations

The company's main products are home appliances and industrial equipment. At present, the domestic and international political economy is undergoing profound changes, and fluctuations in the economic cycle affect consumers' disposable income, consumer confidence, and industrial capital expenditure, thereby affecting customers' demand and purchasing power for the company's products and the company's business development and strategic decisions.

2. Risk of factor price fluctuations

The main raw materials for the company's products are copper, steel, aluminum, and plastic of various grades, which account for a large proportion of the costs. Starting from 2020, the prices of copper, aluminum, and other raw materials have risen rapidly and remained high, so their cost pressure may have an impact on the company's operating results. As an industry leader with strong centralized purchasing advantages, the Company will reduce the negative impact of raw material price fluctuations on its operations through hedging, advance stocking, and material generalization.

3. Risk of intensified market competition

The home appliances market is highly competitive, with both domestic and international brands. It is expected that home appliances will maintain intense competition in the future, and the evolution of the market competition is uncertain. If the Company fails to consolidate and expand its original competitive advantages, it will face the risk of losing market share. The Company will increase its investment in research and development, win praise from users through continuous independent innovation and high product quality, and establish a lasting brand influence.

4. Risk of overseas markets

The overseas market is influenced by the local political and economic situation, legal system, and regulatory system, and significant changes in the above factors (if any) will pose risks to the company's overseas business. The Company has taken various measures to mitigate the impacts, such as enhancing the competitiveness of export products, strengthening the cooperation with customers and distributors, and expanding overseas markets.

5. Risk of exchange rate fluctuations

With the internationalization of the Chinese yuan (CNY), the cross-border flow of capital in China is increasing, which will intensify the fluctuation of the CNY exchange rate. If the Company fails to take effective measures to avoid the risk of the appreciation of CNY, its profitability will be affected by exchange rate fluctuations. The Company will continuously enhance the bargaining power of its export products, as well as strengthen the analysis of exchange rate fluctuations, and use foreign exchange financial instruments to hedge and reduce exchange losses.

In the face of complex and ever-changing internal and external environment and risks, the Company will continuously improve its corporate governance structure, enhance its standard operation, and 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 sustainable, stable, and sound development.

The Company, along with the Board of Directors, sincerely thanks all shareholders, global customers, partners, and sectors of society for their trust and support in Gree Electric Appliances. With great importance to the interests of all shareholders, the Board of Directors will create long-term value for shareholders through stable operations.

XII. Activities such as reception of research, communication, and interviews during the reporting 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
2024/06/14	Quanjing: https://rs.p5w.net/html/143602.shtml	Network platform for online communication	Others	Company investors	Company operations	For details, please refer to <i>Gree Electric Appliances: 000651 Gree Management Information on Investor Relations 20240614</i> disclosed by the Company on June 14, 2024, on CNINFO (http://www.cninfo.com.cn/new/index)

XIII. Formulation and implementation of the market value management system and the valuation enhancement plan

Has the Company formulated a market value management system?

Yes No

Has the Company disclosed the valuation enhancement plan?

Yes No

To effectively promote the company's enhancement of investment value and shareholder return, strengthen and standardize the company's market value management, and safeguard the legitimate rights and interests of the Company and its investors, the Company, according to relevant regulations such as the *Regulatory Guidelines for Listed Companies No. 10 — Market Value Management* issued by the China Securities Regulatory Commission, conducts the market value management based on the company's quality improvement and actual situation. The Company held the 24th Meeting of the 12th Board of Directors on December 31, 2024, to deliberate and approve the *Proposal on Authorizing the Company's Management to Formulate the Market Value Management System*.

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

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

Yes No

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

Section IV Corporate Governance

I. Basic status of corporate governance

The Company, in strict accordance with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, and other relevant national laws and regulations, as well as the *Self-regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies No. 1 — Standardized Operation of Companies Listed on the Main Board*, 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 to form an effective division of responsibilities and balance mechanism, and continuously promoted the standardized operation to safeguard 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.

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

Yes No

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

II. 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, an independent and complete business operation, and independent management capability, completely independent of the largest shareholder, Zhuhai Mingjun, in assets, personnel, finance, organization, and business.

III. Horizontal competition

Applicable Not Applicable

IV. Annual general meeting of shareholders and extraordinary general meeting of shareholders during the reporting period

1. General meetings of shareholders during the reporting period

Session of Meeting	Type of Meeting	Participation Ratio of Investors	Date of Convening	Date of Disclosure	Meeting Resolutions
2023 Annual General Meeting of Shareholders	Annual general meeting of shareholders	47.41%	2024/06/28	2024/06/29	For details, please refer to the <i>Announcement on the Resolutions of 2023 Annual General Meeting of Shareholders</i> (Announcement No.: 2024-020) on CNINFO (http://www.cninfo.com.cn/new/index)

					and the designated media
The 1st Extraordinary General Meeting of Shareholders in 2024	Extraordinary general meeting of shareholders	48.45%	2024/08/19	2024/08/20	For details, please refer to the <i>Announcement on the Resolutions of the 1st Extraordinary General Meeting of Shareholders in 2024</i> (Announcement No.: 2024-027) on CNINFO (http://www.cninfo.com.cn/new/index) and the designated media

2. Convening of an extraordinary 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	Gender	Age	Position	Employment Status	Term Start Date	Term End Date	Number of Shares Held at the Beginning of the Period (Shares)	Number of Shares Increased in the Current Period (Shares)	Number of Shares Decreased in the Current Period (Shares)	Other Increase/Decrease (Shares)	Number of Shares Held at the End of the Period (Shares)	Reasons for Increase or Decrease of Shares
Dong Mingzhu	Female	70	Chairperson	Incumbent	2012/05/25	2028/04/21	54,488,492	46,310,000			100,798,492	Share ownership in employee stock ownership plan
			President	Resigned	2001/04/24	2025/04/22						
Zhang Wei	Male	48	Director Secretary of the party committee	Incumbent	2019/01/16	2028/04/21	183,328	300,000			483,328	Share ownership in employee stock ownership plan
			President	Incumbent	2025/04/22	2028/04/21						
Zhang Jundu	Male	64	Director	Incumbent	2012/05/25	2028/04/21						
Shu Lizhi	Male	55	Director	Incumbent	2025/04/22	2028/04/21	99,719	115,000			214,719	Share ownership in employee stock ownership plan
			Vice president	Resigned	2020/12/26	2025/04/22						
Zhong Chengbao	Male	39	Director	Incumbent	2025/04/22	2028/04/21	71,167	100,000			171,167	Share ownership in employee stock ownership plan
Zhang Qiusheng	Male	57	Independent director	Incumbent	2022/02/28	2028/04/21						
Cheng Ming	Male	65	Independent director	Incumbent	2025/04/22	2028/04/21						
Li Hongqi	Male	62	Independent director	Incumbent	2025/04/22	2028/04/21						
Weng Guomin	Male	61	Independent director	Incumbent	2025/04/22	2028/04/21						
Cheng Min	Female	44	Chairman of the Board of Supervisors	Incumbent	2020/11/02	2028/04/21						

Duan Xiufeng	Male	61	Supervisor	Incumbent	2019/01/16	2028/04/21	603,825				603,825	
Shao Liguo	Male	46	Employee supervisor	Incumbent	2025/04/22	2028/04/21	102,287	100,000			202,287	Share ownership in employee stock ownership plan
Fang Xiangjian	Male	47	Vice president	Incumbent	2021/11/19	2028/04/21	559,290	250,000			809,290	Share ownership in employee stock ownership plan
Liu Hua	Male	48	Vice president	Incumbent	2025/04/22	2028/04/21	181,948	190,000			371,948	Share ownership in employee stock ownership plan
Li Shaobin	Male	48	Vice president	Incumbent	2025/04/22	2028/04/21	218,434	170,000			388,434	Share ownership in employee stock ownership plan
Hu Yusheng	Male	47	Vice president	Incumbent	2025/04/22	2028/04/21	196,033	300,000			496,033	Share ownership in employee stock ownership plan
Wang Kai	Male	45	Vice president	Incumbent	2025/04/22	2028/04/21	467,149	300,000			767,149	
Liao Jianxiong	Male	51	Chief financial officer	Incumbent	2020/08/06	2028/04/21	77,663	230,000			307,663	Share ownership in employee stock ownership plan
Zhang Zhouhu	Male	41	Secretary of the Board of Directors	Incumbent	2025/01/10	2028/04/21	46,081				46,081	
Guo Shuzhan	Male	68	Director	Resigned	2019/01/16	2025/04/22						
Deng Xiaobo	Male	49	Director	Resigned	2022/02/28	2025/04/22	116,600	311,000			427,600	Share increase from the secondary market and share ownership in employee stock ownership plan
			Vice president	Resigned	2020/12/26	2025/04/22						
			Secretary of the Board of Directors	Resigned	2020/12/26	2025/01/10						
Liu Shuwei	Female	72	Independent director	Resigned	2019/01/16	2025/04/22						
Wang	Male	63	Independent	Resigned	2019/01/16	2025/04/22						

Xiaohua			director									
Xing Ziwen	Male	62	Independent director	Resigned	2019/01/16	2025/04/22						
Wang Fawen	Female	41	Employee supervisor	Resigned	2019/01/16	2025/04/22	51,355	30,000			81,355	Share ownership in employee stock ownership plan
Zhuang Pei	Male	60	Vice president	Resigned	2003/04/16	2024/07/06	6,375,455	300,000			6,675,455	Share ownership in employee stock ownership plan
Tan Jianming	Male	60	Vice president	Resigned	2017/08/30	2024/12/24	1,785,769	200,000			1,985,769	Share ownership in employee stock ownership plan
Total	--	--	--	--	--	--	65,633,595	49,206,000			114,830,595	--

Are there cases of quit of directors and supervisors and dismissal of senior executives 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	President	Resigned upon the expiration of the term	2025/04/22	Leadership transition
Zhang Wei	President	Appointed	2025/04/22	Leadership transition
Zhuang Pei	Vice president	Resigned	2024/07/06	Retirement
Tan Jianming	Vice president and chief engineer	Resigned	2024/12/24	Retirement
Deng Xiaobo	Director and vice president	Resigned upon the expiration of the term	2025/04/22	Leadership transition
	Secretary of the Board of Directors	Resigned	2025/01/10	Job change
Guo Shuzhan	Director	Resigned upon the expiration of the term	2025/04/22	Leadership transition
Liu Shuwei	Independent director	Resigned upon the expiration of the term	2025/04/22	Leadership transition
Xing Ziwen	Independent director	Resigned upon the expiration of the term	2025/04/22	Leadership transition
Wang Xiaohua	Independent director	Resigned upon the expiration of the term	2025/04/22	Leadership transition
Wang Fawen	Employee supervisor	Resigned upon the expiration of the term	2025/04/22	Leadership transition
Shu Lizhi	Director	Elected	2025/04/22	Leadership transition
	Vice president	Resigned upon the expiration of the term	2025/04/22	Leadership transition
Zhong Chengbao	Director	Elected	2025/04/22	Leadership transition
Liu Hua	Vice president	Appointed	2025/04/22	Leadership transition
Li Shaobin	Vice president	Appointed	2025/04/22	Leadership transition
Hu Yusheng	Vice president	Appointed	2025/04/22	Leadership transition
Wang Kai	Vice president	Appointed	2025/04/22	Leadership transition
Zhang Zhouhu	Secretary of the Board of Directors	Appointed	2025/01/10	Job change
Li Hongqi	Independent director	Elected	2025/04/22	Leadership transition
Cheng Ming	Independent director	Elected	2025/04/22	Leadership transition
Weng Guomin	Independent director	Elected	2025/04/22	Leadership transition
Shao Ligu	Employee supervisor	Elected	2025/04/22	Leadership transition

2. Employment situation

Professional background, main 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 of Gree Electric Appliances, Inc. of Zhuhai and successively served as the salesperson, head of the Business Department, vice general manager, vice chairperson, and president of the Company.

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 the chairperson of the ISO/TC86/SC4.

She was awarded the "National Model Worker", "National May 1 Labor Medal", "National March 8th Red Banner Pacesetter", expert enjoying the special allowance of the State Council, China Patent Gold Award, the Third China Quality Award, China Standard Innovation and Contribution Award, and other honors and titles, and has been selected by CCTV as "Economic Personality of the Year" for three times, and was listed in Fortune "2019 World's Most Influential Women in Business" and "2024 Top 100 China's Outstanding Women in Business". Additionally, she has been included in Fortune's "World's Most Influential Women in Business" and "China's Most Influential Women in Business" for many consecutive years.

Mr. Zhang Wei, a senior economist with a bachelor's degree, currently serves as the secretary of the party committee, director, and president of Gree Electric Appliances, Inc. of Zhuhai.

He joined Gree Electric Appliances, Inc. of Zhuhai in 1999 and successively served as the head of the Gree Electric Appliances Pipeline Branch, Material Supply Department, Outsourcing and Purchasing Quality Management Department, Business Management Department, and assistant president. He served as vice president of Zhuhai Gree Group Co., Ltd. from 2013 to 2020 and has served as a director of the Company since January 2019, the secretary of the party committee of the Company since September 2020, and the president of the Company since April 2025.

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

He has served as the chairman of Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. since September 1999, the executive director and general manager of Zhejiang Shengshi Xinxing Gree Trade Co., Ltd. since August 2012, and a director of the Company since May 2012.

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

He previously served as the deputy director and director of the Wuhan Special Commission Office of the National Audit Office. He joined Gree Electric Appliances, Inc. of Zhuhai in December 2019 and served as the vice president of the Company from December 2020 to April 2025. He has served as a director of the Company since April 2025.

Mr. Zhong Chengbao, a senior electrical engineer with a master's degree, currently serves as a director, chief engineer, and assistant president of Gree Electric Appliances, Inc. of Zhuhai.

He was an outstanding young talent of Zhuhai and executive deputy director of "Guangdong Provincial Key Laboratory of High-Performance Servo System Enterprises" and obtained a bachelor's degree in mechanical design, manufacturing, and automation from Harbin Institute of Technology in 2008 and a master's degree in computer science and technology from Beijing Institute of Technology in 2024. He joined the Company in 2008 and has successively served as a technician, the leader of the technical research group, the director of the research institution, and the president of the research institute. Additionally, he has served as the assistant president of the Company since February 2024, the chief engineer of the Company since February 2025, and a director of the Company since April 2025.

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

He has undertaken various provincial and ministerial research projects from 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, four awards for provincial and ministerial research achievements, and two first prizes for teaching achievements in Beijing.

Mr. Cheng Ming, with a doctoral degree, currently serves as the chief professor of Southeast University, the director of the Academic Committee of the School of Electrical Engineering, the director of Jiangsu Provincial Engineering Laboratory for New Energy Vehicle Motors and Drive Systems, and an independent director of Gree Electric Appliances, Inc. of Zhuhai and Shandong Jindi Precision Machinery Technology Co., Ltd.

He has worked at Southeast University since 1987 and successively served as the president of the School of Electrical Engineering of Southeast University and a member of the 10th Academic Committee of Southeast University. He served as an independent director of Wuxi Xinje Electric Co., Ltd. from January 2013 to December 2018 and has served as an independent director of Shandong Jindi Precision Machinery Technology Co., Ltd. since January 2021. He won the Second Prize of the National Technological Invention Award in 2016 (ranked first), the First Prize of the Natural Science Award of the Ministry of Education in 2013 (ranked first), the First Prize of the Natural Science Award of the Ministry of Education in 2022 (ranked first), the First Prize of Jiangsu Science and Technology Award in 2019 (ranked first), and the Jiangsu Patent Inventor Award in 2019.

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

He has been engaged in scientific research and teaching in refrigeration, air conditioning, and compressors, including energy conservation and environmental protection technologies of refrigeration and air conditioning equipment and its application. He has edited and co-edited 18 books, published over 160 papers, and participated in the formulation of more than 30 national energy efficiency standards and other national and industry standards. He previously served as a professor in the Department of Refrigeration and Cryogenic Engineering at Beijing University of Technology, a member of the Chinese Association of Refrigeration and its Academic Committee, a member of the Technical Committee of the China Refrigeration and Air Conditioning Industry Association and vice president of its Pump Branch, a member of SAC/TC238, a vice chairman of SAC/TC145, a member of SAC/TC119 and TC119/SC7, and a member of the Chinese expert group for the implementation of the *Montreal Protocol on Substances that Deplete the Ozone Layer*.

Mr. Weng Guomin, with a doctoral degree, currently serves as a professor at the School of Economics of Zhejiang University and an independent director of Gree Electric Appliances, Inc. of Zhuhai, Ningbo United Group Co., Ltd., and Great Microwave Technology Co., Ltd. He previously served as an assistant lecturer, lecturer, and associate professor at the Law Department of Hangzhou University, a professor at the Law School of Zhejiang University, and a professor at the Guanghua Law School of Zhejiang University.

Ms. Cheng Min, with a bachelor's degree, currently serves as the vice president of Zhuhai Gree Group Co., Ltd., the chairman of Zhuhai Gexin Development Co., Ltd., and the chairman of the Board of Supervisors of Gree Electric Appliances, Inc. of Zhuhai, and successively served as the head of the Planning Department of Zhuhai Exhibition and Convention Bureau, a member of the Party Group of Zhuhai Exhibition and Convention Bureau, and the office director and secretary of the Board of Directors of Zhuhai Gree Group Co., Ltd.

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

Graduated from Shandong Party School in 1999, he has served as a supervisor of the Company since January 2019 and successively served as the vice general manager and general manager of Shandong Gree Electric Appliance Marketing Co., Ltd. and general manager of Shandong Shengshi Xinxing Gree Trade Co., Ltd.

Mr. Shao Ligu, a senior engineer with a master's degree, currently serves as the employee representative supervisor and the head of the Business Management Department of Gree Electric Appliances, Inc. of Zhuhai.

He has successively served as a technician, supervisor, and assistant head of the Production Planning Department, assistant manager and manager of the 4th Air Conditioning Branch, general manager of Gree Electric Appliances (Hefei) Co., Ltd., and head of the Equipment and Power Department.

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

He served as an analyst and head of the department of the Screening Branch from July 2001 to June 2004, an assistant manager, vice manager, and manager of the Screening Branch, and head of the Quality Control Department from July 2004 to December 2016, an assistant president of the Company from December 2016 to November 2021, and has served as the vice president of the Company since November 2021.

He won the Guangdong May 1 Labor Medal, the Liu Yuanzhang Quality and Technical Talent Award of the China Association for Quality, the Management Talent Award of the China Management Science Society, and the High-level Talent of Zhuhai. He concurrently serves as the vice president of the China Association for Quality Inspection, the vice chairman of the 11th Board of Directors of the Chinese Association of Refrigeration, the member of the 5th Technical Committee of the China Refrigeration and Air Conditioning Industry Association, the chairman of the 2nd GD/TC94, a member of the 7th Academic Committee and the Reliability Promotion Committee of the China Association for Quality, the vice chairman of the Green and Efficient Energy-using Product Professional Committee of the China Energy Conservation Association, a professional member of the China Fire Protection Association, a member of Board of Directors of the China Management Science Society, vice president of the Guangdong Association for Quality, etc.

Mr. Liu Hua, a professor-level senior engineer with a doctoral degree, currently serves as the vice president of Gree Electric Appliances, Inc. of Zhuhai.

He served as the designer, group leader, director, assistant head, and vice head of the Commercial Technology Department from March 2003 to February 2017, the assistant chief engineer of the Company from February 2017 to October 2017, the assistant president of the Company from October 2017 to April 2025, and has served as the vice chief engineer of the Company since October 2017 and the vice president of the Company since April 2025.

He presided over two projects/topics of the National Key Research and Development Program, won the Second Prize in the National Technological Invention Award, the Gold Award for Chinese Patent, the First Prize of Science and Technology Progress of Guangdong Province, and other scientific and technological awards, selected as a leading talent in scientific and technological innovation under the National "Ten Thousand Talents Program" and an expert enjoying the special government allowance of the State Council, and received honors such as the "Top Ten Outstanding Inventors of Guangdong Province", "Model Worker of Guangdong Province", and "Outstanding Communist Party Member of Guangdong Province". He concurrently serves as the vice president of the Building Environment and Energy Utilization Branch of the China Engineering & Consulting Association, vice director of the Professional Committee on Thermal Utilization of the China Renewable Energy Society, vice president of the Institute of Heating, Ventilation and Air Conditioning, China Association of Building Energy Efficiency, etc.

Mr. Li Shaobin, a senior engineer with a master's degree, currently serves as the vice president of Gree Electric Appliances, Inc. of Zhuhai.

He has successively served as the assistant head and minister of the Commercial Air Conditioning Design and Development Department of the company, and assistant to the president of the company. Has served as the assistant to the chief engineer of the company since February 2017. Has served as the vice president of the company since April 2025. He concurrently serves as the vice director of the National Engineering Research Center of Green Refrigeration Equipment, a review expert for the "Qiming Program" of the Ministry of Industry and Information Technology, and an expert (first batch) included in the expert database of the

Department of Industry and Information Technology of Guangdong Province. He has also been awarded the Outstanding Inventor of Guangdong Province and High-level Talent of Zhuhai.

Mr. Hu Yusheng, with a doctoral degree from Harbin Institute of Technology, is a professor-level senior engineer and currently serves as the vice president of Gree Electric Appliances, Inc. of Zhuhai.

He has successively served as the technician and head of the Refrigeration Technology Research Institute, the head, assistant president, vice president, and president of the Mechanical and Electrical Technology Research Institute from July 2004 to December 2017, the assistant chief engineer of the Company since December 2017, the assistant president of the Company from April 2019 to April 2025, and the vice president of the Company since April 2025.

He has been honored as a Leading Talent in Scientific and Technological Innovation among the middle-aged and young talents under the National Ten Thousand Talents Program, an expert enjoying the special government allowance of the State Council, an Outstanding Young Engineer, and one of the Top Ten Outstanding Inventors of Guangdong Province.

Mr. Wang Kai, with a master's degree from the Criminal Investigation Police University of China, currently serves as the vice president of Gree Electric Appliances, Inc. of Zhuhai.

He has successively served as the assistant president of the Company from February 2019 to April 2025 and the vice president of the Company since April 2025. He once worked at the Public Security Bureau of Shenzhen Municipality, holding positions such as the head of the Intelligence Division of the Anti-Terrorism Detachment.

He has been awarded the Second-Class Merit once and the Third-Class Merit twice, and received multiple commendations. He has also been honored with the United Nations Peace Medal, the Ministry of Public Security Peacekeeping Medal, the Outstanding People's Police Officer of Guangdong Province, the Advanced Individual in Political Work of the Guangdong Provincial Public Security Department, the Advanced Individual in Anti-Terrorism Work of Shenzhen City, and the Gold Medal of the Public Security Bureau of Shenzhen Municipality.

Mr. Liao Jianxiong, with a bachelor's degree, currently serves as the chief financial officer and assistant president of Gree Electric Appliances, Inc. of Zhuhai.

He joined GREE in May 1993 and successively served as the head of the Finance Department of Gree Electric Appliances (Chongqing) Co., Ltd. and the head of the Finance Department of Gree Electric Appliances, Inc. of Zhuhai. He has served as the chief financial officer and assistant president of the Company since August 2020.

Mr. Zhang Zhouhu, with a bachelor's degree, currently serves as the board secretary of the Board of Directors of Gree Electric Appliances, Inc. of Zhuhai.

He joined the Company in July 2007 and successively served as the head of the Finance Department of Gree (Wuhu) Electric Appliances Co., Ltd., the head of the Finance Department of Gree (Hefei) Electric Appliances Co., Ltd., the securities affairs representative and assistant head of the Investment Management Department of Gree Electric Appliances, Inc. of Zhuhai, and the vice president and secretary of the Board of Directors of Zhejiang DunAn Artificial Environment Co., Ltd. He has served as the secretary of the Board of Directors of the Company since January 2025.

Employment in Shareholders

Applicable Not applicable

Name of Incumbent	Name of Shareholder	Position Held at the Shareholder	Term Start Date	Term End Date	Remuneration and Allowance from the Shareholder (Yes/No)
Cheng Min	Zhuhai Gree	Vice president	2024/02/04		Yes

	Group Co., Ltd.				
Guo Shuzhan	Jinghai Internet Technology Development Co., Ltd.	President and legal representative	2006/08/01		No
Zhang Jundu	Jinghai Internet Technology Development Co., Ltd.	Director	2023/09/20		No
Description of incumbent in shareholders	N/A				

Employment in other companies

 Applicable Not applicable

Name of Incumbent	Name of Other Companies	Position Held in Other Companies	Term Start Date	Term End Date	Remuneration and Allowance from Other Companies (Yes/No)
Dong Mingzhu	Zhuhai Gezhen Investment Management Partnership (Limited Partnership)	Executive partner	2019/09/26		No
Dong Mingzhu	Kingdee International Software Group Co., Ltd.	Non-executive director	2012/08/21		Yes
Guo Shuzhan	Xiahe Hengsheng Hydropower Co., Ltd.	Director	2017/05/01		No
Guo Shuzhan	Henan Shengshi Xinxing Gree Trade Co., Ltd.	Executive director	2010/08/01		Yes
Guo Shuzhan	Luoyang Gree Electric Appliances Logistics Co., Ltd.	Executive director and general manager	2010/06/01		No
Guo Shuzhan	Xiahe Hengfa Hydropower Co., Ltd.	Director	2005/06/01		No
Guo Shuzhan	Henan Gree Installation Engineering Co., Ltd.	Executive director	2021/03/10		No
Guo Shuzhan	Henan Sanli Real Estate Development Co., Ltd.	Supervisor	2006/11/06		No
Zhang Jundu	Zhejiang Tongcheng Gree Electric Appliances Co., Ltd.	Chairperson	1999/09/01		Yes
Zhang Jundu	Ningbo	Director	2013/07/01		No

	Tongcheng Gree Electric Appliances Co., Ltd.				
Zhang Jundu	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	Executive director and general manager	2017/01/01		Yes
Zhang Jundu	Zhejiang Ruitong Automobile Co., Ltd.	Director	2014/12/01		No
Zhang Jundu	Wenzhou Tongcheng Economic and Trade Co., Ltd.	Director	2012/04/01		No
Zhang Jundu	Huzhou Tongcheng Gree Electric Appliances Co., Ltd.	Director	2008/11/01		No
Liu Shuwei	Costar Group Co., Ltd.	Independent director	2019/04/10		Yes
Wang Xiaohua	ETR Law Firm	Honorary chairman and senior partner	2022/07/01		Yes
Wang Xiaohua	ARROW Home Group Co., Ltd.	Independent director	2019/12/18		Yes
Wang Xiaohua	Canton Tower Cultural Tourism Development Co., Ltd.	Independent director	2021/04/27		Yes
Zhang Qiusheng	Luoniushan Co., Ltd.	Independent director	2022/10/01		Yes
Zhang Qiusheng	Tianjin Lishen Battery Joint-stock Co., Ltd.	Director	2021/12/25		Yes
Zhang Qiusheng	Yusys Technologies Co., Ltd.	Independent director	2022/08/18	2024/05/15	Yes
Zhang Qiusheng	CMST Development Co., Ltd.	Independent director	2022/10/01		Yes
Zhang Qiusheng	China Foreign Economy and Trade Trust Co., Ltd.	Independent director	2023/06/28		Yes
Xing Ziwen	Zhejiang Wangzhou Internet of Things Technology Co., Ltd.	Director	2014/11/10		Yes
Cheng Min	Zhuhai Gexin Development Co., Ltd.	President and legal representative	2018/09/01		No
Duan Xiufeng	Shandong Blue Economy Industrial Fund Management Co.,	Chairperson	2014/11/05		No

	Ltd.				
Duan Xiufeng	Jinan Jierui New Energy Technology Co., Ltd.	Executive director and general manager	2016/12/21		No
Duan Xiufeng	Zhongfu Huaxia Management Consulting Co., Ltd.	Chairperson	2005/12/23		No
Duan Xiufeng	Hainan Jierui Tongda Investment Co., Ltd.	Executive director and general manager	2023/06/15		No
Duan Xiufeng	Jinan Rural Commercial Bank Co., Ltd.	Supervisor	2020/05/22		No
Description of incumbent in other companies	N/A				

Penalties imposed by securities regulators on incumbent and resigned directors, supervisors, and senior executives in the reporting 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 reporting period, to improve the incentive and restraint mechanism, mobilize the enthusiasm and creativity of directors, supervisors, and senior executives, and enhance the operating efficiency and business benefits of the Company, the remuneration programs for directors, supervisors, and senior executives of the Company are formulated based on the actual situation of the Company and factors such as remuneration, allowances, and job contributions in the industry and region.

(I) Remuneration program for directors

1. Allowance program for independent directors

The Company provides appropriate allowances to independent directors, that is CNY200,000 per person per year (before tax).

2. Remuneration program for non-independent directors

Non-independent directors who hold positions other than directors in the Company receive remuneration based on their actual positions and duties in the Company, but no separate director allowances are provided.

Non-independent directors who do not hold positions other than directors in the Company do not receive remuneration from the Company or separate director allowances.

(II) Remuneration program for supervisors

Supervisors who do not hold positions other than supervisors in the Company do not receive remuneration from the Company or separate supervisor allowances.

Employee representative supervisors receive remuneration based on their actual positions and duties in the Company, but no separate supervisor allowances are provided.

(III) Remuneration program for senior executives

The Company assesses the performance of senior executives in terms of "morality, ability, diligence, and achievement", and the

remuneration program is formulated by the Board of Directors based on the industry situation.

Remuneration of directors, supervisors, and senior executives in the reporting period

Unit: CNY10,000

Name	Gender	Age	Position (Reporting Period)	Employment Status	Total Pre-tax Remuneration Received from the Company	Remuneration from Affiliated Parties of the Company (Yes/No)
Dong Mingzhu	Female	70	Chairperson and president	Incumbent	1,437.20	Yes
Zhang Wei	Male	48	Director and secretary of the party committee	Incumbent	862.32	No
Guo Shuzhan	Male	68	Director	Resigned	-	No
Zhang Jundu	Male	64	Director	Incumbent	-	No
Deng Xiaobo	Male	49	Director, vice president, secretary of the Board of Directors	Resigned	49.45	No
Liu Shuwei	Female	72	Independent director	Resigned	20.00	No
Wang Xiaohua	Male	63	Independent director	Resigned	20.00	No
Xing Ziwen	Male	62	Independent director	Resigned	20.00	Yes
Zhang Qiusheng	Male	57	Independent director	Incumbent	20.00	No
Cheng Min	Female	44	Supervisor	Incumbent	-	Yes
Duan Xiufeng	Male	61	Supervisor	Incumbent	-	No
Wang Fawen	Female	41	Employee supervisor	Resigned	70.87	No
Zhuang Pei	Male	60	Vice president	Resigned	240.00	No
Tan Jianming	Male	60	Vice president and chief engineer	Resigned	400.00	No
Shu Lizhi	Male	55	Vice president	Incumbent	359.30	No
Liao Jianxiong	Male	51	Chief financial officer and assistant president	Incumbent	287.44	No
Fang Xiangjian	Male	47	Vice president	Incumbent	718.60	No
Total	--	--	--	--	4,505.18	--

Explanation of other situations

Applicable Not Applicable

VI. Performance of directors' duties during the reporting period

1. Description of the Board of Directors during the reporting period

Session of Meeting	Date of Convening	Date of Disclosure	Meeting Resolutions
The 17th Meeting of the 12th Board of Directors	2024/02/02	2024/02/03	For details, please refer to the <i>Announcement of Resolutions of the 17th Meeting of the 12th Board of Directors</i> (Announcement No.: 2024-003) on CNINFO (http://www.cninfo.com.cn/new/index)
The 18th Meeting of the 12th Board of Directors	2024/04/29	2024/04/30	For details, please refer to the <i>Announcement of Resolutions of the</i>

			<i>18th Meeting of the 12th Board of Directors</i> (Announcement No.: 2024-006) on CNINFO (http://www.cninfo.com.cn/new/index)
The 19th Meeting of the 12th Board of Directors	2024/08/02	2024/08/03	For details, please refer to the <i>Announcement of Resolutions of the 19th Meeting of the 12th Board of Directors</i> (Announcement No.: 2024-023) on CNINFO (http://www.cninfo.com.cn/new/index)
The 20th Meeting of the 12th Board of Directors	2024/08/30	2024/08/31	For details, please refer to the <i>Announcement of Resolutions of the 20th Meeting of the 12th Board of Directors</i> (Announcement No.: 2024-030) on CNINFO (http://www.cninfo.com.cn/new/index)
The 21st Meeting of the 12th Board of Directors	2024/09/20	2024/09/21	For details, please refer to the <i>Announcement of Resolutions of the 21st Meeting of the 12th Board of Directors</i> (Announcement No.: 2024-032) on CNINFO (http://www.cninfo.com.cn/new/index)
The 22nd Meeting of the 12th Board of Directors	2024/10/18	2024/10/19	For details, please refer to the <i>Announcement of Resolutions of the 22nd Meeting of the 12th Board of Directors</i> (Announcement No.: 2024-036) on CNINFO (http://www.cninfo.com.cn/new/index)
The 23rd Meeting of the 12th Board of Directors	2024/10/30	2024/10/31	Deliberation and approval of the 2024 Third Quarter Report
The 24th Meeting of the 12th Board of Directors	2024/12/31	2025/01/01	For details, please refer to the <i>Announcement of Resolutions of the 24th Meeting of the 12th Board of Directors</i> (Announcement No.: 2024-040) 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 Director	Number of Meetings of the Board of Directors Requiring Attendance during the Reporting Period	Number of Attending Meetings of the Board of Directors in Person	Number of Attending Meetings of the Board of Directors via Communication Tools	Number of Attending Meetings of the Board of Directors by Entrusting	Number of Absences from Meetings of the Board of Directors	Failure to Attend the Meetings of the Board of Directors in Person for Consecutive Two Times (Yes/No)	Number of Attending General Meetings of Shareholders
Dong Mingzhu	8	1	7	0	0	No	2
Zhang Wei	8	1	7	0	0	No	2
Guo Shuzhan	8	0	8	0	0	No	2
Zhang Jundu	8	1	7	0	0	No	2

Deng Xiaobo	8	1	7	0	0	No	2
Liu Shuwei	8	1	7	0	0	No	2
Wang Xiaohua	8	1	7	0	0	No	2
Xing Ziwen	8	1	7	0	0	No	2
Zhang Qiusheng	8	1	7	0	0	No	2

Explanation of absence from meetings of the Board of Directors for consecutive two times

3. Directors' objection to relevant matters of the Company

Do the directors raise any objections to relevant matters of the Company?

Yes No

The directors don't raise any objections to relevant matters of the Company.

4. Other descriptions for performance of duties by directors

Are the directors' suggestions on the Company adopted?

Yes No

Description of adoption or rejection of directors' suggestions on the Company

During the reporting period, the directors of the Company took the best interests of the Company and shareholders as their code of conduct, faithfully performed their duties according to relevant regulations, attended the meetings of the Board of Directors and general meeting of shareholders, carefully deliberated the proposals, and made suggestions and comments on the management of the Company, which played a positive role in effectively making decisions by the Board of Directors, improving the management level, and standardizing the operation of the Company.

VII. Special committees under the Board of Directors during the reporting period

Name of Committee	Member Status	Number of Meetings Held	Date of Convening	Content of Meeting	Important Comments and Suggestions Proposed	Other Performance of Duties	Details of Objection (if any)
Audit Committee	Liu Shuwei, Wang Xiaohua, and Zhang Wei	4	2024/04/29	Deliberation of the following proposals: I. <i>2023 Annual Report and its Summary</i> II. <i>2023 Financial Statements</i> III. <i>2023 Internal Control Self-evaluation Report</i> IV. <i>Proposal on the Renewal of the Company's Audit Institution in 2024</i>			
			2024/04/29	Deliberation of the <i>2024 First Quarter</i>			

				<i>Report</i>			
			2024/08/30	Deliberation of the 2024 <i>Semi-annual Report and its Summary</i>			
			2024/10/30	Deliberation of the 2024 <i>Third Quarter Report</i>			
Remuneration and Appraisal Committee	Wang Xiaohua, Liu Shuwei, and Zhang Wei	2	2024/04/29	Deliberation of the 2023 <i>Remuneration and Assessment Program for Senior Executives</i>			
			2024/08/02	Deliberation of the <i>Proposal on the Phase III Employee Stock Ownership Plan of Gree Electric Appliances, Inc. of Zhuhai (Draft)</i>			

VIII. Work of the Board of Supervisors

Does the Board of Supervisors identify any risks in the Company through supervision during the reporting period?

Yes No

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

IX. Company's staff

1. Number of employees, their specialties, and educational background

Number of on-the-job employees of the parent company at the end of the reporting period	19,419
Number of on-the-job employees of the main subsidiaries at the end of the reporting period	53,389
Total number of on-the-job employees at the end of the reporting period	72,808
Total number of employees receiving salaries for the current period	72,808
Number of retired employees for whom the parent company and main subsidiaries need to bear expenses	464
Specialties	
Category of specialties	Number of employees of specialties
Manufacturing personnel	50,835
Sales personnel	2,136
Technical personnel	15,800
Financial personnel	1,112
Administrative personnel	2,925
Total	72,808
Educational background	
Educational background	Number of employees
Bachelor's degree or above	16,998
College degree	13,730
Technical secondary school and below	42,080

Total	72,808
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2. Remuneration policy

During the reporting period, the Company attached great importance to and safeguarded the vital interests of employees, optimized and adjusted remuneration programs, and continuously improved the position-based and performance-oriented remuneration mechanism. Additionally, the Company, taking high-quality talents as the core, improved the rationality of the salaries of core groups, motivated scientific and technological personnel for breakthroughs, reformed the wage system, and built career development channels for employees based on a professional assessment to establish a reasonable, flexible, and effective salary system, optimize the construction of the talent team, and enhance the organizational effectiveness.

3. Training plan

(1) Training comprehensive technical management talent to promote the growth and development of employees

Training key talents and enhancing their comprehensive quality and ability. The Company conducted the advanced training of newly appointed middle-level managers through the mechanism of "foundation-improvement-strengthening", to accelerate the transformation of roles and thinking and enhance management level and professional ability; established the "Cornerstone Plan" supervisor training camp and the "Spark Plan" team leader training camp and formulated targeted training plans from aspects such as management role positioning and compliance risk control, to improve the comprehensive quality and ability of nearly 300 low-level managers; and organized the "Starlight GREE" 2024 college student induction training and the "Let Your Dreams Set Sail" new employee induction training, and systematically developed the training content from aspects such as values and business skills, to build consensus and cultural understanding, enhance the employer brand, and solidify the foundation for the long-term development of new employees.

Providing integrated learning resources and constructing a learning organization. Adhering to the concept of "Training People on Both Virtue and Skills", the Company carried out the "Inventive Mind · GREE Good Lecturer" competition and set up both online and offline learning channels, to discover outstanding lecturers and develop high-quality courses with topics closely related to business and authentic content. Relying on the online GREE learning platform, it enhanced the digital construction of learning resources and pushed regular and phased learning for all employees in terms of general abilities, professional knowledge, and quality courses to achieve precise delivery of learning resources. Based on a four-level training system covering the company, departments, sections, and individuals, it provided open classes for all employees and special training on key businesses such as technology research and development, production management, product planning, and sales expansion. The company has conducted nearly 6,000 special training at all levels and promoted the transmission of learning experiences and corporate culture through the deep integration of digital platforms and systematic management.

(2) Training practical skilled talents to support enterprises in their transformation towards intelligent manufacturing

Building a demonstration base for skill training relying on the policy advantages. Based on the support policies for the cultivation of skilled talents issued by the state, provinces, and cities, the Company proactively and actively coordinated various resources to build a national-level standard high-skilled talent training base covering multiple professional fields, playing an exemplary role of skilled talent training. Awarded the qualification of core enterprises in the "industry-education-evaluation" ecosystem in Guangdong Province, it optimized the industry-education integration system and successively completed the course outlines for multiple jobs, providing talent support for developing new quality productive forces with practical actions. It obtained the approval and promoted the construction of the Craftmanship College, and integrated high-quality internal and external lecturers, venues, and other resources to provide comprehensive and high-quality skilled talent support for improving the skill levels of employees, optimizing the industrial chain and supply chain, and transforming traditional industries through measures such as skill

training, master-apprentice programs, skill competitions, and skill level evaluations.

Supporting the improvement of skilled talents and revitalizing the enterprise with strong skills. Adhering to the significant role of skilled talents in strengthening and revitalizing enterprises, the Company comprehensively upgraded the labor skill competitions in 2024, including front-line operation skills, production quality and lean production skills, and equipment operation and commissioning skills, to promote the transformation of employees' skills from traditional manual operations to equipment operation and automation and create an atmosphere of learning from, respecting, and striving to become skilled talents.

(3) Improving the after-sales talent training system to expand after-sales service and global business

Transforming the domestic market-oriented service and constructing the after-sales talent team. To comprehensively enhance the professional capabilities and service quality of domestic after-sales services, with the aim of "data interaction and business collaboration", in terms of pre-job training, the Company established a full-process talent training model covering pre-job training, examination & evaluation, and permission to work assignment relying on the linkage between the after-sales system and the training system, providing a strong guarantee for after-sales service of eight major categories of products, including residential air conditioners, residential central air conditioners, kitchen appliances, refrigerators, washing machines, etc. In terms of safety and technical training, the Company enhanced the acceptance and the investigation of potential safety hazards by front-line after-sales personnel through the "Safety First" safety education campaign, trained and appointed safety instructors with the goal of "Beginning with the End in Mind and Training based on Required Skills", and based on after-sales data analysis, focused on high-frequency faults and built "Perfect Journey · Bright Future" after-sales high-skilled talent training camp to enhance the safety awareness and professional capabilities of the after-sales service team. In terms of training skilled talents, to construct a highly skilled after-sales service team, the Company organized nearly 5,000 after-sales service teams across the country to participate in the "GREE Cup" household service skill competition, showcasing the professional skills and high-quality services of GREE's after-sales service. In addition, relying on the three-level after-sales training system, combined with business development and after-sales issues, it trained over 500,000 personnel throughout the year, supporting after-sales personnel in enhancing their professional skills and providing good service guarantees.

Promoting the internationalization upgrade of our brands and expanding overseas business. To support the construction of the company's self-owned brands and the development of overseas business, the Company conducted precise product and technical training for more than 100 agents in eight major regions including North America, Latin America, the Middle East, etc. through various modes such as remote live streaming, global training, and in-factory training. Meanwhile, to promote communication and collaboration among global partners, a "GREE Overseas After-sales Technical Exchange Seminar" was held at the headquarters of Gree Electric Appliances for global agents, promoting technical exchanges and brand value transmission. Additionally, to satisfy the requirements for talent development in Hong Kong and Macao, based on its advantages in the refrigeration industry, the Company organized special training on air conditioner maintenance and repair skills for personnel in Hong Kong and Macao, promoting the highly skilled talent training and win-win cooperation in Zhuhai, Hong Kong, and Macao.

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 reporting period, especially the formulation, implementation, or adjustment of the cash dividend policy

Applicable Not applicable

According to the *Shareholder Return Plan for 2022 to 2024*, the Company can make two profit distributions each year from 2022

to 2024, namely the annual profit distribution and the interim profit distribution. On the premise that the company's cash flow meets its normal operation and long-term development, the company's cash dividend per share for each year from 2022 to 2024 is not less than CNY2 or the total cash dividend is not less than 50% of the net profit attributable to shareholders of listed companies as audited in the current year.

On April 29, 2024, the 18th Meeting of the 12th Board of Directors deliberated and approved the *Annual Profit Distribution Plan for 2023*. On June 28, 2024, this plan was deliberated and approved by the company's Annual General Meeting of Shareholders in 2023 as follows: With the shares after deducting the 109,462,095 shares in the repurchase account from the Company's total share capital of 5,631,405,741 shares as the base quota, a cash dividend of CNY23.80 (tax inclusive) is distributed to all shareholders for every 10 shares, without bonus shares or conversion of capital reserves into share capital, totaling CNY13,142,225,877.48 distributed. This plan was completed on August 28, 2024.

On December 31, 2024, the 24th Meeting of the 12th Board of Directors deliberated and approved the *Interim Profit Distribution Plan for 2024*. On April 22, 2025, this plan was deliberated and approved by the 1st Extraordinary General Meeting of Shareholders in 2025 as follows: With the shares after deducting the 79,462,095 shares in the repurchase account from the Company's total share capital of 5,601,405,741 shares as the base quota, a cash dividend of CNY10 (tax inclusive) is distributed to all shareholders for every 10 shares, without bonus shares or conversion of capital reserves into share capital, totaling CNY5,521,943,646.00 distributed. 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 accordingly based on the principle of keeping the distribution ratio per share unchanged.

The cash dividend distribution proportion of the Company since its listing is in line with the provisions of the *Articles of Association of Gree Electric Appliances, Inc. of Zhuhai* and 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 resolutions of the general meeting of shareholders. The dividend distribution criteria and the dividend distribution ratio are clear and distinct, 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	
Are the provisions of the Articles of Association or the resolutions of the general meeting of shareholders observed?	Yes
Are the dividend distribution criteria and ratio clear and distinct?	Yes
Are the relevant decision-making procedures and mechanisms complete?	Yes
Do the independent directors perform their duties and play their due roles?	Yes
If the Company does not distribute cash dividends, please specify the reasons and the measures to be taken to enhance investor returns:	Not applicable
Do the minority shareholders have the opportunity to fully express their opinions and demands, and are their legitimate rights and interests adequately protected?	Yes
Are the conditions and procedures compliant and transparent if the cash dividend policy is adjusted or changed?	Yes

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

Applicable Not Applicable

Profit distribution and conversion of capital reserves into share capital during the reporting period

Applicable Not applicable

Number of bonus shares per ten shares (shares)	-
Dividends per 10 shares (CNY) (tax inclusive)	20.00
Number of shares converted per ten shares (shares)	-
Share capital base for the distribution plan (shares)	5,585,138,741
Cash dividends (CNY) (tax inclusive)	11,170,277,482.00
Cash dividends by other means (e.g. share repurchase) (CNY)	-
Total cash dividends (including other means) (CNY)	11,170,277,482.00
Distributable profits (CNY)	85,006,200,670.48
Proportion of total cash dividends (including other means) to total profit distributed	100%
Current Cash Dividend	
If the Company is in a maturity stage without significant capital expenditure arrangements, the cash dividends shall account for at least 80% of the current profit distribution.	
Detailed Description of Plan for Profit Distribution or Conversion of Capital Reserves into Share Capital	
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 5,585,138,741 shares enjoying profit distribution rights at the time of disclosure of this profit distribution plan (the total stock capital of 5,601,405,741 shares excluding the 16,267,000 shares held in the repurchase account of the Company), the Company plans to distribute all shareholders a cash dividend of CNY20 (tax included) per 10 shares, but does not plan to give any bonus share (0 share, tax included) or convert any capital reserves into share capital. A total of CNY11,170,277,482.00 cash dividends were distributed, and the remaining undistributed profits were carried forward for future distribution. 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 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

(1) On July 30, 2024, the Company held a meeting of the holders of the Phase II employee stock ownership plan to deliberate and approve the *Proposal on the Termination of the Phase II Employee Stock Ownership Plan and the Continued Fulfillment of the Voluntary Lock-up Period Commitment*. Therefore, the Phase II employee stock ownership plan was terminated ahead of schedule. According to the Phase II employee stock ownership plan approved by the general meeting of shareholders, after the shares are transferred to the individual security accounts of the holders, the holders are not allowed to sell or set up pledges before May 1, 2032. Otherwise, the labor union has the right to recover the income from relevant shares.

(2) On August 2, 2024, the Company held the 19th Meeting of the 12th Board of Directors and the 16th Meeting of the 12th Board of Supervisors to deliberate and approve the *Proposal on the Phase III Employee Stock Ownership Plan (Draft) of Gree Electric Appliances, Inc. of Zhuhai*. Additionally, on August 19, 2024, it held the 1st Extraordinary General Meeting of Shareholders in 2024 to deliberate and approve the *Proposal on the Phase III Employee Stock Ownership Plan (Draft) of Gree Electric Appliances, Inc. of Zhuhai*. According to the regulations on the implementation of the 2023 annual equity distribution plan and the Phase III employee stock ownership plan, the Company held the 21st Meeting of the 12th Board of Directors and the 18th Meeting of the 12th Board of Supervisors on September 20, 2024, to deliberate and approve the *Proposal on Adjusting the Purchase Price in the Phase III Employee Stock Ownership Plan Due to the Distribution of Dividends during the Execution Period*. The Company transferred 63,195,095 shares to the special account of the Phase III Employee Stock Ownership Plan of Gree Electric Appliances, Inc. of Zhuhai through a non-trading transfer on January 21, 2025.

3. Other employee incentive measures

Applicable Not Applicable

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

1. Establishment and implementation of internal control

During the reporting period, the Company established, improved, and effectively implemented internal control in accordance with the provisions of the internal control system. The Board of Supervisors supervised the establishment and implementation of internal control by the Board of Directors. The managers were responsible for the daily operation of internal control. The Company maintained effective internal control in all major aspects in accordance with the requirements of the internal control system and relevant regulations, without any significant deficiencies in internal control in financial statements. The purpose of internal control is to ensure the legality and compliance of operation and management, the safety of assets, and the authenticity and completeness of financial statements and related information, improve operational efficiency and effectiveness, and promote the realization of development strategies.

2. Details of significant deficiencies in internal control identified during the reporting period

Yes No

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

Applicable Not Applicable

XIV. Internal control evaluation report or internal control audit report

1. Internal control evaluation report

Date of disclosure of the full internal	2025/04/28
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control evaluation report	
Index of disclosure of the full internal control evaluation report	CNINFO (http://www.cninfo.com.cn/new/index)
Proportion of the total assets of companies included in the scope of evaluation to the total assets in the Company's consolidated financial statements	98.00%
Proportion of the revenue of companies included in the scope of evaluation to the revenue in the Company's consolidated financial statements	95.00%
Deficiency Identification Criteria	
Category	Financial Statements
Qualitative criteria	For details, please refer to the <i>2024 Internal Control Self-evaluation Report of Gree Electric Appliances, Inc. of Zhuhai</i> disclosed on CNINFO (http://www.cninfo.com.cn/new/index) on April 28, 2025
Quantitative criteria	For details, please refer to the <i>2024 Internal Control Self-evaluation Report of Gree Electric Appliances, Inc. of Zhuhai</i> disclosed on CNINFO (http://www.cninfo.com.cn/new/index) on April 28, 2025
Number of significant deficiencies in the financial statements	0
Number of significant deficiencies in the non-financial statements	0
Number of material deficiencies in the financial statements	0
Number of material deficiencies in the non-financial statements	0

2. Internal control audit report

Applicable Not applicable

Deliberation Opinion in the Internal Control Audit Report	
Based on the determination of significant deficiencies in internal control in the company's financial statements, as of the base date of the internal control evaluation report, there were no significant deficiencies in internal control in financial statements. The Board of Directors believes that the Company has maintained effective internal control in all major aspects of financial statements in accordance with the requirements of the internal control system and relevant regulations.	
Disclosure of internal control audit report	Disclosure
Date of disclosure of full internal control audit report	2025/04/28
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 opinion
Are there any significant deficiencies in the non-financial statements?	No

Does the accounting firm issue an internal control audit report with non-standard opinions?

Yes No

Are the opinions in the internal control audit report issued by the accounting firm consistent with those in the Board of Directors' self-evaluation report?

Yes No

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

Not applicable

Section V Environmental and Social Responsibility

I. Major environmental issues

Are the listed company and its subsidiaries listed as key pollutant discharge companies published by the environmental protection department?

Yes No

Environmental protection policies and industry standards

During the production and operation process, the Company and its subsidiaries strictly complied with the requirements of environmental protection laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, *Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution*, *Law of the People's Republic of China on Prevention and Control of Soil Pollution*, and *Environmental Impact Assessment Law of the People's Republic of China*, and strictly followed the national, local, and industry environmental protection and emission standards such as *Discharge Limits of Water Pollutants* (DB 44/26-2001), *Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations* (DB 44/814-2010), *Takeover Standard of Wastewater Treatment Plant in West Area of Hefei*, *Integrated Wastewater Discharge Standard* (GB 8978-1996), *Discharge Standard of Water Pollutants for Electroplating* (DB 44/1597-2015), *Emission Standard of Volatile Organic Compounds for Printing Industry* (DB 44/815-2010), *Emission Limits of Air Pollutants* (DB 44/27-2001), *Emission Standard of Air Pollutants for Industrial Kiln and Furnace* (GB 9078-1996), *Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry* (DB 44/816-2010), *Emission Standard of Pollutants for Synthetic Resin Industry* (GB 31572-2015), and *Emission Standards for Odor Pollutants* (GB 14554-1993).

Administrative license for environmental protection

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

S/N	Name of Company	Application Date for the Pollution Discharge Permit	Expiry Date
1	Gree Electric Appliances, Inc. of Zhuhai	2025/02/07	2030/02/06
2	Gree (Hefei) Electric Appliances Co., Ltd.	2023/08/20	2028/08/19
3	Zhuhai Landa Compressor Co., Ltd.	2022/10/28	2027/10/27
4	Zhuhai Gree Xinyuan Electronics Co., Ltd.	2022/12/13	2027/12/12
5	Zhuhai Kaibang Motor Manufacturing Co., Ltd.	2023/06/19	2028/06/18
6	Gree (Zhongshan) Small Home Appliances Co., Ltd.	2020/06/04	2025/06/03

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	Wastewater	COD	Intermittent discharge	3	Phase III wastewater treatment plant	43.75 mg/L	Level II limit for Period II of the <i>Discharge Limits of Water Pollutants</i> (DB 44/26-2001)	3.5407 t/a	23.4 t/a	N/A
					Phase IV wastewater treatment plant	12 mg/L				
					Phase VI wastewater treatment plant	11.25 mg/L				
	Wastewater	Ammonia nitrogen		3	Phase III wastewater treatment plant	1.01 mg/L				
					Phase IV wastewater treatment plant	0.38 mg/L				
					Phase VI wastewater treatment plant	0.30 mg/L				
	Wastewater	Total nitrogen		3	Phase III wastewater treatment plant	3.92 mg/L				
					Phase IV wastewater treatment plant	1.64 mg/L				
					Phase VI wastewater treatment plant	1.25 mg/L				
	Exhaust gas	Total VOCs	Organized emission	16	Exhaust emission port 02	0.73 mg/m ³	Emission limit in Table 1 for Period II of <i>Emission</i>	5.4835 t/a	341.02 t/a	
					Exhaust emission port 03	1.38 mg/m ³				
					Exhaust emission port 04	1.54 mg/m ³				
Exhaust emission port 05					0.87 mg/m ³					

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
					Exhaust emission port 06	0.74 mg/m ³	<i>Standard of Volatile Organic Compounds for Furniture Manufacturing Operations (DB 44/814-2010) in Guangdong</i>			
					Exhaust emission port 07	2.03 mg/m ³				
					Exhaust emission port 08	1.86 mg/m ³				
					Exhaust emission port 09	22 mg/m ³				
					Exhaust emission port 12	14.3 mg/m ³				
					Exhaust emission port 15	/ (停产)				
					Exhaust emission port 16	/ (停产)				
					Exhaust emission port 17	2.59 mg/m ³				
					Exhaust emission port 18	5.71 mg/m ³				
					Exhaust emission port 20	0.94 mg/m ³				
					Exhaust emission port 21	2.02 mg/m ³				
Exhaust emission port 22	0.39 mg/m ³									
Gree (Hefei) Electric Appliances Co., Ltd.	Wastewater	COD	Intermittent discharge	2	Domestic wastewater treatment plant	12 mg/L	<i>Level III criteria in the Takeover Standard of Wastewater Treatment Plant in West Area of Hefei and Integrated Wastewater Discharge</i>	0.4065 t/a	16.9426 t/a	N/A
					Commercial wastewater treatment plant	20 mg/L				
	Wastewater	NH3-N		2	Domestic wastewater treatment plant	0.078 mg/L				
					Commercial wastewater treatment plant	0.155 mg/L				
	Wastewater	TN		2	Domestic wastewater treatment plant	3.21 mg/L				
					Commercial wastewater treatment plant	4.36 mg/L				

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
					plant		Standard (GB 8978-1996)			
Zhuhai Landa Compressor Co., Ltd.	Wastewater	Total zinc	Continuous discharge	1	Wastewater treatment plant in Area C	0.076 mg/L	200% of discharge limits for Pearl River Delta in Table 2 of <i>Discharge Standard of Water Pollutants for Electroplating</i> (DB 44/1597-2015)	0.038 t/a	0.29 t/a	N/A
	Wastewater	Total nickel	Intermittent discharge	1	Workshop wastewater pre-treatment discharge port (Area C)	0.0144 mg/L		0.00017 t/a	0.015 t/a	
	Exhaust gas	Total VOCs	Organized emission	6	Electrophoresis drying exhaust emission port 1	6.61 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB 44/815-2010),	1.338 t/a	Pollutant discharge permit approval in 2024: Total VOCs from electrophoresis drying	
					Electrophoresis drying exhaust emission port 2	6.28 mg/m ³				
					Painting exhaust emission port 1	7.13 mg/m ³				
					Painting exhaust emission port 2	3.72 mg/m ³				
Painting exhaust emission port 3	0.96 mg/m ³									
Spray booth exhaust emission port	12.18 mg/m ³									

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
							<i>Emission Standard of Volatile Organic Compounds for Furniture</i>		exhaust gas, painting exhaust gas, and spray booth exhaust gas: 2.49 t/a	
				7	Screen printing exhaust emission port	(Stop production)	<i>Manufacturing Operations</i>	0.90 t/a	Pollutant discharge permit in 2024: not approved	
					Injection molding exhaust emission port	2.425 mg/m ³	(DB 44/814-2010),			
					Hydrocarbon cleaning exhaust emission port	2.122 mg/m ³	<i>Emission Limits of Air Pollutants</i>			
					Cleaning & drying exhaust emission port 1	1.78 mg/m ³	(DB 44/27-2001),			
					Cleaning & drying exhaust emission port 2	2.04 mg/m ³	<i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i>			
					Cleaning & drying exhaust emission port 3	2.48 mg/m ³	(GB 9078-1996),			
					Dip coating exhaust emission port	2.59 mg/m ³	<i>Emission</i>			

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
							<i>Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry (DB 44/816-2010), Emission Standard of Pollutants for Electroplating (GB 21900-2008)</i>			
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Wastewater	pH value	Intermittent discharge	1	Industrial wastewater discharge port WS-39214A	7.7	Level I Criteria in Table 4 of <i>Discharge Limits of Water</i>	/	Pollutant discharge permit in 2024: not approved	N/A
	Wastewater	Chromaticity	Intermittent discharge	1	Industrial wastewater discharge port WS-39214A	5 times		/		

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
	Wastewater	Suspended solid	Intermittent discharge	1	Industrial wastewater discharge port WS-39214A	4 mg/L	<i>Pollutants</i> (DB 44/26-2001)	0.0320 t/a		
	Wastewater	COD	Intermittent discharge	1	Industrial wastewater discharge port WS-39214A	36 mg/L		0.2880 t/a		
	Wastewater	Five-day BOD	Intermittent discharge	1	Industrial wastewater discharge port WS-39214A	10.2 mg/L		0.0816 t/a		
	Wastewater	Phosphate	Intermittent discharge	1	Industrial wastewater discharge port WS-39214A	0.45 mg/L		0.0036 t/a		
	Wastewater	Ammonia nitrogen	Intermittent discharge	1	Industrial wastewater discharge port WS-39214A	4.29 mg/L		0.0343 t/a		
	Wastewater	Total nitrogen	Intermittent discharge	1	Industrial wastewater discharge port WS-39214A	4.64 mg/L		0.0371 t/a		
	Wastewater	Petroleum	Intermittent discharge	1	Industrial wastewater discharge port WS-39214A	0.37 mg/L		0.0030 t/a		
	Exhaust gas	Particulate matter	Organized emission	4	Die-casting exhaust emission port FQ-39214A1	26 mg/m ³	Emission limits (Period	34.2720 t/a		

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
					Melting aluminum exhaust emission port FQ-39214A	23 mg/m ³	II) of atmospheric pollutants from process exhaust gas in <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001) in Guangdong			
					Dip coating exhaust emission port FQ-39214B	27 mg/m ³	Emission limits of VOCs for emission pipes in <i>Emission Standard of Volatile Organic Compounds for Surface Coating of</i>			
					Industrial product center dip exhaust emission port FQ-39214G	22 mg/m ³				

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
							<i>Automobile Manufacturing Industry</i> (DB 44/816-2010) in Guangdong			
	Exhaust gas	Sulfur dioxide	Organized emission	4	Die-casting exhaust emission port FQ-39214A1	ND	Emission limits (Period II) of atmospheric pollutants from process exhaust gas in <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001) in Guangdong	1.4387 t/a		
Melting aluminum exhaust emission port FQ-39214A					4 mg/m ³					
Dip coating exhaust emission port FQ-39214B					ND					
Industrial product center dip exhaust emission port					5 mg/m ³					

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
					FQ-39214G		pipes in <i>Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB 44/816-2010) in Guangdong			
	Exhaust gas	Nitrogen oxide	Organized emission	4	Die-casting exhaust emission port FQ-39214A1	ND	Emission limits (Period II) of atmospheric pollutants from process exhaust gas in <i>Emission Limits of Air</i>	1.3293 t/a		
					Melting aluminum exhaust emission port FQ-39214A	3 mg/m ³				

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
							<i>Pollutants</i> (DB 44/27-2001) in Guangdong			
					Dip coating exhaust emission port FQ-39214B	ND	Emission limits of VOCs for emission pipes in			
					Industrial product center dip exhaust emission port FQ-39214G	7 mg/m ³				
	Exhaust gas	Benzene	Organized emission	2	Dip coating exhaust emission port FQ-39214B	ND	<i>Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry</i> (DB 44/816-2010) in Guangdong	/		
					Industrial product center dip exhaust emission port FQ-39214G	ND				
	Exhaust gas	Toluene + Xylene	Organized emission	2	Dip coating exhaust emission port FQ-39214B	1.68 mg/m ³		0.0628 t/a		
					Industrial product center dip exhaust emission port FQ-39214G	0.15 mg/m ³				
	Exhaust gas	NMHC	Organized emission	2	Dip coating exhaust emission port FQ-39214B	46.5 mg/m ³		1.4129 t/a		
					Industrial product center dip exhaust emission port	0.72 mg/m ³				

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
	Exhaust gas	Ringelman emittance	Organized emission	2	FQ-39214G			/		
					Dip coating exhaust emission port Q-39214B	<1 (grade)				
	Industrial product center dip exhaust emission port FQ-39214G	<1 (grade)								
	Exhaust gas	Total VOCs	Organized emission	2	Dip coating exhaust emission port FQ-39214B	18.2 mg/m ³		0.6553 t/a		
Industrial product center dip exhaust emission port FQ-39214G					1.36 mg/m ³					
Gree (Zhongshan) Small Home Appliances Co., Ltd.	Exhaust gas	Benzene	Organized emission	4	Organized exhaust gas after-treatment monitoring port (FQ-11860)	ND	Table 9 Enterprise boundary air pollutant emission limits in <i>Emission Standard of Pollutants for Synthetic Resin Industry</i> (GB 31572-	0.0041 t/a	Pollutant discharge permit in 2024: not approved	N/A
					Organized exhaust gas after-treatment monitoring port (FQ-11859)	ND				
					Organized exhaust gas after-treatment monitoring port (FQ-008199)	0.02 mg/m ³				
					Organized exhaust gas after-treatment monitoring port (FQ-008198)	ND				

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	
	Exhaust gas	Toluene	Organized emission	4	Organized exhaust gas after-treatment monitoring port (FQ-11860)	0.02 mg/m ³	2015) and emission limits for unorganized emission monitoring in Period II of the <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001) in Guangdong, whichever is stricter	0.6052 t/a			
					Organized exhaust gas after-treatment monitoring port (FQ-11859)	4.57 mg/m ³					
					Organized exhaust gas after-treatment monitoring port (FQ-008199)	0.02 mg/m ³					
					Organized exhaust gas after-treatment monitoring port (FQ-008198)	0.02 mg/m ³					
	Exhaust gas	Xylene	Organized emission	4	Organized exhaust gas after-treatment monitoring port (FQ-11860)	0.01 mg/m ³		0.2816 t/a			
					Organized exhaust gas after-treatment monitoring port (FQ-11859)	0.04 mg/m ³					
					Organized exhaust gas after-treatment monitoring port (FQ-008199)	ND					
					Organized exhaust gas after-treatment monitoring port	0.03 mg/m ³					

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
	Exhaust gas	VOCs	Organized emission	3	(FQ-008198)	0.11 mg/m ³		4.3344 t/a		
					Organized exhaust gas after-treatment monitoring port (FQ-11860)					
					Organized exhaust gas after-treatment monitoring port (FQ-008199)					
					Organized exhaust gas after-treatment monitoring port (FQ-008198)					
	Exhaust gas	NMHC	Organized emission	2	Organized exhaust gas after-treatment monitoring port (FQ-11859)	19.5 mg/m ³		2.6712 t/a		
					Organized exhaust gas after-treatment monitoring port (FQ-008198)	0.52 mg/m ³				
	Exhaust gas	Oil fume	Organized emission	1	Monitoring port for oil fume and exhaust gas before treatment (FQ-11865)	0.3 mg/m ³		0.09 t/a		
Zhuhai Gree Xinyuan Electronics Co., Ltd.	Exhaust gas	Particulate matter	Organized emission	3	North of Building 2 roof: DA001	<20 mg/m ³	Level II limit in Table 2 for Period II of Emission	/	Pollutant discharge permit in 2024: not	N/A
					North of Building 2 roof: DA004	<20 mg/m ³				
					North of Building 2 roof: DA005	<20 mg/m ³				

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
							<i>Limits of Air Pollutants</i> (DB 44/27-2001)		approved	
	Exhaust gas	NMHC	Organized emission	1	South of Building 2 roof: DA002	0.36 mg/m ³	Table 2 (emission limits for Period II) of the <i>Emission Standard of Volatile Organic Compounds for Printing Industry</i> (DB 44/815-2010): planographic printing (excluding planographic printing on metal, ceramics, and	0.0453 t/a		

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
							glass) and flexographic printing			
	Exhaust gas	Tin and its compounds	Organized emission	2	South of Building 2 roof: DA002	0.00415 mg/m ³	Level II limit in Table 2 for Period II of <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001)	0.0002 t/a		
					South of Building 2 roof: DA003	0.00479 mg/m ³				
	Exhaust gas	Lead and its compounds	Organized emission	1	South of Building 2 roof: DA003	0.0061 mg/m ³	Level II limit in Table 2 for Period II of <i>Emission Limits of Air Pollutants</i> (DB 44/27-2001)	0.00005 t/a		
Exhaust gas	Ammonia	Organized emission	1	Northwest of Building 1 roof: DA006	0.8 mg/m ³	Table 2 Emission standard value of odor	0.0241 t/a			

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
							pollutants of <i>Emission Standards for Odor Pollutants</i> (GB 14554-1993)			
	Exhaust gas	Sulfuric acid mist	Organized emission	1	Northwest of Building 2 roof: DA007	0.36 mg/m ³	Level II limit in Table 2 for	0.0074 t/a		
	Exhaust gas	Hydrogen chloride	Organized emission	1	Northwest of Building 2 roof: DA007	1.77 mg/m ³	Period II of <i>Emission Limits of Air Pollutants</i>	0.0127 t/a		
	Exhaust gas	Nitrogen oxide	Organized emission	1	Northwest of Building 2 roof: DA007	0.7 mg/m ³	(DB 44/27-2001)	0.0115 t/a		
	Exhaust gas	TVOCs	Organized emission	1	North of Building 1 roof: DA008	2.28 mg/m ³	Table 2 (emission limits for Period II) of	0.0349 t/a		
	Exhaust gas	Toluene + Xylene	Organized emission	1	North of Building 1 roof: DA008	0.02 mg/m ³	the <i>Emission Standard of Volatile Organic</i>	0.0080 t/a		
	Exhaust gas	Benzene	Organized emission	1	North of Building 1 roof: DA008	0.001 mg/m ³		0.0004 t/a		

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
							<i>Compounds for Printing Industry</i> (DB 44/815-2010): planographic printing (excluding planographic printing on metal, ceramics, and glass) and flexographic printing			
	Wastewater	Total nitrogen (N)	Intermittent discharge	1	Longshan No. 3 Road industrial wastewater WS-124635: DW001	1.77 mg/L	Level I limit for Period II of <i>Discharge Limits of Water Pollutants</i> (DB 44/26-2001)	0.0251 t/a		
	Wastewater	Total phosphorus (P)	Intermittent discharge			0.10 mg/L		0.0017 t/a		
	Wastewater	Ammonia nitrogen (NH ₃ -N)	Intermittent discharge			1.56 mg/L		0.0118 t/a		
	Wastewater	pH value	Intermittent			7.0		/		

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
			discharge							
	Wastewater	Total copper	Intermittent discharge			0.04 mg/L		0.0005 t/a		
	Wastewater	Suspended solid	Intermittent discharge			25 mg/L		0.1532 t/a		
	Wastewater	Petroleum	Intermittent discharge			0.13 mg/L		0.0043 t/a		
	Wastewater	COD	Intermittent discharge			43 mg/L		0.6832 t/a		

Treatment of pollutants

1. Wastewater pollution prevention and control facilities

The Company and its subsidiaries are equipped with proper 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 the discharge is conducted in a stable and standardized manner without excessive discharge.

2. Exhaust gas pollution prevention and control facilities

The exhaust gas pollution prevention and control facilities of the Company and its subsidiaries operate normally, and the indicators of exhaust gas monitoring comply with national and local emission standards, without excessive discharge.

3. Solid waste treatment and disposal facilities

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

Environment self-monitoring scheme

The Company and its subsidiaries formulate self-monitoring schemes according to the requirements of pollutant discharge permits and environmental impact assessment and entrust third-party qualified testing organizations to carry out environmental monitoring. Online automatic monitoring is applied for key discharge ports, and data is uploaded online to local ecological and environmental authorities for real-time management.

Environmental emergency plan

To implement the requirements of the national *Measures on Environmental Emergency Management* and related laws and regulations, deal with environmental emergencies in a timely, orderly, efficient, and appropriate manner, protect the personal safety of the employees, and reduce property losses, the Company and its subsidiaries formulate an environmental emergency plan and report it to the environmental protection department for filing.

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

Unit: CNY10,000

S/N	Name of Company	Investment in Environmental Protection and Governance	Environmental Protection Taxes Paid
1	Gree Electric Appliances, Inc. of Zhuhai	465	8.16
2	Gree (Hefei) Electric Appliances Co., Ltd.	311	0.68
3	Zhuhai Landa Compressor Co., Ltd.	368	1.66
4	Zhuhai Gree Xinyuan Electronics Co., Ltd.	67	0.28
5	Zhuhai Kaibang Motor Manufacturing Co., Ltd.	226	2.28
6	Gree (Zhongshan) Small Home Appliances Co., Ltd.	70	0.42

Measures taken to reduce carbon emissions and results during the reporting period

Applicable Not applicable

The Company attaches great importance to energy conservation and emission reduction. With the vision of "making the sky bluer

and the earth greener", it has always adhered to the development concept of "lucid waters and lush mountains are invaluable assets" and actively responded to the national "dual carbon (carbon peaking and carbon neutrality)" strategy. Additionally, as a domestic "photovoltaic" and "zero-carbon" air conditioner technology leader, it is committed to promoting clean and low-carbon energy consumption in production and operation and creating a healthy and green quality of life for consumers and society.

The Company has continuously performed the review of greenhouse gas emissions at the company level and implemented carbon reduction measures, including vigorously developing photovoltaic power generation, constantly investing in energy-saving technological transformation, and continuously enhancing resource regeneration and recycling, to effectively reduce the Company's total carbon emissions. In 2024, the Company implemented 392 energy-saving technological transformation projects, reducing electricity consumption by approximately 58,344,000 kWh, natural gas consumption by 285,000 m³, and carbon dioxide emissions by 31,925 t.

In 2024, the Company utilized 708,763,000 kWh of nuclear power and 96,850,000 kWh of photovoltaic power with an increase of 245% compared to 2023, reducing carbon dioxide emissions by 51,969.7 t. Combined with the lithium titanate energy storage cabinet independently developed by GREE for load shifting, 180 MWh of energy was stored, and 75 million kWh of electricity was shaved in peak.

Administrative penalties for environmental issues during the reporting period

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

Other environmental information that should be disclosed

None.

Other environmental protection information

None.

II. Social responsibility

In 2024, Gree Electric Appliances actively fulfilled its responsibilities in environmental protection, social responsibility, and corporate governance, especially in intelligent manufacturing, green innovation, and safeguarding the rights and interests of stakeholders, and fulfilled the mission of promoting the sustainable development of the industry. (For details, please refer to the *2024 Environmental, Social, and Governance (ESG) Report* published by the Company on CNINFO (<http://www.cninfo.com.cn/new/index>) on April 28, 2025)

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 controllers, shareholders, affiliated parties, acquirers, and the Company within the reporting period and commitments not yet fulfilled by the end of the reporting period

Applicable Not applicable

Reason for Commitment	Commitment Party	Commitment Type	Commitment Content	Commitment Date	Commitment Period	Fulfillment
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.	Maintaining the independence of listed companies	<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, Zhuhai Mingjun, Zhuhai Xianying, and Zhuhai Yuxiu make the following commitments: (I) Ensuring asset independence and completeness of the listed company: 1. Gree Electric Appliances will possess the relevant production system, auxiliary production system, and supporting facilities for its business operations, have the right to own or use the land, workshop, machines, and facilities relating to its business operations as well as its trademarks, patent technologies, and know-how, and have an independent purchase system of raw materials and sales system of products. 2. Gree Electric Appliances will have independent and complete assets and all of its assets will be independently controlled, owned, and operated by Gree Electric Appliances. 3. Zhuhai Mingjun and other enterprises under its control will not illegally occupy or use the assets of Gree Electric Appliances in any way or provide a guarantee for the debts of Zhuhai Mingjun and other enterprises under its control with Gree Electric Appliances' assets. (II) Ensuring the independence of the personnel of the listed company: 1. The labor, personnel, and remuneration management of Gree Electric Appliances will be completely independent of its affiliated enterprises. 2. The recommendation of directors, supervisors, and senior executives by the enterprise to Gree Electric Appliances will be made through legal procedures, and the decisions on personnel appointment and removal will be made only upon approval by the meeting of the Board of Directors and the general meeting of shareholders of Gree Electric Appliances. (III) Ensuring the financial independence of the listed company: 1. Gree Electric Appliances will establish an independent finance department and a standardized and	2019/12/02	Long-term effective	In progress

			<p>independent financial accounting system. 2. Gree Electric Appliances will open bank accounts independently and will not share bank accounts with its affiliated enterprises. 3. The financial personnel of Gree Electric Appliances will not work part-time in its affiliated enterprises. 4. Gree Electric Appliances will pay taxes independently in accordance with the law. 5. Gree Electric Appliances will make independent financial decisions, and the intended Transferee will not illegally interfere with Gree Electric Appliances's fund utilization and scheduling. (IV) Ensuring the independence of the organizational structure of the listed company: 1. Gree Electric Appliances will establish a sound corporate governance structure and will have an independent and complete organizational structure. 2. 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. (V) Ensuring the business independence of the listed company: 1. Gree Electric Appliances will have the assets, personnel, qualifications, and abilities to carry out business activities independently and will have the ability to operate independently and continuously in the market. 2. The enterprise will not interfere with the business activities of Gree Electric Appliances except through the exercise of shareholders' rights. 3. The enterprise and other enterprises under its control will avoid horizontal competition with Gree Electric Appliances. 4. When the enterprise and other enterprises under its control conduct necessary and unavoidable affiliated transactions with Gree Electric Appliances, the enterprise will conduct fair operations according to the marketization principle and at fair prices, and perform transaction procedures and information disclosure obligations in accordance with relevant laws and regulations and regulatory documents. If any one of the above commitments is violated, the enterprise will bear all the liabilities arising therefrom and indemnify or hold harmless Gree Electric Appliances from all direct or indirect losses.</p>			
	Zhuhai Mingjun Investment Partnership (Limited Partnership); Zhuhai Xianying Equity Investment Partnership	Avoiding horizontal competition	<p><i>Letter of Commitment on Avoiding Horizontal Competition:</i> To avoid horizontal competition with the listed company, Zhuhai Mingjun, Zhuhai Xianying, and Zhuhai Yuxiu make the following commitments: 1. The enterprise and other enterprises under its control, the controlling shareholder and the actual controller of the enterprise will not engage in the same or similar business as Gree Electric Appliances and its subsidiaries directly or indirectly in the future, to avoid constituting direct or indirect business competition with the business of Gree Electric Appliances and its subsidiaries. 2. If other enterprises under the control of the enterprise expand their business scope, they 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</p>	2019/12/02	Long-term effective	In progress

	(Limited Partnership); Zhuhai Yuxiu Investment Co., Ltd.		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 that 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 bear all the liabilities arising therefrom and indemnify or hold harmless Gree Electric Appliances from all direct or indirect losses.			
	Zhuhai Mingjun Investment Partnership (Limited Partnership); Zhuhai Xianying Equity Investment Partnership (Limited Partnership); Zhuhai Yuxiu Investment Co., Ltd.	Standardizing the affiliated transactions	<i>Letter of Commitment on Standardizing the Affiliated Transactions:</i> To protect 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: 1. The affiliated transactions between the enterprise and other enterprises under its control and Gree Electric Appliances in the future will be conducted in fair according to the normal code of business conduct, and the enterprise will further regulate the affiliated transactions with Gree Electric Appliances and its subsidiaries. 2. The enterprise will perform its obligations as a shareholder of Gree Electric Appliances in good faith and goodwill, and for affiliated transactions that cannot be avoided or exist on reasonable grounds, it will sign a standard affiliated transaction agreement with Gree Electric Appliances in accordance with the law, and perform the approval procedures in accordance with relevant laws, regulations, rules, regulatory documents, and the Articles of Association; the price of affiliated transactions will be determined according to fair and reasonable market prices, and the price of affiliated 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 illegally transfer the funds and profits of Gree Electric Appliances or damage the interests of Gree Electric Appliances and affiliated shareholders through affiliated transactions. 3. 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, strictly abide by the avoidance procedure during the voting on affiliated transactions at the meeting of the Board of Directors or the general meeting of shareholders of Gree	2019/12/02	Long-term effective	In progress

			Electric Appliances.			
	Dong Mingzhu	Maintaining the independence of listed companies	<p><i>Letter of Commitment on Maintaining the Independence of the Listed Company:</i></p> <p>To ensure the independent operation of the listed company after this equity transfer, I make the following commitments: (I) Ensuring asset independence and completeness of the listed company: 1. Gree Electric Appliances will possess the relevant production system, auxiliary production system, and supporting facilities for its business operations, have the right to own or use the land, workshop, machines, and facilities relating to its business operations as well as its trademarks, patent technologies, and know-how, and have an independent purchase system of raw materials and sales system of products. 2. Gree Electric Appliances will have independent and complete assets and all of its assets will be independently controlled, owned, and operated by Gree Electric Appliances. 3. Zhuhai Mingjun and other enterprises under its control will not illegally occupy or use the assets of Gree Electric Appliances in any way or provide a guarantee for the debts of Zhuhai Mingjun and other enterprises under its control with Gree Electric Appliances' assets. (II) Ensuring the independence of the personnel of the listed company: 1. The labor, personnel, and remuneration management of Gree Electric Appliances will be completely independent of its affiliated enterprises. 2. The recommendation of senior executives to Gree Electric Appliances will be made through legal procedures. (III) Ensuring the financial independence of the listed company: 1. Gree Electric Appliances will establish an independent finance department and a standardized and independent financial accounting system. 2. Gree Electric Appliances will open bank accounts independently and will not share bank accounts with its affiliated enterprises. 3. The financial personnel of Gree Electric Appliances will not work part-time in its affiliated enterprises. 4. Gree Electric Appliances will pay taxes independently in accordance with the law. 5. Gree Electric Appliances will make independent financial decisions, and the intended Transferee will not illegally interfere with Gree Electric Appliances's fund utilization and scheduling. (IV) Ensuring the independence of the organizational structure of the listed company: 1. Gree Electric Appliances will establish a sound corporate governance structure and will have an independent and complete organizational structure. 2. 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. (V) Ensuring the business independence of the listed company: 1. Gree Electric Appliances will have the assets, personnel, qualifications, and abilities to carry out business activities independently and will have the ability to operate independently and continuously in the market. 2.</p>	2019/12/02	Long-term effective	In progress

			Except through the exercise of shareholders' rights and the performance of functions and duties of the Chairman/senior executive of the listed company, I will not interfere with the business activities of Gree Electric Appliances. 3. I and other enterprises under my control will avoid substantial horizontal competition with Gree Electric Appliances. 4. When conducting necessary and unavoidable affiliated transactions with Gree Electric Appliances, I and other enterprises under my control will conduct fair operations according to the marketization principle and at fair prices, and perform transaction procedures and information disclosure obligations in accordance with relevant laws and regulations and regulatory documents. If any one of the above commitments is violated, I will bear all the liabilities arising therefrom, and indemnify or hold harmless Gree Electric Appliances from all direct or indirect losses.			
	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 directly or indirectly in the future, to avoid possible direct or indirect business competition with Gree Electric Appliances and its subsidiaries. 2. If other enterprises under my control expand their business scope, they 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 my control are engaging in or will engage in any business that 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 bear all the liabilities arising therefrom, and indemnify or hold harmless Gree Electric Appliances from all direct or indirect losses.	2019/12/02	Long-term effective	In progress

	Dong Mingzhu	Standardizing affiliated transactions	<p>Letter of Commitment on Standardizing the Affiliated Transactions: 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 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 perform the approval procedures in accordance with relevant laws, regulations, rules, regulatory documents, and the Articles of Association; the price of affiliated transactions will be determined according to fair and reasonable market prices, and the price of affiliated 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 illegally transfer the funds and profits of Gree Electric Appliances or damage the interests of Gree Electric Appliances and affiliated shareholders through affiliated transactions. 3. 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, strictly abide by the avoidance procedure during the voting on affiliated transactions at the meeting of the Board of Directors or the general meeting of shareholders of Gree Electric Appliances.</p>	2019/12/02	Long-term effective	In progress
	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. 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; and 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 general meeting of shareholders and to vote against such proposal. 3. The Transferee commits to spare no effort to make effective industrial investment and strategic resource introduction for the economic development of Zhuhai and to promote Gree Electric Appliances to make new contributions to</p>	2019/12/02	Long-term effective	In progress

			the sustainable and healthy economic development of Zhuhai. 4. Zhuhai Mingjun commits to actively exercise the shareholders' voting right in the general meeting of shareholders 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.			
Other commitments	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 Appliances due to the Company's termination of the residual equity incentive plan.	2019/06/14	During the period of being a shareholder of Gree Electric Appliances	In progress
Are commitments fulfilled on time?	Yes					
If commitments are not fulfilled within the deadline, specify the reason for fulfillment failure and the work plan for the next step	Not applicable					

2. Explanation of assets or projects that achieve the original earnings forecast and relevant reasons when the Company's assets or projects involve earnings forecast and the reporting period is still in the earnings forecast period

Applicable Not Applicable

II. 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 during the reporting period of the Company.

III. Violation of external guarantees

Applicable Not Applicable

The Company has no violation of external guarantees during the reporting 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 during the reporting period

Applicable Not Applicable

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

Applicable Not Applicable

(1) Changes in major accounting policies

1) *Interpretation No. 17 of Accounting Standards for Business Enterprises*

On November 9, 2023, the Ministry of Finance issued *Interpretation No. 17 of Accounting Standards for Business Enterprises* (hereinafter referred to as "Interpretation No. 17"). 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. Therefore, the above explanations have no significant impact on the financial statements of the Company.

2) *Interpretation No. 18 of Accounting Standards for Business Enterprises*

On December 31, 2024, the Ministry of Finance issued *Interpretation No. 18 of Accounting Standards for Business Enterprises* (hereinafter referred to as "Interpretation No. 18"), which came into effect upon its issuance. The Company chooses to implement this interpretation in advance from the year of its issuance (2024). The Company's provision for quality guarantees that do not fall under individual performance obligations was originally recorded under "selling expenses". According to Article 2 "Accounting for quality guarantees that do not fall under individual performance obligations" of Interpretation No. 18, it is now recorded under "main business cost" and "other business cost", presented in the "operating cost" of the income statement, and subject to

retrospective adjustments.

Currency: CNY

Item	2023
Sales Expenses	-2,327,937,473.10
Operating Cost	2,327,937,473.10

(2) Changes in major accounting estimates

None.

VII. Description of changes in the consolidated statement scope compared to the previous year's financial statements

 Applicable Not applicable

1. Business combination not under common control

(1) Business combinations not under common control that occurred during the period

Currency: CNY

Name of the Acquiree	Time Point of Equity Acquisition	Equity Acquisition Cost	Equity Acquisition Proportion	Equity Acquisition Method	Acquisition Date
Shanghai Datro Automotive Technology Co., Ltd.	2024/07/01	244,597,668.00	65.95%	Purchase by cash	2024/07/01

(Continued)

Currency: CNY

Name of the Acquiree	Basis for Determining the Acquisition Date	Operating Income of the Acquiree from the Acquisition Date to the End of the Period	Net Profit of the Acquiree from the Acquisition Date to the End of the Period	Cash Flow of the Acquiree from the Acquisition Date to the End of the Period
Shanghai Datro Automotive Technology Co., Ltd.	Acquisition of Control	50,610,255.50	-10,890,056.09	3,852,261.61

On June 30, 2024, the Company's wholly-owned subsidiary, DunAn Environment, acquired 62.95% of the equity of Shanghai Datro Automotive Technology Co., Ltd. (hereinafter referred to as "Datro") through a cash transaction valued at CNY214.5977 million, and also increased its capital in Datro by CNY30 million. After the transaction was completed, DunAn Environment held 65.95% of the equity in Datro. DunAn Environment has completed the equity transfer and industrial and commercial change registration procedures. Datro has been included in the consolidated scope of DunAn Environment.

(2) Cost of business combination and goodwill

Currency: CNY

Cost of Business Combination	Amount
------------------------------	--------

Total cost of business combination	244,597,668.00
Including: Cash	244,597,668.00
Less: Fair value of the identifiable net assets acquired	62,667,044.92
Goodwill	181,930,623.08

DunAn Environment currently holds 65.95% of the equity in Datro. The enterprise merger cost is CNY244,597,668.00. The fair value share of identifiable net assets attributable to the parent company shareholders obtained is CNY62,667,044.92. The corresponding fair value of identifiable net assets was assessed by Zhonglian Appraisal Consulting (Shanghai) Co., Ltd. and an assessment report with the number ZLHP Zi [2024] No. 20 was issued. The difference between the enterprise merger cost and the fair value share of identifiable net assets attributable to the parent company shareholders of Datro forms goodwill of CNY181,930,623.08.

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

Currency: CNY

Item	Shanghai Datro Automotive Technology Co., Ltd.	
	Fair Value on the Acquisition Date	Book Value on the Acquisition Date
Assets:		
Monetary Funds	5,152,822.52	5,152,822.52
Notes Receivable	715,882.91	715,882.91
Receivables	36,803,450.59	36,803,450.59
Receivables Financing	5,824,589.99	5,824,589.99
Advance Payments	1,041,919.28	1,041,919.28
Other Receivables	31,512,194.62	31,512,194.62
Inventory	20,200,520.76	17,127,908.27
Other Current Assets	2,080,550.17	2,080,550.17
Fixed Assets	34,644,958.89	32,761,348.70
Construction in Progress	7,780,042.42	7,780,019.35
Usufruct Assets	5,801,258.04	5,801,258.04
Intangible Assets	23,614,360.78	394,064.49
Long-term Unamortized Expenses	2,896,776.52	2,896,776.52
Deferred Income Tax Assets	10,437,280.23	10,437,280.23
Other Non-current Assets	37,924.20	37,924.20
Liabilities:		
Short-term Borrowings	39,000,000.00	39,000,000.00
Notes Payable	1,487,740.22	1,487,740.22
Payables	27,451,609.43	27,451,609.43
Contract Liabilities	18,956.40	18,956.40
Payroll Payable	2,627,612.49	2,627,612.49
Taxes and Dues Payable	12,974.49	12,974.49
Other Payables	1,245.36	1,245.36
Non-current Liabilities Due within One Year	4,367,779.95	4,367,779.95
Other Current Liabilities	2,464.33	2,464.33

Long-term Borrowings	7,000,000.00	7,000,000.00
Lease Liabilities	3,744,872.39	3,744,872.39
Deferred Income	518,000.00	518,000.00
Deferred Income Tax Liabilities	7,285,908.39	241,772.88
Net Assets	95,025,368.47	73,892,961.94
Less: Minority Shareholders' Equity	32,358,323.55	25,162,253.08
Net Assets Acquired	62,667,044.92	48,730,708.86

2. Business combination under the same control

None.

3. Reverse purchase

None.

4. Disposal of subsidiaries

Currency: CNY

Name of Subsidiary	Time Point of Losing Control	Disposal Price of the Time Point of Losing Control	Disposal Ratio of the Time Point of Losing Control (%)	Disposal Methods of the Time Point of Losing Control	Basis for Determining the Time Point of Losing Control	The Difference Between the Disposal Price and the Share of the Subsidiaries' Net Assets at the Level of Consolidated Statements Corresponding to the Disposal Investment	Proportion of Remaining Equity on the Date of Losing Control (%)	Book Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Fair Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Gains or Losses Arising from Remeasurement of Remaining Equity at Fair Value	Determination Methods and Main Assumptions of the Fair Value of the Remaining Equity on the Date of Losing Control at the Consolidated Financial Statement Level	Amount of Other Comprehensive Income Related to Equity Investment of the Original Subsidiary Transferred into Investment Profits and Losses or Retained Earnings
Shenyang Water and Heat Source Development Co., Ltd.	2024/01/25	1,000,001.00	56.00	Sale	Business registration	-230,233.67						
Gree (Chengdu) Precision Mold Co., Ltd.	2024/05/27		100.00	Cancelled	Business registration							
Gree Robot (Luoyang) Co., Ltd.	2024/05/31		100.00	Cancelled	Business registration							
Jilin Songliang Modern Agricultural Development	2024/07/10	2,000,000.00	70.00	Sale	Business registration	2,354,547.19						

Co., Ltd.												
Jilin Songliang Tianfuyu Agricultural Development Co., Ltd.	2024/07/10	It was merged and sold together with its parent company, Jilin Songliang Modern Agricultural Development Co., Ltd.	100.00	Sale	Business registration	It was merged and sold together with its parent company, Jilin Songliang Modern Agricultural Development Co., Ltd.						
Gelan Environmental Protection Technology (Shaoguan) Co., Ltd.	2024/08/23		100.00	Cancelled	Business registration							
Datro (Weihai) Auto Parts Co., Ltd.	2024/09/13		65.95	Cancelled	Business registration							
Gree HVAC Equipment (Chengdu) Co., Ltd.	2024/10/16		100.00	Cancelled	Business registration							
Gree CNC Machine Tool Research Institute Co., Ltd. of Zhuhai	2024/10/22		100.00	Cancelled	Business registration							

5. Change of combination scope for other reasons

Newly established entity in the current period:

Currency: CNY

Name	Date of Establishment	Net Assets at the End of the Period	Net Profit from the Combination Date to the End of the Period
DunAn International (Hong Kong) Company Limited	2024/02/6		
DunAn Hong Kong Industrial Co., Ltd.	2024/02/16		
Zhuhai Gree Technology Management Co., Ltd.	2024/03/11	932,242.59	-67,757.41
Zhuhai Hengqin Gree Materials Supply Co., Ltd.	2024/03/29	127,406,890.56	27,442,815.56
Zhuhai Gree Medical Equipment Co., Ltd.	2024/04/22	62,774.57	62,774.57
Henan Gree Refrigeration and Washing Machine Sales Co., Ltd.	2024/05/15	178,759.00	178,759.00
Shanghai Gree Green Energy Technology Co., Ltd.	2024/06/6	-128,016.30	-149,016.30
Hebei Gree Refrigeration and Washing Machine Sales Co., Ltd.	2024/06/13	389,714.82	389,714.82
Shanghai Gree Auto Technology Co., Ltd.	2024/10/11	3,996,764.92	-3,235.08
Gree Green Resources Recycling (Linyi) Co., Ltd.	2024/09/12		
Gree Digital Technology (Jieyang) Co., Ltd.	2024/12/3	277,073.26	277,073.26
Gree Digital Technology (Hunan) Co., Ltd.	2024/12/31		
Gree Digital Technology (Hebei) Co., Ltd.	2024/12/31		
Gree Digital Technology (Henan) Co., Ltd.	2024/12/31		

VIII. Appointment and dismissal of accounting firms

Accounting firm currently appointed

Name of domestic accounting firm	Union Power Certified Public Accountants (Special General Partnership)
Remuneration for the domestic accounting firm (CNY10,000)	396
Consecutive years for the domestic accounting firm to render audit service	10
Name of certified public accountants of the domestic	Qiu Yiwu, Wang Huijun

accounting firm	
Consecutive years for certified public accountants of the domestic accounting firm to render audit service	4 and 1

Is the other accounting firm appointed for the current period?

Yes No

Appointment of an accounting firm for internal control audit, financial adviser, or sponsor

Applicable Not applicable

During the year, the Company appointed Union Power Certified Public Accountants (Special General Partnership) as the accounting firm for the internal control audit of the Company.

IX. Delisting after disclosure of the Annual Report

Applicable Not Applicable

X. Matters related to bankruptcy reorganization

Applicable Not Applicable

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

XI. Major legal action or arbitration

Applicable Not Applicable

The Company was not involved in any major legal action or arbitration during the reporting period.

XII. Punishment and rectification

Applicable Not Applicable

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

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

Applicable Not Applicable

IV. Significant affiliated transactions

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

Applicable Not applicable

Parties to Affiliated Transactions	Association	Type of Affiliated Transactions	Content of Affiliated Transactions	Pricing Principles for Affiliated Transactions	Price of Affiliated Transactions	Amount of Affiliated Transactions (CNY10,000)	Proportion to Amount of Similar Transactions	Approved Transaction Amount (CNY10,000)	Approved Limit Exceeded (Yes/No)	Settlement Method of Affiliated Transactions	Available Market Price of Similar Transactions	Date of Disclosure	Disclosure Index
Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	Company where directors of the Company act as executive directors and general managers	Sale of goods	Sale of products	Determined through the negotiation between the two parties based on the market price	Market price	537,743.69	3.17%	680,000	No	Payment before delivery	Market price	2024/04/30	Disclosed on CNINFO (http://www.cninfo.com.cn/new/index) on April 30, 2024, with Announcement No.: 2024-010
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Company where directors of the Company act as executive directors	Sale of goods	Sale of products	Determined through the negotiation between the two parties based on the market price	Market price	153,585.76	0.90%	630,000	No	Payment before delivery	Market price	2024/04/30	Disclosed on CNINFO (http://www.cninfo.com.cn/new/index) on April 30, 2024, with Announcement No.: 2024-010
Total				--	--	691,329.45	--	1,310,000.00	--	--	--	--	--
Details of large-amount sales return				Not applicable									
Actual fulfillment (if any) during the reporting period when the total amount is estimated by category for the daily affiliated transaction that will incur in the current period				In fiscal year 2024, the Company expected that the total amount of daily affiliated transactions with the above-mentioned affiliated parties would not exceed CNY13.1 billion, and the actual amount was CNY6.913 billion, which did not exceed the expected amount.									
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 equities

Applicable Not Applicable

The Company was not involved in any affiliated transaction of acquisition or sales of assets or equities during the reporting period.

3. Affiliated transactions of joint foreign investment

Applicable Not Applicable

The Company was not involved in any affiliated transactions of joint foreign investment during the reporting period.

4. Affiliated credits and debts

Applicable Not Applicable

The Company was not involved in any affiliated credits or debts during the reporting period.

5. Transactions with affiliated finance companies

Applicable Not Applicable

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

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

Applicable Not Applicable

Deposit business

Affiliated Parties	Association	Daily Maximum Deposit Limit (CNY10,000)	Deposit Interest Rate	Beginning Balance (CNY10,000)	Amount Incurred in the Current Period		Ending Balance (CNY10,000)
					Total Amount Deposited in the Current Period (CNY10,000)	Total Amount Withdrawn in the Current Period (CNY10,000)	
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 board chairman	—	—	1.62	-	0.54	1.08
Henan Shengshi Xinxing	Company where directors of	—	—	1.21	-	1.21	-

Gree Trade Co., Ltd.	the Company act as executive directors						
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7. Other significant affiliated transactions

Applicable Not Applicable

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

(2) Contracting

Applicable Not Applicable

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

(3) Lease

Applicable Not Applicable

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

2. Significant guarantee
 Applicable Not applicable

Unit: CNY10,000

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 Incurrence	Actual Guarantee Amount	Guarantee Type	Collateral (if any)	Counter-guarantee (if any)	Guarantee Period	Fulfillment Completed (Yes/No)	Guarantee for Affiliated Parties (Yes/No)
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 Incurrence	Actual Guarantee Amount	Guarantee Type	Collateral (if any)	Counter-guarantee (if any)	Guarantee Period	Fulfillment Completed (Yes/No)	Guarantee for Affiliated Parties (Yes/No)
Nanjing Walsin Metal Co., Ltd.	2024/06/29	1,900,000		70,989.67	Pledged	Note pool	N/A			No
Zhuhai Gree Green Control Technology Co., Ltd.				189.1	Pledged	Note pool	N/A			No
Zhuhai Gree Energy Environment Technology Co., Ltd.				11,038.11	Pledged	Note pool	N/A			No

Gree (Hangzhou) Electric Appliances Co., Ltd.		7.68	Pledged	Note pool	N/A			No
Zhuhai Gree Mechanical and Electrical Engineering Co., Ltd.		3,879.24	Pledged	Note pool	N/A			No
Zhuhai Gree Intelligent Equipment Co., Ltd.		6,616.53	Pledged	Note pool	N/A			No
Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.		3,824.02	Pledged	Note pool	N/A			No
Zhuhai Gree Precision Mold Co., Ltd.		16,888.49	Pledged	Note pool	N/A			No
Zhuhai Gree New Material Co., Ltd.		5,293.58	Pledged	Note pool	N/A			No
Gree Intelligent Equipment (Wuhan) Co., Ltd.		2,690.78	Pledged	Note pool	N/A			No

Gree (Linyi) Electric Appliances Co., Ltd.	2,962.09	Pledged	Note pool	N/A			No
Gree New Material Technology (Ma'anshan) Co., Ltd.	2,574.26	Pledged	Note pool	N/A			No
Zhuhai Gree Electronic Components Co., Ltd.	39,863.68	Pledged	Note pool	N/A			No
Zhuhai Gree Daikin Precision Mold Co., Ltd.	386.74	Pledged	Note pool	N/A			No
Changsha Kinghome Electric Appliances Co., Ltd.	891.41	Pledged	Note pool	N/A			No
Gree (Nanjing) Electric Appliances Co., Ltd.	131.88	Pledged	Note pool	N/A			No
Gree (Luoyang) Electric Appliances Co., Ltd.	100.28	Pledged	Note pool	N/A			No

Zhuhai Gree Prefabricated Vegetable Equipment Technology Development Co., Ltd.			7.49	Pledged	Note pool	N/A			No
Guochuang Energy Internet Innovation Center (Guangdong) Co., Ltd.			61.64	Pledged	Note pool	N/A			No
Zhuhai Landa Compressor Co., Ltd.			7.55	Pledged	Note pool	N/A			No
Hunan Green Resources Recycling Co., Ltd.			22.38	Pledged	Note pool	N/A			No
Total amount of guarantees to subsidiaries approved during the reporting period (B1)		1,900,000	Total amount incurred of guarantees to subsidiaries during the reporting period (B2)		268,838.16				
Total amount of guarantees to subsidiaries approved at the end of the reporting period (B3)		1,900,000	Total actual guarantee balance to subsidiaries at the end of the reporting period (B4)		168,426.60				
Guarantee of subsidiaries to subsidiaries									

Object of Guarantee	Disclosure Date of the Announcement Related to the Guarantee Amount	Guarantee Amount	Actual Date of Incurrence	Actual Guarantee Amount	Guarantee Type	Collateral (if any)	Counter-guarantee (if any)	Guarantee Period	Fulfillment Completed (Yes/No)	Guarantee for Affiliated Parties (Yes/No)
Zhejiang DunAn Artificial Environment Co., Ltd.	2024/06/28	30,000	2024/09/28	30,000	Joint liability guarantee			Three years from the date of expiration of the performance period of the debt under the master contract	No	No

Gree Altairnano New Energy Inc.	2022/12/29	435,500	2023/11/13	31,900	Joint liability guarantee	Yes	N/A	If the master contract is a loan contract, the guarantee period under this contract is three years from the day of expiration of the loan term under the master contract; if the creditor announces the early due of the loan according to the provisions of the master contract, the guarantee period is three years from the next day of the early due date of the loan.	No	No
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Gree Altairnano New Energy Inc.	2023/01/13	50,000	Joint liability guarantee	Yes	N/A	From January 13, 2023, to January 12, 2028, the creditor's rights are 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
Zhuhai Gree Altairnano Electric Appliance Co., Ltd.	2022/12/29	5,600	Joint liability guarantee	N/A	N/A	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 master contract	Yes	No

Zhuhai Gree Altairnano Electric Appliance Co., Ltd.	2023/07/21	1,000	Joint liability guarantee	Yes	N/A	The creditor's rights guaranteed by the mortgagor are during the period from July 21, 2023, to January 21, 2027 (including the start date and expiration date)	Yes	No
Zhuhai Guangtong Automobile Co., Ltd., Chengdu Guangtong Automobile Co., Ltd., and Tianjin Gree Altairnano New Energy Co., Ltd.	2023/03/10	30,000	Joint liability guarantee	N/A	N/A	The guarantee period is from the effective date of the master contract to two years after the date of expiration of the performance period of the last installment of the debt under the master contract.	Yes	No

Gree Altairnano New Energy Inc.		2023/09/28	27,000	Joint liability guarantee	Yes	N/A	It is a series of debts under the financing business initiated by the debtor through the bank network supply chain "E Xintong" from September 26, 2023, to September 25, 2028.	Yes	No
Total amount of guarantees to subsidiaries approved during the reporting period (C1)		20,000	Total amount incurred of guarantees to subsidiaries during the reporting period (C2)						175,500
Total amount of guarantees to subsidiaries approved at the end of the reporting period (C3)		615,500	Total actual guarantee balance to subsidiaries at the end of the reporting period (C4)						171,900
Total amount of company guarantee (i.e. total of the first three major items)									
Total amount of guarantee approved during the reporting period (A1+B1+C1)		1,920,000	Total amount of guarantee incurred during the reporting period (A2+B2+C2)						444,338.16
Total amount of guarantee approved at the end of the reporting period (A3+B3+C3)		2,515,500	Total actual guarantee balance at the end of the reporting period (A4+B4+C4)						340,326.60
Proportion of actual total guarantees (i.e. A4+B4+C4) to the Company's net assets									2.48%
Including:									

Explanation of composite guarantee

3. Entrusting cash asset management

(1) Entrusted financial management

Applicable Not applicable

Overview of entrusted financial management during the reporting period

Unit: CNY10,000

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
Bank financial products	Own funds	424,683.40	402,511.02		
Trust financial products	Own funds	234,365.64	215,478.93		
Securities traders' financial products	Own funds	1,311,032.58	1,230,055.97		
Total		1,970,081.62	1,848,045.92		

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 reporting period.

4. Other significant contracts

Applicable Not Applicable

The Company did not enter into any other significant contracts during the reporting period.

XVI. Description of other significant matters

Applicable Not Applicable

There were no other significant matters to be disclosed during the reporting 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 shares

Unit: share

	Before Change		Increase or Decrease (+, -)					After Change	
	Quantity	Percentage	New Issue	Bonus Issue	Shares Converted from Capital Reserves	Others	Subtotal	Quantity	Percentage
I. Shares with trading restrictions	85,959,485	1.53%				496,442	496,442	86,455,927	1.54%
1. Shares held by the State									
2. Shares held by state-owned legal person									
3. Shares held by other domestic-funded enterprises	85,959,485	1.53%				496,442	496,442	86,455,927	1.54%
Including: Shares held by									

domestic legal person									
Shares held by domestic natural person	85,959,485	1.53%				496,442	496,442	86,455,927	1.54%
4. Shares held by foreign-funded enterprises									
Including: Shares held by foreign legal person									
Shares held by foreign natural person									
II. Shares without trading restrictions	5,545,446,256	98.47%				-30,496,442	-30,496,442	5,514,949,814	98.46%
1. RMB common share	5,545,446,256	98.47%				-30,496,442	-30,496,442	5,514,949,814	98.46%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total number of	5,631,405,741	100.00%				-30,000,000	-30,000,000	5,601,405,741.00	100.00%

shares									
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Causes for changes in shares

Applicable Not applicable

On October 17, 2024, the total share capital of the Company and the number of circulating shares without trading restrictions changed from 5,631,405,741 shares to 5,601,405,741 shares as a result of the cancellation of shares in the special securities account for repurchase. For details, please refer to the *Announcement on the Completion of Share Repurchase Cancellation and the Change in Stockholder's Equity* (Announcement No.: 2024-037) on CNINFO (<http://www.cninfo.com.cn/new/index>) and designed media.

The increase in restricted shares this time is due to the increase in locked shares after the resignation of senior executives.

Approval of changes in shares

Applicable Not applicable

On August 2, 2024, the Company held the 19th Meeting of the 12th Board of Directors and the 16th Meeting of the 12th Board of Supervisors to deliberate and approve the *Proposal on Changing the Purpose of Some Repurchased Shares and Canceling and Reducing the Company's Registered Capital*, agreeing to change the purpose of 30,000,000 repurchased shares deposited in the special securities account for repurchase. The original plan was changed from "for implementing the company's equity incentive or employee stock ownership plan" to "for cancellation and reduction of registered capital", and 30,000,000 shares were canceled and the corresponding registered capital was reduced.

The aforementioned proposal has been deliberated and approved at the 1st Extraordinary General Meeting of Shareholders in 2024 of the Company held on August 19, 2024. The Company has canceled 30,000,000 shares in total, and after this share cancellation, the total share capital of the Company was changed from 5,631,405,741 shares to 5,601,405,741 shares. For details, please refer to the *Announcement of Gree Electric Appliances, Inc. of Zhuhai on Changing the Purpose of Some Repurchased Shares and Cancelling and Reducing the Company's Registered Capital* (Announcement No.: 2024-025) disclosed on CNINFO (<http://www.cninfo.com.cn/new/index>) and designated media.

Transfer of share changes

Applicable Not Applicable

Impact 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 information deemed necessary by the Company or required to be disclosed by the securities regulatory authority

Applicable Not Applicable

2. Changes in restricted sharesApplicable Not applicable

Unit: share

Name of Shareholder	Number of Restricted Shares at the Beginning of the Period	Number of Restricted Shares Increased in the Current Period	Number of Restricted Shares Lifted in the Current Period	Number of Restricted Shares at the End of the Period	Reasons for Restriction	Date of Lifting
Dong Mingzhu	40,866,369	34,732,500		75,598,869	Senior executive share lockup	-
Zhang Wei	137,496	225,000		362,496	Senior executive share lockup	-
Deng Xiaobo	87,450	233,250		320,700	Senior executive share lockup	-
Duan Xiufeng	452,869			452,869	Senior executive share lockup	-
Wang Fawen	38,516	22,500		61,016	Senior executive share lockup	-
Zhuang Pei	4,781,591	1,893,864		6,675,455	Senior executive share lockup	-
Tan Jianming	1,339,327	646,442		1,985,769	Senior executive share lockup	-
Shu Lizhi	74,789	86,250		161,039	Senior executive share lockup	-
Liao Jianxiong	58,247	172,500		230,747	Senior executive share lockup	-
Fang Xiangjian	419,467	187,500		606,967	Senior executive share lockup	-
Total	48,256,121	38,199,806	0	86,455,927	--	--

II. Securities issuance and listing**1. Securities issuance (excluding preferred shares) during the reporting period** Applicable Not Applicable**2. Description of changes in the Company's total number of shares and shareholder structure, and asset and liability structure** Applicable Not applicable**3. Existing internal employee share** Applicable Not Applicable

III. Shareholders and actual controllers

1. Number of shareholders and their shareholding status

Unit: share

Total number of common shareholders at the end of the reporting period	426,379	Total number of common shareholders as of the end of the previous month before the disclosure date of the Annual Report	405,720	Total number of preferred shareholders with restored voting rights (if any) at the end of the reporting period (See Note 8)	0	Total number of preferred shareholders with restored voting rights (if any) at the end of the previous month before the disclosure date of the Annual Report (See Note 8)	0	
Shareholdings of shareholders holding more than 5% of the shares or the top 10 shareholders (excluding shares lent through refinancing)								
Name of Shareholder	Nature of Shareholder	Shareholding Proportion	Number of Shares Held at the End of the Reporting Period	Increase/Decrease During the Reporting Period	Number of Shares With Trading Restrictions Held	Number of Shares Without Trading Restrictions Held	Pledge, Tag, or Freezing	
							Share Status	Quantity
Zhuhai Mingjun Investment Partnership (Limited Partnership)	Domestic non-state-owned legal person	16.11%	902,359,632	-	0	902,359,632	Pledged	902,359,632
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	7.72%	432,591,015	-183,991,979	0	432,591,015	Not applicable	0
Jinghai Internet Technology Development Co., Ltd.	Domestic non-state-owned	7.01%	392,442,954	6,399,916	0	392,442,954	Not applicable	0

	legal person							
Zhuhai Gree Group Co., Ltd.	State-owned legal person	3.46%	193,895,992	-	0	193,895,992	Not applicable	0
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	3.21%	179,870,800	-	0	179,870,800	Not applicable	0
Dong Mingzhu	Domestic natural person	1.80%	100,798,492	46,310,000	75,598,869	25,199,623	Not applicable	0
Industrial and Commercial Bank of China — Huatai-PineBridge CSI 300 ETF	Others	1.38%	77,336,621	43,768,000	0	77,336,621	Not applicable	0
China Construction Bank — E Fund CSI 300 Initiated ETF	Others	0.95%	53,361,260	40,785,371	0	53,361,260	Not applicable	0
Industrial and Commercial Bank of China — China AMC CSI 300 ETF	Others	0.63%	35,470,581	26,242,800	0	35,470,581	Not applicable	0
New China Life Insurance Co., Ltd. — Traditional — General insurance products — 018L CT001	Others	0.61%	33,944,432	Unknown	0	33,944,432	Not applicable	0
Situation (if any) where a strategic investor or general legal person becomes one of the top 10 shareholders due to placement of new shares (see Note 3)	N/A							
Description of association or concerted action of the above shareholders	Zhuhai Mingjun Investment Partnership (Limited Partnership) and Dong Mingzhu are the persons acting in concert. Except for that, the Company does not know whether there is an association between the above shareholders or whether they are persons acting in concert.							

Description of the above-mentioned shareholders' involvement in entrusting/being entrusted with and waiving voting rights	N/A		
Description of the existence of repurchase accounts among the top 10 shareholders (if any) (see Note 10)	Gree Electric Appliances, Inc. of Zhuhai held 79,462,095 shares in the special securities account for repurchase at the end of the reporting period, with a shareholding ratio of 1.42%.		
Shareholding of the top 10 shareholders of shares without trading restrictions (excluding shares lent through refinancing or lock-up shares of senior executives)			
Name of Shareholder	Number of Shares without Trading Restrictions Held at the End of the Reporting 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.	432,591,015	RMB common share	432,591,015
Jinghai Internet Technology Development Co., Ltd.	392,442,954	RMB common share	392,442,954
Zhuhai Gree Group Co., Ltd.	193,895,992	RMB common share	193,895,992
China Securities Finance Corporation Limited	179,870,800	RMB common share	179,870,800
Industrial and Commercial Bank of China — Huatai-PineBridge CSI 300 ETF	77,336,621	RMB common share	77,336,621
China Construction Bank — E Fund CSI 300 Initiated ETF	53,361,260	RMB common share	53,361,260

Industrial and Commercial Bank of China — China AMC CSI 300 ETF	35,470,581	RMB common share	35,470,581
New China Life Insurance Co., Ltd. — Traditional — General insurance products — 018L CT001	33,944,432	RMB common share	33,944,432
Bank of China — Harvest Fund CSI 300 ETF	33,609,373	RMB common share	33,609,373
Description of the association or concerted action between the top 10 shareholders of circulating shares without trading restrictions, as well as between the top 10 shareholders of circulating shares without trading restrictions 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 an association between the above shareholders or whether they are persons acting in concert.		
Description of the top 10 common shareholders in securities margin trading (if any) (see Note 4)	N/A		

Description of shareholders holding more than 5% of the shares, the top 10 shareholders, and the top 10 shareholders of circulating shares without trading restrictions in lending shares through refinancing

Applicable Not applicable

Unit: share

Description of shareholders holding more than 5% of the shares, the top 10 shareholders, and the top 10 shareholders of circulating shares without trading restrictions in lending shares through refinancing								
Name of Shareholder (Full Name)	Ordinary Account and Credit Account Holdings at the Beginning of the Period		Shares Lent Through Refinancing at the Beginning of the Period and Not Yet Repaid		Ordinary Account and Credit Account Holdings at the End of the Period		Shares Lent Through Refinancing at the End of the Period and Not Yet Repaid	
	Total Quantity	Proportion to Total Share	Total Quantity	Proportion to Total Share	Total Quantity	Proportion to Total Share	Total Quantity	Proportion to Total Share

		Capital		Capital		Capital		Capital
Industrial and Commercial Bank of China — China AMC CSI 300 ETF	9,227,781	0.16%	514,500.00	0.01%	35,470,581	0.63%	0	0.00%
China Construction Bank — E Fund CSI 300 Initiated ETF	12,575,889	0.22%	67,400.00	0.00%	53,361,260	0.95%	0	0.00%
Industrial and Commercial Bank of China — Huatai-PineBridge CSI 300 ETF	33,568,621	0.60%	20,300.00	0.00%	77,336,621	1.38%	0	0.00%

Change compared with the previous period due to the lending/repayment through refinancing of the top 10 shareholders and the top 10 shareholders of circulating shares without trading restrictions

Applicable Not Applicable

Do the top 10 common shareholders and top 10 common shareholders without trading restrictions of the Company conduct agreed repurchase transactions during the reporting period?

Yes No

The top 10 common shareholders and top 10 common shareholders without trading restrictions of the Company didn't conduct agreed repurchase transactions during the reporting period.

2. Company's controlling shareholder

Nature of controlling shareholder: No controlling entity

Type of controlling shareholder: No controlling shareholder

Description of no controlling shareholder for the Company

On December 2, 2019, Gree Group signed the *Share Transfer Agreement Between Zhuhai Gree Group Co., Ltd. and Zhuhai Mingjun Investment Partnership (Limited Partnership) on 15% of the Shares of Gree Electric Appliances, Inc. of Zhuhai*, with Zhuhai Mingjun to transfer 902,359,632 shares of the listed company to Zhuhai Mingjun. After the transaction was completed, Zhuhai Mingjun, the single largest shareholder, and Dong Mingzhu, the person acting in concert could not pass specific resolutions based on their actual voting rights of the listed company's shares, so they had no significant impact on the resolutions of the general meeting of shareholders of the listed company or a sole discretion for the election of more than half of the members of the Board of Directors of the listed company. Therefore, the listed company had no controlling shareholders and actual controllers. For 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 reporting period

Applicable Not Applicable

There was no change in the controlling shareholder of the Company during the reporting 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 no actual controller for the Company

On December 2, 2019, Gree Group signed the *Share Transfer Agreement Between Zhuhai Gree Group Co., Ltd. and Zhuhai Mingjun Investment Partnership (Limited Partnership) on 15% of the Shares of Gree Electric Appliances, Inc. of Zhuhai*, with Zhuhai Mingjun to transfer 902,359,632 shares of the listed company to Zhuhai Mingjun. After the transaction was completed, Zhuhai Mingjun, the single largest shareholder, and Dong Mingzhu, the person acting in concert could not pass specific resolutions based on their actual voting rights of the listed company's shares, so they had no significant impact on the resolutions of the general meeting of shareholders of the listed company or a sole discretion for the election of more than half of the members of the Board of Directors of the listed company. Therefore, the listed company had no controlling shareholders and actual controllers. For 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.

Are there 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/Head	Date of Establishment	Organization Code	Main Business
Zhuhai Mingjun Investment	Zhuhai Xianying Equity Investment	2017/05/11	91440400MA4WJBCR4W	General project: Equity investment, investment

Partnership (Limited Partnership)	Partnership (Limited Partnership)			management, asset management, and other businesses through privately offered funds (businesses can only be carried out after registration and filing with the Asset Management Association of China). (Except for projects that require approval by law, businesses can be carried out independently according to the business license.) (Businesses that require approval by law can only be carried out after approval by the relevant departments.)
Equity of other domestic and overseas listed companies controlled by the shareholder at the ultimate control level during the reporting period	N/A			

Change in the actual controller during the reporting period

Applicable Not Applicable

There was no change in the actual controller of the Company during the reporting period.

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

The company has no actual controller

Control of the Company through a trust or other asset management methods by the actual controller

Applicable Not Applicable

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

Applicable Not applicable

Name	Type of Shareholder	Total Amount of Stock Pledge Financing (CNY10,000)	Purpose	Repayment Period	Source of Repayment Funds	Risk of Debt Repayment or Closing a Position (Yes/No)	Impact on the Stability of the Control of the Company (Yes/No)
Zhuhai	The largest	1,461,500	Repayment	2027/04/30	Own and	No	No

Mingjun Investment Partnership (Limited Partnership)	shareholder		of original loan		self-raised funds		
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5. Other corporate shareholders holding more than 10% of shares

Applicable Not Applicable

6. Restrictions on shareholding reduction by controlling shareholders, actual controllers, restructuring parties, and other commitment entities

Applicable Not Applicable

IV. Implementation of share repurchase during the reporting period

Implementation progress of share repurchase

Applicable Not Applicable

Implementation progress of reducing holdings of repurchased shares through centralized bidding

Applicable Not Applicable

Section VIII Preferred Share Information

Applicable Not Applicable

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

Section IX Bond Information

Applicable Not Applicable

Section X Financial Statements

I. Audit report

Type of audit opinion	Standard unqualified opinion
Signing date of audit report	2025/04/25
Name of audit institution	Union Power Certified Public Accountants (Special General Partnership)
Number of audit report	ZHSZ (2025) No. 0500119
Name of certified public accountant	Qiu Yiwu, Wang Huijun

Audit report text

Audit Report

ZHSZ (2025) No. 0500119

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

I. Audit opinion

We have audited the financial statements of Gree Electric Appliances, Inc. of Zhuhai (hereinafter referred to as "your company"), including the Consolidated and Company's Balance Sheets as of December 31, 2024, and 2024 Consolidated and Company's Income Statements, 2024 Consolidated and Company's Cash Flow Statements, 2024 Consolidated and Company's Statements of Changes in Shareholders' Equity, and Notes to Financial Statements.

In our opinion, the attached financial statements have been prepared in all material aspects in accordance with the *Accounting Standards for Business Enterprises* and fairly reflected the consolidated and Company's financial position of your company as of December 31, 2024, and the consolidated and Company's operating results and cash flows in 2024.

II. Basis for forming audit opinions

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

III. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. The response to these matters is based on the overall audit of the financial statements and the formation of audit opinions. We do not give

separate opinions on these matters.

(I) Accrual of inventory falling price reserves

Key audit matters	Coping methods
<p>Refer to Note III. 14, Note V. 11, and Note V. 65 in the financial statements.</p> <p>As of December 31, 2024, the book value of inventory in your company's consolidated balance sheet was CNY27,910,910,500, wherein the book balance of inventory was CNY31,783,345,100 and the inventory falling price reserves were CNY3,872,434,500.</p> <p>Recognition of the inventory falling price reserves depends on the estimation of the net realizable value of the inventory. For recognition of the net realizable value of the inventory, the management should estimate the future selling price of inventory, the costs (if related) to be incurred until completion, the sales expenses, and the related taxes and fees. 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 during the determination of the net realizable value of the inventory, there may be error or potential management bias. Therefore, we identified it as a key audit matter for 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, the costs incurred until completion (if related), the sales expenses, and the related taxes and fees. 3. Carry out audit procedures such as inspection and recalculation. Especially for the determination of the net realizable value of the inventory, recalculate according to relevant data. 4. Analyze and review the inventory aging to determine whether the accrual of inventory falling price reserves is sufficient. 5. Supervise the inventory-taking, and during the supervising process, in addition to paying attention to the authenticity and accuracy of the inventory, focus on the usage status of the inventory to check whether there is inventory in a stagnant or defective condition and 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 Note III. 14, Note V. 11, and Note V. 65 in the financial statements.

(II) Revenue recognition

Key audit matters	Coping methods
<p data-bbox="252 309 740 376">Please refer to Note III. 32 and Note V. 54 in the financial statements.</p> <p data-bbox="252 412 740 645">In the 2024 and 2023 consolidated financial statements of your company, the revenue from selling goods was CNY189,163,654,100 and CNY203,979,266,400 respectively, with an increase of 7.26% year-on-year.</p> <p data-bbox="252 680 740 994">Since the amount is significant and revenue is one of the key business indicators of your company, and whether it is based on real transactions and whether it is included in the appropriate accounting period has a significant impact on the financial statements, we consider revenue recognition as a key audit matter.</p>	<ol style="list-style-type: none"> <li data-bbox="767 309 1343 421">1. Understand, evaluate, and test the effectiveness of the design and execution of internal controls related to revenue recognition. <li data-bbox="767 456 1343 770">2. Review sales contract samples, understand the delivery terms of the transaction, and evaluate whether the business model is consistent with revenue recognition, whether the sales contract terms comply with industry practices, and whether the revenue recognition accounting policies comply with the requirements of <i>Accounting Standards for Business Enterprises</i>. <li data-bbox="767 806 1343 1039">3. Check the original supporting documents related to revenue recognition, such as orders, delivery notes, and arrival receipts based on audit sampling, to evaluate whether revenue has truly been incurred and whether it has been recognized according to accounting policies. <li data-bbox="767 1075 1343 1263">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. <li data-bbox="767 1299 1343 1487">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. <li data-bbox="767 1523 1343 1644">6. Carry out cut-off test program and post-test program to check for any revenue intertemporal or sales return to address revenue intertemporal. <li data-bbox="767 1680 1343 1823">7. Review the adequacy of the disclosure of information related to revenue recognition in Note III. 32 and Note V. 54 in the financial statements.

IV. Other information

The management of your company is responsible for other information. The other information comprises the information included in the 2024 Annual Report, other than the financial statements

and our auditor's report thereon.

Our audit opinions on financial statements do not cover any other information, and we do not express any form of assurance thereon.

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, we conclude that there is a material misstatement of the 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 about 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.

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

(I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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) Obtain an understanding of internal control related to the audit in order to design appropriate audit procedures.

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

(IV) Conclude on the appropriateness of using the going concern assumption by the management of your company, and conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that might cast significant doubt on your company's ability to continue as a going concern. If we conclude that there was a significant uncertainty, we are 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 are inadequate, we should express a non-unqualified opinion. Our conclusions are based on the information available as of the audit report date. However, future events or conditions may cause your company to cease to continue as a going concern.

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

(VI) Obtain sufficient and appropriate audit evidence regarding the financial information of your company's entity or business activities to express an opinion on the financial statements. We are responsible for guiding, supervising, and implementing group audits. We remain solely responsible for the audit opinions.

We communicate with the governance regarding, among other matters, the planned audit scope, schedule, and major audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide a statement to the governance regarding the observed professional moral requirements related to independence and communicate 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 determine the matters that are of most significance in the audit of the financial statements of the current period, thus constituting key audit matters. We describe these matters in the audit report unless laws and regulations prohibit public disclosure of these matters, or in rare cases, we determine that a matter should not be communicated in the audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Union Power Certified Public Accountants
(Special General Partnership)

Certified Public Accountant of China:

(engagement partner):

Qiu Yiwu

Certified Public Accountant of China:

Wang Huijun

Wuhan, China

2025/04/25

Consolidated Balance Sheet

2024/12/31

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

Item	Note	2024/12/31	2024/01/01
Current assets:			
Monetary funds	V. 1	113,900,461,797.94	124,104,987,289.62
Lending funds			
Trading financial assets	V. 2	16,548,258,632.49	9,614,423,403.40
Derivative financial assets	V. 3		108,919,513.22
Notes receivable	V. 4		87,340,130.52
Accounts receivable	V. 5	16,831,887,388.06	16,099,477,117.56
Receivables financing	V. 7	9,600,726,284.77	10,176,089,668.41
Advance payments	V. 8	1,530,312,318.65	2,492,647,395.31
Other receivables	V. 9	869,731,224.40	826,558,622.42
Including: Interests receivable			
Dividends receivable		4,325,690.04	19,936,649.83
Buying back the sale of financial assets	V. 10	5,625,977,294.57	3,932,338,954.49
Inventory	V. 11	27,910,910,515.55	32,579,140,028.70
Contract assets	V. 6	592,399,551.89	838,812,133.65
Assets held for sale			
Non-current assets due within one year	V. 12	13,854,786,730.73	2,411,633,459.29
Other current assets	V. 13	17,537,456,912.83	24,868,941,754.15
Total current assets		224,802,908,651.88	228,141,309,470.74
Non-current assets:			
Disbursement of loans and advances	V. 14	431,208,935.61	543,726,609.23
Debt investment	V. 15	1,001,466,666.64	1,150,744,482.05
Other debt investments	V. 16	7,016,555,220.76	16,363,841,665.96
Long-term receivables	V. 17	9,483,113.92	62,185,327.12
Long-term equity investments	V. 18	4,355,712,251.54	4,488,967,031.20
Other equity instrument investments	V. 19	3,039,588,563.46	3,864,865,509.37
Other non-current financial assets			
Investment real estate	V. 20	464,658,386.20	633,262,161.10
Fixed assets	V. 21	36,996,168,856.84	34,034,829,116.47
Construction in progress	V. 22	3,076,380,868.80	6,563,911,378.94
Usufruct assets	V. 23	789,763,790.64	842,250,508.12
Intangible assets	V. 24	10,438,873,258.01	10,827,694,521.82
Development expenditures			
Goodwill	V. 25	1,367,729,072.13	1,452,496,852.11
Long-term unamortized expenses	V. 26	37,344,681.11	24,275,474.94
Deferred income tax assets	V. 27	17,670,885,568.93	16,561,437,021.81
Other non-current assets	V. 28	56,532,976,636.39	42,498,105,445.39
Total non-current assets		143,228,795,870.98	139,912,593,105.63
Total assets		368,031,704,522.86	368,053,902,576.37

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Consolidated Balance Sheet (Continued)

2024/12/31

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

Item	Note	2024/12/31	2024/01/01
Current liabilities:			
Short-term borrowings	V. 30	39,009,527,273.22	26,443,476,388.52
Borrowings from the central bank			
Loans from other banks			
Trading financial liabilities			
Derivative financial liabilities	V. 31	170,740,734.87	4,079,919.91
Notes payable	V. 32	14,479,000,765.12	23,741,128,400.12
Accounts payable	V. 33	47,091,320,744.05	41,147,359,221.95
Advance receipts			
Contract liabilities	V. 34	12,491,059,928.53	13,588,771,210.88
Financial assets sold for repurchase			
Deposits from customers and interbank	V. 35	307,788,319.03	254,616,899.35
Payroll payable	V. 36	4,390,657,219.55	4,288,611,386.29
Taxes and dues payable	V. 37	2,713,045,051.02	4,337,631,560.28
Other payables	V. 38	4,556,911,705.22	5,513,266,516.82
Including: Interests payable			
Dividends payable		3,889,950.33	5,572,388.92
Liabilities held for sale			
Non-current liabilities due within one year	V. 39	15,577,179,285.89	20,605,521,073.03
Other current liabilities	V. 40	60,338,210,355.36	61,058,837,178.77
Total current liabilities		201,125,441,381.86	200,983,299,755.92
Non-current liabilities:			
Long-term borrowings	V. 41	18,229,817,922.13	39,035,742,535.09
Bonds payable			
Including: Preferred share			
Perpetual bond			
Lease liabilities	V. 42	711,291,189.69	767,007,951.92
Long-term payables	V. 43	7,912,428.09	27,028,498.30
Long-term payroll payable	V. 44	232,702,529.58	195,057,663.00
Estimated liabilities			
Deferred income	V. 45	3,409,749,454.13	3,527,855,598.12
Deferred income tax liabilities	V. 27	2,801,094,669.41	2,871,757,157.58
Other non-current liabilities			
Total non-current liabilities		25,392,568,193.03	46,424,449,404.01
Total liabilities		226,518,009,574.89	247,407,749,159.93
Shareholders' equity:			
Share capital	V. 46	5,601,405,741.00	5,631,405,741.00
Other equity instruments			
Including: Preferred share			
Perpetual bond			
Capital reserves	V. 47	472,179,369.50	1,352,522,393.67
Less: Treasury share	V. 48	2,616,565,976.68	4,942,723,911.44
Other comprehensive income	V. 49	182,018,285.77	275,538,293.30
Special reserves	V. 50	31,676,129.88	26,969,643.44
Surplus reserves	V. 51	1,789,443,715.25	1,731,130,024.40
General risk reserves	V. 52	509,245,480.58	507,223,117.40
Undistributed profits	V. 53	131,447,496,201.09	112,211,650,801.62
Total equity attributable to shareholders of the parent company		137,416,898,946.39	116,793,716,103.39
Minority equity		4,096,796,001.58	3,852,437,313.05
Total shareholders' equity		141,513,694,947.97	120,646,153,416.44
Total liabilities and shareholders' equity		368,031,704,522.86	368,053,902,576.37

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Consolidated Income Statement

2024/01-2024/12

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

Item	Note	2024	2023
I. Total operating revenue		190,038,071,604.78	205,018,123,834.21
Including: Operating revenue	V. 54	189,163,654,064.64	203,979,266,387.09
Interest income	V. 55	874,417,456.85	1,038,856,837.77
Service charge and commission income		83.29	609.35
II. Total operating costs		154,868,311,110.52	170,774,052,191.66
Including: Operating costs	V. 54	133,496,119,623.36	143,953,487,220.05
Interest expense	V. 55	158,700,589.03	126,399,291.44
Service charge and commission expenses		364,496.62	503,529.63
Taxes and surcharges	V. 56	1,798,827,795.44	2,114,184,492.83
Sales expenses	V. 57	9,753,022,469.17	14,801,702,209.41
Administrative expenses	V. 58	6,057,608,713.94	6,542,161,037.82
R&D expenses	V. 59	6,904,084,981.92	6,762,136,262.23
Financial expenses	V. 60	-3,300,417,558.96	-3,526,521,851.75
Including: Interest expenses		2,378,372,721.06	2,962,205,439.75
Interest income		5,999,412,762.36	6,189,969,897.82
Add: Other income	V. 61	2,724,657,818.37	900,669,135.95
Income from investments (losses expressed	V. 62	560,281,846.36	217,156,605.23
Including: Income from investments in joint		14,219,875.64	93,222,443.16
Income from the derecognition of			
Income from net exposure hedging (losses		-273,975,504.34	437,583,988.72
Income from changes in fair value (losses	V. 63	-273,975,504.34	437,583,988.72
Credit impairment losses (losses expressed	V. 64	-522,432,617.72	-824,045,112.30
Asset impairment losses (losses expressed with	V. 65	-686,819,202.27	-2,493,579,694.08
Income from disposal of assets (losses	V. 66	16,965,090.94	382,923,791.69
III. Operating profits (losses expressed with "--")		36,988,437,925.60	32,864,780,357.76
Add: Non-operating revenue	V. 67	72,190,967.82	128,371,808.52
Less: Non-operating expenses	V. 68	164,633,045.12	177,448,328.09
IV. Total profits (total losses expressed with "--")		36,895,995,848.30	32,815,703,838.19
Less: Income tax expenses	V. 69	4,524,926,560.95	5,096,680,924.60
IV. Net profits (net losses expressed with "--")		32,371,069,287.35	27,719,022,913.59
(I) Classification by business continuity:			
1. Net profits from continuing operations (net losses		32,311,066,123.10	27,719,217,635.33
2. Net profits from discontinuing operations (net losses		60,003,164.25	-194,721.74
(II) Classification by ownership:			
1. Net profits attributable to shareholders of the parent		32,184,570,372.28	29,017,387,604.18
2. Minority interest income (net losses expressed with		186,498,915.07	-1,298,364,690.59
VI. Net of tax of other comprehensive income	V. 49	180,264,674.95	-1,335,306,322.73
(I) Net of tax of other comprehensive income attributable to		175,599,320.20	-1,353,437,738.42
1. Other comprehensive income that cannot be		141,296,779.55	-1,419,870,672.10
(1) Changes arising from remeasurement of the defined		-34,144,434.00	-15,837,466.00
(2) Other comprehensive income that cannot be		-147,457,182.75	-852,472,209.72
(3) Changes in fair value of other equity instrument		322,898,396.30	-551,560,996.38
(4) Changes in fair value of the Company's own credit			
(5) Others			
2. Other comprehensive income to be reclassified into		34,302,540.65	66,432,933.68
(1) Other comprehensive income that can be transferred		-82,393.76	160,652.18
(2) Changes in fair value of other debt investments		16,578,380.61	5,646,351.69
(3) Amount of financial assets reclassified into and			
(4) Reserves for credit impairment of other debt		1,291,886.08	2,753,149.69
(5) Cash flow hedging reserves		-4,944,143.75	1,650,685.72
(6) Differences arising from the translation of financial		21,458,811.47	56,222,094.40
(7) Others			
(II) Net of tax of other comprehensive income attributable		4,665,354.75	18,131,415.69
VII. Total comprehensive income		32,551,333,962.30	26,383,716,590.86
(I) Total comprehensive income attributable to		32,360,169,692.48	27,663,949,865.76
(II) Total comprehensive income attributable to minority		191,164,269.82	-1,280,233,274.90
VIII. Earnings per share:			
(I) Basic earnings per share (yuan/share)		5.83	5.22
(II) Diluted earnings per share (yuan/share)		5.83	5.22

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Consolidated Cash Flow Statement

2024/01-2024/12

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

Item	Note	2024	2023
I. Cash flows from operating activities:			
Cash received from the sale of goods or the rendering of services		171,937,113,993.38	222,450,716,185.76
Net increase in deposits from customers and interbank		50,560,729.20	35,681,305.16
Net increase in borrowings from the central bank			
Net increase in loans from other banks			
Cash received for interests, service charges, and commissions		690,447,891.17	404,330,867.02
Net increase in loans from other banks			
Net increase in repurchase business capital			
Refund of taxes and levies		3,596,859,028.53	3,267,420,421.11
Other cash received related to operating activities	V. 70 (1)	3,249,319,163.59	2,838,768,145.79
Subtotal of cash inflows from operating activities		179,524,300,805.87	228,996,916,924.84
Cash paid for goods acquired and services received		108,253,725,552.93	122,277,671,203.25
Net increase in customer loans and advances		1,579,170,000.00	3,751,715,000.00
Net increase in deposits with central bank and interbank funds		485,197,013.98	121,006,301.94
Net increase in lending funds			
Cash paid for interests, service charges, and commissions		157,403,936.47	126,487,510.44
Cash paid to and on behalf of employees		11,779,145,121.58	11,191,368,139.74
Payment of taxes and levies		16,976,161,858.63	17,572,921,744.39
Other cash paid related to operating activities	V. 70 (1)	10,924,246,751.62	17,557,320,670.91
Subtotal of cash outflows from operating activities		150,155,050,235.21	172,598,490,570.67
Net cash flows from operating activities		29,369,250,570.66	56,398,426,354.17
II. Cash flows from investment activities:			
Cash received from the recovery of investment		28,787,096,787.35	21,852,693,438.10
Cash received from return of investment		618,087,953.81	688,434,561.28
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets		183,166,640.30	1,931,290,335.02
Net cash received from the disposal of subsidiaries and other business entities		100,813,456.40	35,000,000.00
Other cash received related to investment activities	V. 70 (2)	5,165,700,914.89	24,715,882,326.50
Subtotal of cash inflows from investment activities		34,854,865,752.75	49,223,300,660.90
Cash paid for the purchase and construction of fixed assets, intangible assets, and other long-term assets		3,299,787,341.22	5,425,734,302.92
Cash paid for investments		42,462,983,876.69	84,267,244,633.47
Net cash paid for the acquisition of subsidiaries and other business entities		209,444,845.48	239,342,398.39
Other cash paid related to investment activities	V. 70 (2)	4,440,559,304.93	308,198,670.53
Subtotal of cash outflows from investment activities		50,412,775,368.32	90,240,520,005.31
Net cash flows from investment activities		-15,557,909,615.57	-41,017,219,344.41
III. Cash flows from financing activities:			
Cash received from absorbing investment		61,239,812.00	
Including: Cash received from minority shareholders' investments in subsidiaries		61,239,812.00	
Cash received from borrowings		69,114,070,361.03	68,622,584,547.14
Other cash received related to financing activities	V. 70 (3)	5,382,824,066.67	20,203,186,178.80
Subtotal of cash inflows from financing activities		74,558,134,239.70	88,825,770,725.94
Cash paid for debts		82,643,007,052.90	87,009,692,089.60
Cash paid for dividends and profits or interests		15,133,493,514.47	13,811,350,664.09
Including: Dividends and profits paid to minority shareholders by subsidiaries		35,819,000.00	111,193,450.56
Other cash paid related to financing activities	V. 70 (3)	484,846,580.49	4,362,544,531.09
Subtotal of cash outflows from financing activities		98,261,347,147.86	105,183,587,284.78
Net cash flows from financing activities		-23,703,212,908.16	-16,357,816,558.84
IV. Impact of foreign exchange rate changes on cash and cash equivalents			
		118,633,846.78	136,149,039.88
V. Net increase in cash and cash equivalents			
		-9,773,238,106.29	-840,460,509.20
Add: Beginning balance of cash and cash equivalents		30,914,196,186.41	31,754,656,695.61
VI. Ending balance of cash and cash equivalents			
		21,140,958,080.12	30,914,196,186.41

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Consolidated Statement of Changes in Shareholders' Equity

2024/01-2024/12

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

Item	2024														
	Equity attributable to shareholders of the parent company													Minority Equity	Total Shareholders' Equity
	Share Capital	Other Equity Instruments			Capital Reserves	Less: Treasury Share	Other Comprehensive Income	Special Reserves	Surplus Reserves	General Risk Reserves	Undistributed Profits	Others	Subtotal		
	Preferred Share	Perpetual Bond	Others												
I. Ending balance of the previous year	5,631,405,741.00				1,352,522,393.67	4,942,723,911.44	275,538,293.30	26,969,643.44	1,731,130,024.40	507,223,117.40	112,211,650,801.62		116,793,716,103.39	3,852,437,313.05	120,646,153,416.44
Add: Changes in accounting policies															
Early error correction															
Business combination under common control															
Others															
II. Beginning balance of the current year	5,631,405,741.00				1,352,522,393.67	4,942,723,911.44	275,538,293.30	26,969,643.44	1,731,130,024.40	507,223,117.40	112,211,650,801.62		116,793,716,103.39	3,852,437,313.05	120,646,153,416.44
III. Increase or decrease in the current year (decrease expressed with "-")	-30,000,000.00				-880,343,024.17	2,326,157,934.76	-93,520,007.53	4,706,486.44	58,313,690.85	2,022,363.18	19,235,845,399.47		20,623,182,843.00	244,358,688.53	20,867,541,531.53
(I) Total comprehensive income							175,599,320.20				32,184,570,372.28		32,360,169,692.48	191,164,269.82	32,551,333,962.30
(II) Capital invested and reduced by shareholders	-30,000,000.00				-880,343,024.17	2,326,157,934.76							1,415,814,910.59	84,888,119.69	1,500,703,030.28
1. Common shares invested by shareholders					19,006,782.78								19,006,782.78	3,162,968.80	22,169,751.58
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payments recognized in shareholders' equity					321,918,559.82								321,918,559.82	18,701,078.43	340,619,638.25
4. Others	-30,000,000.00				-1,221,268,366.77	2,326,157,934.76							1,074,889,567.99	63,024,072.46	1,137,913,640.45
(III) Profit distribution								32,929,994.98		2,022,363.18	-13,177,178,235.64		-13,142,225,877.48	-35,819,000.00	-13,178,044,877.48
1. Withdrawal of surplus reserves								32,929,994.98			-32,929,994.98				
2. Withdrawal of general risk reserves										2,022,363.18	-2,022,363.18				
3. Distribution to shareholders											-13,142,225,877.48		-13,142,225,877.48	-35,819,000.00	-13,178,044,877.48
4. Others															
(IV) Internal carry-over of shareholders' equity							-269,119,327.73		25,383,695.87		228,453,262.83		-15,282,369.03		-15,282,369.03
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 the defined benefit plan carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings							-269,119,327.73		25,383,695.87		228,453,262.83		-15,282,369.03		-15,282,369.03
6. Others															
(V) Special reserves								4,706,486.44					4,706,486.44	4,125,299.02	8,831,785.46
1. Amount withdrawn in the current period									10,069,964.53				10,069,964.53	5,366,906.56	15,436,871.09
2. Amount used in the current period									5,363,478.09				5,363,478.09	1,241,607.54	6,605,085.63
(VI) Others															
IV. Ending balance of this year	5,601,405,741.00				472,179,369.50	2,616,565,976.68	182,018,285.77	31,676,129.88	1,789,443,715.25	509,245,480.58	131,447,496,201.09		137,416,898,946.39	4,096,796,001.58	141,513,694,947.97

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Consolidated Statement of Changes in Shareholders' Equity (Continued)

2024/01-2024/12

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

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

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Balance Sheet of Company

2024/12/31

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

Item	Note	2024/12/31	2024/01/01
Current assets:			
Monetary funds		104,997,483,796.94	108,942,922,385.17
Trading financial assets		16,481,965,416.85	9,239,143,613.00
Derivative financial assets		14,619,878.74	95,917,736.67
Notes receivable			
Accounts receivable	XVI. 1	4,827,772,360.37	5,005,378,177.86
Receivables financing		7,006,718,140.32	7,524,899,223.47
Advance payments		28,545,633,730.59	30,848,777,000.48
Other receivables	XVI. 2	10,199,939,865.70	4,860,219,830.31
Including: Interests receivable			
Dividends receivable			
Inventory		7,313,135,268.12	6,554,892,982.74
Contract assets			
Assets held for sale			
Non-current assets due within one year		13,176,925,988.88	2,275,251,779.59
Other current assets		11,386,836,198.06	21,109,801,963.63
Total current assets		203,951,030,644.57	196,457,204,692.92
Non-current assets:			
Debt investment		1,001,466,666.64	1,150,744,482.05
Other debt investments		6,442,532,894.44	15,167,794,246.58
Long-term receivables			
Long-term equity investments	XVI. 3	27,043,957,920.42	29,745,489,074.58
Other equity instrument investments		2,907,274,549.45	3,720,140,478.30
Other non-current financial assets			
Investment real estate		15,549,713.49	15,267,230.92
Fixed assets		2,951,362,264.27	1,920,285,695.06
Construction in progress		3,570,152.59	827,683,995.65
Usufruct assets			
Intangible assets		524,093,498.81	538,236,487.90
Development expenditures			
Goodwill			
Long-term unamortized expenses			
Deferred income tax assets		12,754,641,796.88	12,918,181,096.41
Other non-current assets		51,848,066,215.46	39,079,582,229.05
Total non-current assets		105,492,515,672.45	105,083,405,016.50
Total assets		309,443,546,317.02	301,540,609,709.42

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Balance Sheet of Company (Continued)

2024/12/31

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

Item	Note	2024/12/31	2024/01/01
Current liabilities:			
Short-term borrowings		30,059,062,411.86	14,746,805,059.21
Trading financial liabilities			
Derivative financial liabilities			4,079,919.91
Notes payable		12,704,510,651.54	20,930,759,577.37
Accounts payable		71,833,289,675.25	56,619,857,856.76
Advance receipts			
Contract liabilities		6,692,639,915.42	8,477,695,446.71
Payroll payable		1,567,284,063.01	1,538,244,958.36
Taxes and dues payable		1,123,991,382.95	2,617,451,988.73
Other payables		2,144,355,042.02	3,127,041,358.88
Including: Interests payable			
Dividends payable		602,881.87	602,881.87
Liabilities held for sale			
Non-current liabilities due within one year		14,951,202,185.14	19,446,383,711.42
Other current liabilities		58,357,673,721.64	59,082,715,501.14
Total current liabilities		199,434,009,048.83	186,591,035,378.49
Non-current liabilities:			
Long-term borrowings		15,658,858,599.83	36,308,065,111.81
Bonds payable			
Including: Preferred share			
Perpetual bond			
Lease liabilities			
Long-term payables			
Long-term payroll payable		232,102,639.00	195,057,663.00
Estimated liabilities			
Deferred income		159,859,570.92	143,416,179.21
Deferred income tax liabilities		1,664,135,892.22	1,306,743,893.80
Other non-current liabilities			
Total non-current liabilities		17,714,956,701.97	37,953,282,847.82
Total liabilities		217,148,965,750.80	224,544,318,226.31
Shareholders' equity:			
Share capital		5,601,405,741.00	5,631,405,741.00
Other equity instruments			
Including: Preferred share			
Perpetual bond			
Capital reserves		993,202,543.54	1,893,049,118.18
Less: Treasury share		2,594,171,175.58	4,942,723,911.44
Other comprehensive income		487,239,916.28	585,972,104.35
Special reserves			
Surplus reserves		2,800,702,870.50	2,742,389,179.65
Undistributed profits		85,006,200,670.48	71,086,199,251.37
Total shareholders' equity		92,294,580,566.22	76,996,291,483.11
Total liabilities and shareholders' equity		309,443,546,317.02	301,540,609,709.42

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Income Statement of Company

2024/01-2024/12

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

Item	Note	2024	2023
I. Operating revenue	XVI. 4	125,658,777,785.89	134,653,638,564.88
Less: Operating costs	XVI. 4	85,603,970,749.18	90,206,680,531.76
Taxes and surcharges		731,260,431.00	859,092,997.83
Sales expenses		8,139,831,424.59	12,861,530,861.12
Administrative expenses		972,007,096.41	1,821,653,380.75
R&D expenses		5,000,866,640.04	5,011,334,301.81
Financial expenses		-4,334,351,737.43	-3,106,751,273.76
Including: Interest expenses		2,096,763,332.46	2,614,299,954.46
Interest income		6,397,403,785.49	6,174,406,252.36
Add: Other income		1,270,944,567.58	51,153,924.37
Income from investments (losses expressed with "-")	XVI. 5	3,138,996,739.42	4,277,964,743.44
Including: Income from investments in joint ventures or associates		-5,779,979.32	-6,685,965.10
Income from the derecognition of financial assets measured at amortized costs			
Income from net exposure hedging (losses expressed with "-")			
Income from changes in fair value (losses expressed with "-")		-74,532,589.63	225,560,468.94
Credit impairment losses (losses expressed with "-")		7,130,075.90	-143,073,661.64
Asset impairment losses (losses expressed with "-")		-2,846,508,830.66	-1,011,653,917.67
Income from disposal of assets (losses expressed with "-")		596,794.64	385,145,031.19
II. Operating profits (losses expressed with "-")		31,041,819,939.35	30,785,194,354.00
Add: Non-operating revenue		11,718,837.26	69,675,985.99
Less: Non-operating expenses		8,325,418.48	2,865,046.70
III. Total profits (total losses expressed with "-")		31,045,213,358.13	30,852,005,293.29
Less: Income tax expenses		4,178,509,329.39	3,803,032,435.67
IV. Net profits (net losses expressed with "-")		26,866,704,028.74	27,048,972,857.62
1. Net profits from continuing operations (net losses expressed with "-")		26,866,704,028.74	27,048,972,857.62
2. Net profits from discontinuing operations (net losses expressed with "-")			
V. Net of tax of other comprehensive income		170,387,139.66	-1,393,059,564.60
1. Other comprehensive income that cannot be reclassified into profits and losses		170,109,000.48	-1,385,556,900.05
(1) Changes arising from remeasurement of the defined benefit plan		-34,144,434.00	-15,837,466.00
(2) Other comprehensive income that cannot be transferred to profits and losses under the equity method		-147,457,182.75	-855,045,750.68
(3) Changes in fair value of other equity instrument investments		351,710,617.23	-514,673,683.37
(4) Changes in fair value of the Company's own credit risk			
(5) Others			
2. Other comprehensive income to be reclassified into profits and losses		278,139.18	-7,502,664.55
(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		5,186,357.93	-9,130,605.80
(3) Amount of financial assets reclassified into and included in other comprehensive income			
(4) Reserves for credit impairment of other debt investments			
(5) Cash flow hedging reserves		-4,908,218.75	1,627,941.25
(6) Differences arising from the translation of financial statements into foreign currency			
(7) Others			
VI. Total comprehensive income		27,037,091,168.40	25,655,913,293.02

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Cash Flow Statement of Company

2024/01-2024/12

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

Item	Note	2024	2023
I. Cash flows from operating activities:			
Cash received from the sale of goods or the rendering of services		107,522,648,166.15	144,179,376,788.30
Refund of taxes and levies		2,769,613,923.80	2,331,542,341.22
Other cash received related to operating activities		53,756,794,088.97	42,036,996,855.66
Subtotal of cash inflows from operating activities		164,049,056,178.92	188,547,915,985.18
Cash paid for goods acquired and services received		109,944,862,169.12	118,570,609,203.77
Cash paid to and on behalf of employees		3,142,711,537.37	3,156,268,049.00
Payment of taxes and levies		11,326,772,472.37	11,257,710,858.48
Other cash paid related to operating activities		11,769,241,239.58	10,627,695,536.89
Subtotal of cash outflows from operating activities		136,183,587,418.44	143,612,283,648.14
Net cash flows from operating activities		27,865,468,760.48	44,935,632,337.04
II. Cash flows from investment activities:			
Cash received from the recovery of investment		28,134,671,586.46	21,792,641,532.16
Cash received from return of investment		578,587,703.50	761,944,706.94
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets		116,110,338.40	1,518,775,880.59
Net cash received from the disposal of subsidiaries and other business entities			
Other cash received related to investment activities		6,514,304,287.02	17,579,810,310.30
Subtotal of cash inflows from investment activities		35,343,673,915.38	41,653,172,429.99
Cash paid for the purchase and construction of fixed assets, intangible assets, and other long-term assets		452,209,897.37	535,255,593.94
Cash paid for investments		38,329,525,774.69	81,994,120,506.79
Net cash paid for the acquisition of subsidiaries and other business entities			
Other cash paid related to investment activities		6,986,921,376.35	4,190,445,611.95
Subtotal of cash outflows from investment activities		45,768,657,048.41	86,719,821,712.68
Net cash flows from investment activities		-10,424,983,133.03	-45,066,649,282.69
III. Cash flows from financing activities:			
Cash received from absorbing investment			
Cash received from borrowings		56,661,580,712.92	53,605,339,999.39
Other cash received related to financing activities		7,573,954,660.01	9,273,478,862.85
Subtotal of cash inflows from financing activities		64,235,535,372.93	62,878,818,862.24
Cash paid for debts		66,707,114,661.74	55,186,410,550.58
Cash paid for dividends and profits or interests		14,911,712,364.83	13,409,157,688.67
Other cash paid related to financing activities		15,433,050.00	3,390,981,384.42
Subtotal of cash outflows from financing activities		81,634,260,076.57	71,986,549,623.67
Net cash flows from financing activities		-17,398,724,703.64	-9,107,730,761.43
IV. Impact of foreign exchange rate changes on cash and cash equivalents		210,045,712.95	-137,818,393.05
V. Net increase in cash and cash equivalents		251,806,636.76	-9,376,566,100.13
Add: Beginning balance of cash and cash equivalents		10,177,665,192.94	19,554,231,293.07
VI. Ending balance of cash and cash equivalents		10,429,471,829.70	10,177,665,192.94

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Statement of Changes in Shareholders' Equity of Company

2024/01-2024/12

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

Item	2024										
	Share Capital	Other Equity instruments			Capital Reserves	Less: Treasury Share	Other Comprehensive Income	Special Reserves	Surplus Reserves	Undistributed Profits	Total Shareholders' Equity
		Preferred Share	Perpetual Bond	Others							
I. Ending balance of the previous year	5,631,405,741.00				1,893,049,118.18	4,942,723,911.44	585,972,104.35		2,742,389,179.65	71,086,199,251.37	76,996,291,483.11
Add: Changes in accounting policies											
Early error correction											
Others											
II. Beginning balance of the current year	5,631,405,741.00				1,893,049,118.18	4,942,723,911.44	585,972,104.35		2,742,389,179.65	71,086,199,251.37	76,996,291,483.11
III. Increase or decrease in the current year (decrease expressed with "-")	-30,000,000.00				-899,846,574.64	-2,348,552,735.86	-98,732,188.07		58,313,690.85	13,920,001,419.11	15,298,289,083.11
(I) Total comprehensive income							170,387,139.66			26,866,704,028.74	27,037,091,168.40
(II) Capital invested and reduced by shareholders	-30,000,000.00				-899,846,574.64	-2,348,552,735.86					1,418,706,161.22
1. Common shares invested by shareholders											
2. Capital invested by holders of other equity instruments											
3. Amount of share-based payments recognized in shareholders' equity					310,632,844.42						310,632,844.42
4. Others	-30,000,000.00				-1,210,479,419.06	-2,348,552,735.86					1,108,073,316.80
(III) Profit distribution									32,929,994.98	-13,175,155,872.46	-13,142,225,877.48
1. Withdrawal of surplus reserves									32,929,994.98	-32,929,994.98	
2. Distribution to shareholders										-13,142,225,877.48	-13,142,225,877.48
3. Others											
(IV) Internal carry-over of shareholders' equity							-269,119,327.73		25,383,695.87	228,453,262.83	-15,282,369.03
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 the defined benefit plan carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings							-269,119,327.73		25,383,695.87	228,453,262.83	-15,282,369.03
6. Others											
(V) Special reserves											
1. Amount withdrawn in the current period											
2. Amount used in the current period											
(VI) Others											
IV. Ending balance of this year	5,601,405,741.00				993,202,543.54	2,594,171,175.58	487,239,916.28		2,800,702,870.50	85,006,200,670.48	92,294,580,566.22

Legal Representative:

Chief Accountant:

Head of Accounting Department:

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

2024/01-2024/12

Prepared by: Gree Electric Appliances, Inc. of Zhuhai

Unit: CNY

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

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Gree Electric Appliances, Inc. of Zhuhai

Notes to 2024 Financial Statements

I. Company profile

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

As of December 31, 2024, the registered capital and share capital of the Company was CNY5,601,405,741.00. Please refer to Note V. 46 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

Registered address and headquarters address: Office 608,108 Huitong Third Road, Hengqin New Area, Zhuhai, Guangdong Province.

2. Nature of business and main businesses of the Company

The Company is a manufacturing enterprise mainly engaged in the production and sales of household appliances and their accessories.

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

As of December 31, 2024, the Company had no parent company or actual controller.

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

The financial statements were submitted under the approval of the Board of Directors of the Company as of April 25, 2025.

II. Preparation basis of financial statements

1. Preparation basis

The Company prepares the financial statements on the basis of a going concern and according to the transactions and events 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 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 Statements* (revised in 2023) promulgated by China Securities Regulatory Commission ("CSRC"). According to the relevant provisions of the *Accounting Standards for Business Enterprises*, the Company's accounting is based on an accrual basis. Except for certain financial instruments, the financial statements are measured based on historical cost. If an asset is impaired, the corresponding impairment reserves are accrued 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 next 12 months since December 31, 2024, such as the macro policy risk, market operation risk, current and long-term profitability and solvency of the enterprise, financial flexibility, and the management's intention of changing the operation policy, and held that no event can generate significant influence on the Company's ability to continue as a going concern.

III. Major accounting policies and accounting estimates

Specific accounting policies and accounting estimates:

The Company and its subsidiaries are mainly engaged in the production and sales of household appliances and their accessories. The Company has prepared several accounting policies and accounting estimates for transactions and events such as revenue recognition based on the actual production and operation characteristics and according to provisions of the related *Accounting Standards for Business Enterprises*. For details, please refer to 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, 2024, and the related information such as operating results and cash flows in 2024. 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 — General Provisions on Financial Statements* revised by the China Securities Regulatory Commission, as revised in 2023.

2. Accounting period

The accounting period of the Company includes annual and interim periods. An interim period covers six months, 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 the realization 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

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

5. Determination method and selection basis of importance criteria

Item	Importance Criteria
Important receivables with bad debt reserves accrued by individual item	The amount of accrual by individual item accounts for more than 5% of the ending balance of various receivables and the amount is greater than CNY100 million

Item	Importance Criteria
Recovery or reversal of important receivables bad debt reserves	The single recovery or reversal amount accounts for more than 5% of the ending balance of various receivables and the amount is greater than CNY100 million
Actual write-off of important receivables	The write-off amount accounts for more than 5% of the ending balance of various receivables and the amount is greater than CNY100 million
Important advance payments aged over one year	Advance payments aged over 1 year account for more than 10% of the ending balance of advance payments and the amount is greater than CNY100 million
Important construction in progress	The ending balance of a single project is greater than CNY100 million
Important accounts payable and other payables aged over one year	Accounts payable/other payables aged over 1 year account for more than 10% of the ending balance of accounts payable/other payables and the amount is greater than CNY100 million
Important contractual liabilities aged over one year	Contractual liabilities aged over 1 year account for more than 10% of the ending balance of contractual liabilities and the amount is greater than CNY100 million
Important non-wholly-owned subsidiaries	Subsidiary's ending net assets/total ending assets/total current profit account for more than 10% of the Company's ending net assets/total ending assets/total current profit
Important joint ventures or associates	The ending book value of long-term equity investments in a single investee accounts for more than 5% of the Company's ending net assets, or the current investment profit and loss under the equity method accounts for more than 10% of the Company's consolidated net profit for the current period
Important investment activities	Individual investment activities account for more than 10% of the total cash inflows or outflows related to received or paid investments

6. Accounting treatment of business combinations under common control and business combinations not under common control

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

(1) Business combinations under common control

A business combination under common control is a business combination in which the enterprises participating in the combination are ultimately controlled by the same party or parties before and after the combination, and the control is not temporary. For business combinations 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 obtains the right to control the combined party.

Where business combination 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 the combination according to the book value 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 book value of the consideration paid for the combination (or total par value of the issued shares) and the cost of the business combination is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

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

earnings. The transaction expenses directly attributable to the consideration paid for the combination through the issuance of debt instruments are recorded into the initially recognized amount of debt instruments. Where the equities of investees under common control are obtained step by step through multiple transactions to achieve a business combination, but these transactions do not belong to a package deal, the Company will recognize the cost of the combination according to the book value of net assets obtained for the combined party after the combination in the ultimate controlling party's consolidated financial statements on the combination date. The difference between the cost of the business combination and the sum of the book value of long-term equity investments before the combination plus the book value of the consideration newly paid for further acquisition of shares on the date of combination is adjusted to capital reserve (capital premium or share capital premium). If the capital reserve is not sufficient to absorb the difference, any excess is adjusted against retained earnings. For the equity investment held before the date of combination, accounting treatment is not performed temporarily for other comprehensive incomes that are accounted for using the equity method or recognized using financial instruments and accounted according to the measurement standard for recognition. When this investment is disposed of, accounting treatment is conducted using the same basis 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 current profits and losses at the time of disposing of this investment.

(2) Business combinations not under common control

A business combination not under common control is a business combination in which all combining enterprises are not ultimately controlled by the same party or parties both before and after the combination. For business combinations not 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 obtains the right to control the acquired party.

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

For a business combination realized by two or more transactions of exchange, the accounting treatment for the cost of the business combination 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 before the date of acquisition, the cost of business combination for the investment is the aggregate of the book value of the equity investment of the acquired party held before the date of acquisition and the investment cost newly increased on the date of acquisition. For other related comprehensive income, accounting treatment is performed during the disposal of the investment using the basis the same as that used by the investee to directly dispose of relevant assets or liabilities. The owner's equity that is recognized due to 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 current profits and losses 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 business combination for 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 book value 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 book value shall be charged to the investment income of the current period. Where the shares of the acquired party held before the date of acquisition involve other comprehensive income under the accounting of the equity method and 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 sum 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 combined cost of the investment.

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

In the Company, the positive balance between the cost of the business combination 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 cost of the business combination and the fair value of the identifiable net assets obtained by the Company from the acquired party shall be charged to current profits and losses 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 the occurrence of at least one of the other transactions;
- 4) one transaction is not economical when considered separately, but economical when taken into account together with other transactions.

7. Preparation of consolidated financial statements

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

The scope of consolidated financial statements shall be determined based on control. Control means that the Company owns the power to the investee, enjoys variable return by participating in relevant activities of the investee, and uses 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 the preparation of consolidated financial statements, the accounting policy and accounting period of the Company shall be consistent with those of subsidiaries, and the inter-company major transactions and balances shall be offset.

For the subsidiary added due to a business combination under common control during the reporting 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 reporting 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 a business combination not 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 reporting period into the consolidated profit statement and its cash flow into the consolidated cash flow statement.

The owner's equity of the subsidiaries that aren't attributable to the Company shall be separately presented as the minority equity under the owner's equity in the consolidated balance sheet. The subsidiary's current net profits and losses attributable to minority equity are presented as "Minority profits and losses" in the consolidated income statement. The comprehensive income of the subsidiaries in the current period that is attributable to the minority equity shall be presented as the "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 owner's equities of this subsidiary at the beginning of the period, the balance shall still be adjusted against the minority shareholders' equity.

For the acquisition of the subsidiary's shares owned by minority shareholders thereof, in the consolidated financial statements, the difference between the long-term equity investment newly obtained because of the acquisition of minority shareholders' shares and the 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 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 the disposal of a part of an 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 net assets of the original subsidiary that is enjoyed and 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, before the loss of the control right, the difference between every disposal price and the net assets of this subsidiary to be enjoyed accordingly for investment disposal shall be recognized as other comprehensive income in the consolidated financial statements and, at the time of losing the control right, be jointly transferred to the profits and losses in the period when the control right is lost.

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

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

8. Classification of joint arrangements and accounting treatment of joint operations

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

(1) Joint arrangement classification

Joint arrangement is classified into joint operation and joint venture. Joint operation refers to a 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 a joint arrangement where the parties to the venture only enjoy rights to the net assets of this arrangement.

(2) Accounting treatment of joint operations

1) The Company recognizes the following items related to the quantum of interest in joint operations and performs accounting treatment in accordance with provisions of the *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 joint operations that is enjoyed by the Company;
- d. revenue generated by selling the output during joint operations and recognized according to the share of the Company;
- e. independently incurred expense, as well as the expense incurred by joint operations and recognized according to the share of the Company.

2) Where the Company puts assets into or sells assets to the parties to joint operations (except that the assets constitute business), before the said assets are sold to a third party by the parties to joint operations, the Company

recognizes only the part in the profits and losses arising from this transaction that is attributable to other participants in the joint operations. In case the put or sold assets involve asset impairment losses complying with provisions in the *Accounting Standards for Business Enterprises No. 8 — Impairment of Assets*, the Company shall recognize the said loss in full.

Where the Company purchases assets from the parties to joint operations (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 joint operations. In case the purchased assets involve asset impairment losses complying with provisions in the *Accounting Standards for Business Enterprises No. 8 — Impairment of Assets*, the Company shall recognize this part of loss according to the share to undertake.

9. Determination criteria for cash and cash equivalents

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

10. 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 CNY at the spot exchange rate of the transaction date (generally referring to the middle rate of foreign exchange quotation published by the People's Bank of China at the date of transaction, the same below).

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

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

(3) Translation of financial statements in foreign currency

The Company translates the financial statements expressed in foreign currency into ones expressed in CNY 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", other items of owners' equity are converted at the spot exchange rate at the

time of occurrence. The asset and liability items in the balance sheets shall be translated at an average exchange rate. The difference arising from the translation of financial statements in foreign currency generated by the above method shall be separately presented under the owner's equity item in the balance sheet. The foreign currency cash flow statement shall be translated at the average exchange rate on the cash flow date. The affected amount of the exchange rate change on cash shall be presented separately under the adjusted item in the cash flow statement.

11. Financial instruments

A financial asset or financial liability can be recognized when the Company becomes one party of a 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 amortized costs

The Company's business model for managing financial assets measured at amortized 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 measurements based on amortized 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-trading 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 earnings, 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, 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 measurements, and the changes in fair value are included in the current profits and losses.

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

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

1) Financial liabilities 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 trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities measured at fair value with changes included in the current profits and losses at initial recognition.

Trading 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 measured at fair value with changes included in the current profits and losses at the initial recognition, 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 profits and losses.

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 value 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. regularly, and represents the price of market transactions that occur in fair trading. For financial instruments for which there is no active market, the fair value thereof will be determined by the Company using valuation techniques. Valuation 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 the 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.

12. Impairment of financial assets

Financial assets of which the Company needs to recognize impairment losses include financial assets measured at amortized 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 impairment reserves

Based on the expected credit loss, the Company accrues impairment reserves 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 according to 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 reserves 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 reserves 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 criteria 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 date 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 portfolios

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 portfolios based on their common risk characteristics, and assesses the credit risks based on portfolios.

(4) Accounting treatment methods for financial assets impairment

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

Item	Basis for Recognition of Portfolios
Banker's acceptance bill	The acceptor is a banking institution
Financial company's acceptance bill	The acceptor is a financial company
Commercial acceptance bill	The acceptor is a company other than a banking 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 portfolios based on their credit risk characteristics:

Item	Basis for Recognition of Portfolios
Portfolio 1: Account age portfolio	The portfolio takes the account age of accounts receivable as the basis for the portfolio
Portfolio 2: Low-risk portfolio	The portfolio takes the dismantling subsidy of waste electrical and electronic products receivable from government departments and new energy vehicle subsidies as the basis for the portfolio
Portfolio 3: Risk-free portfolio	The portfolio takes the receivables from related entities within the scope of consolidation as the basis for the portfolio

3) Disbursement of loans and advances

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

4) Other receivables

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

Item	Basis for Recognition of Portfolios
Portfolio 1: Account age portfolio	The portfolio takes the account age of other receivables as the basis for the portfolio
Portfolio 2: Low-risk portfolio	The portfolio takes the receivable government grain deposits as the basis for the portfolio
Portfolio 3: Risk-free portfolio	The portfolio takes the receivables from related entities within the scope of consolidation as the basis for the portfolio

5) Debt investment

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

6) Other debt investments

Other debt investments mainly account for the debt instrument investments measured at fair value with changes included in other comprehensive income. The Company measures impairment losses using an amount equivalent to 12-month or lifetime expected credit losses, based on whether the credit risk of other debt investments has increased significantly since initial recognition.

7) Long-term receivables

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

13. Receivables financing

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

assets.

14. Inventory

(1) Inventory classification

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

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

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

(2) Valuation method for delivered inventories

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

Inventories accounted for with the planned cost method are valued at planned cost upon shipment, and at the end of the month, the planned cost is adjusted to the actual cost based on the cost difference of the current month.

Inventories accounted for using the actual cost method mainly use the weighted average method at the end of each month to value the delivered inventory.

The development cost and development product 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 development products, 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 falling price reserves

At the balance sheet date, inventories are measured at the lower one of the cost and net realizable value. If the cost of inventories is higher than the net realizable value, the inventory falling price reserves shall be accrued and shall be recorded into the current profits and losses, where the inventory falling price reserves have been made, if the value of the said inventories is resumed later, the said value shall be transferred back from the accrued inventory falling price reserves. 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.

15. 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 according to the contract, and it is not unconditional (that is, only depending on the passage of time) as contract assets in the balance sheet. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

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

16. Contract costs

(1) Determination of asset amount related to contract costs

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

If the cost incurred by the Company for the performance of the contract does not fall within the scope specified in the accounting standards for business enterprises other than the *Accounting Standards for Business Enterprises No. 14 — Revenues (Revised in 2017)*, it shall be recognized as an asset as the contract performance cost when the following conditions are met simultaneously: ① the cost is directly related to a current or expected contract, including direct labor cost, direct material cost, manufacturing expense (or similar expense), cost 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 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 shall be withdrawn for impairment reserves and recognized as asset impairment losses.

If the depreciation factors in the previous period change later, causing the aforementioned difference to be higher than the book value of the asset, the Company will transfer back the previously accrued asset impairment reserves 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 accrual is made for the impairment.

17. Assets held for sale

(1) Recognition criteria

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, the Company has decided on a selling plan and has obtained a recognized purchase commitment, and selling is expected to be completed within one year. If it can be sold only after being approved by the relevant authority organization or supervision department of the Company according

to relevant requirements, it should have been approved. Recognized purchase commitment refers to a purchase agreement with a legally binding force that the Company concludes with other parties, which includes important clauses of the transaction price, time, and enough strict default punishment, etc., with which, 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 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 business combination 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 lower one of the book value and the net value of the fair value minus the disposal expense. Where the net value of the fair value minus the disposal cost is lower than the original book value, the difference is confirmed as assets impairment losses and included in the current profits and losses, and the impairment reserves of the assets held for sale are accrued at the same time. For the amount of assets impairment losses confirmed by the disposal group held for sale, the book value of the goodwill in the disposal group is deducted first, and then its book value is deducted in proportion according to the ratios of the book values of various non-current assets applicable to the measurement of the category held for sales in the disposal group.

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

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

For the deducted book value of goodwill and the non-current assets applicable to the measurement provisions of the category held for sale, the asset impairment losses confirmed before classification as the category held for sales shall not be transferred back. For the amount subsequently transferred back for asset impairment losses recognized in the disposal group held for sale, its book value is increased in proportion according to the ratios of the book values of various non-current assets applicable to measurement provisions of the category held for sales in the disposal group excluding the goodwill. The non-current assets held for sale or non-current assets in the disposal group are not accrued 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 employee benefits, 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 provisions of the category held for sale, the measurement method of the category held for sale applies to the whole disposal group. The related accounting standards apply to the measurement of liabilities in the disposal group.

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

- 1) in the case of the book value before being classified into the held for sale category, the amount adjusted according to the depreciation, amortization, or impairment that should have been recognized under the assumption that it is not classified as held for sale category;
- 2) Recoverable amount.

18. 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 criteria of control and significant influence

Judgment criteria of control:

- 1) the Company owns the power to the investee;
- 2) the Company enjoys variable returns by participating in relevant activities of the investee;
- 3) the Company uses 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 criteria of significant influence:

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

(2) Determination of the 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 a business combination under common control, the investment cost is the book value 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 associates and joint ventures.

The price of a long-term equity investment accounted for by employing the cost method shall be recorded 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 be distributed by the investee shall be recognized as investment income and charged to current profits and losses.

When the Company employs the equity method for accounting for the long-term equity investment, if the cost of a long-term equity investment is more than the fair value of the investee's identifiable net assets for the investment, the 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 fair value of the investee's identifiable net assets for the investment, the book value of the long-term equity investment shall be adjusted, and the difference shall be recorded into the current profits and losses.

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

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

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

Common control is recognized as the control that does not exist unless the investors 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 operation 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 operation 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 investee, 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 book value of the originally held equity investment before the additional investment, and the cumulative fair value changes originally recorded into other comprehensive income shall be transferred to the current 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 investee, if they are not able to be under common control with or have significant influences on the investee 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 book value on the date on which the common control or significant influence is lost shall be charged to current profits and losses. When accounting based on the equity method is terminated for other comprehensive income originally subject to the accounting of equity method, the 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 owner's equities that are recognized due to other changes in owner's equities other than the net profits and losses, other comprehensive income and profit distribution of the investee shall be transferred to the current profits and losses 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 book value of the acquired party's equity investment held before 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 before the acquisition date, other comprehensive income recognized due to accounting of the equity method shall undergo accounting treatment using the basis the same as that used by the investee to directly dispose of relevant assets or liabilities when such an investment is disposed of.

When the influencing capability of the investee is converted from control to a significant influence or common control together with other investors due to investment disposal, the long-term equity investment cost, for which recognition shall be terminated, is first carried over according to the proportion of investment disposal. On such a basis, the remaining long-term equity investment cost is compared with the share attributable to the Company in the fair value of the investee's identifiable net assets at the time of original investment, which is calculated according to the remaining shareholding proportion. For the goodwill part to be embodied in the investment evaluation, the book value 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 book value 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 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 investee's changes in other comprehensive income shall be recorded into other comprehensive income when the book value of the long-term equity investment is adjusted. The share attributable to the Company in the investee's other changes in the owner's 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 book value 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 owner's 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 can 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 book value on the date of control loss shall be recorded in the investment income of the current period.

In the process of holding the long-term equity investment, if the Company decides to sell all or part of the held equity of the investee in consideration of all aspects, the book value 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 book value 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 comprehensive income originally subject to the accounting of equity method, the 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 owner's equities that are recognized due to changes in other owner's 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 for using the equity method, other comprehensive income originally subject to the 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 owner's 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.

19. 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 method 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.

Please refer to Note III. 25 Long-term asset impairment for the impairment test method and impairment reserve accrual method of investment real estate.

20. Fixed assets

(1) Recognition criteria 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 cannot 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, 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 a financing nature in effect, the cost of the fixed asset shall be recognized based on the present value of the purchase price. The difference between the actual payment and the present value of the purchase price shall be included in the current profits and losses within the credit period unless it shall be capitalized in accordance with *Accounting Standards for Business Enterprises No. 17 — Borrowing Costs*.

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

4) The cost invested in a fixed asset by the investor shall be recognized based on the value stipulated in the investment contract or agreement, other than those of unfair value stipulated in the contract or agreement.

5) The costs of fixed assets acquired through the exchange of non-monetary assets, debt restructuring, business combination, and lease shall be respectively recognized in accordance with *Accounting Standards for Business Enterprises No. 7 — Exchange of Non-monetary Assets*, *Accounting Standards for Enterprises No. 12 — Debt Restructuring*, *Accounting Standards for Business Enterprises No. 20 — Business Combinations*, and *Accounting Standards for Business Enterprises No. 21 — Leases*.

(3) Classification of fixed assets

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

(4) Depreciation of fixed assets

- 1) Recognition of depreciation method, 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 and 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 the impairment reserves have been accrued: For a fixed asset of which the impairment reserves have been accrued, the depreciation of the fixed asset shall be made based on the amount of deducting its expected net salvage value, depreciation amount, and impairment reserves from the original price of the fixed asset and remaining service life of the fixed assets.

For the fixed assets that have reached the intended usable condition but have 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, the original estimated value of the fixed assets shall be adjusted by their actual costs, but the original depreciation amount does not require adjusting.

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

The Company shall, at least at the end of each year, have a check on the service life, expected net salvage value, and the depreciation method of the fixed assets. If the Company finds that there is any difference between the expected service life and the previously estimated service life of a fixed asset, the expected service life of the fixed asset shall be adjusted; if there is any difference between the amount of expected net salvage value and the previously estimated amount of the net salvage value, the expected net salvage value shall be adjusted; if any significant change is made on the form of the realization of the expected economic benefits concerning a fixed asset, the method for the depreciation of the fixed asset shall be changed. If any change is made to the service life, expected net salvage value, and depreciation method of a fixed asset, it shall be regarded as a change in the accounting estimates.

(5) Treatment of subsequent expenditures for fixed assets

Subsequent expenditures incurred on a fixed asset refer to repair expenses, renovation expenses, repair costs, and decoration expenses incurred in the course of the use of the fixed asset. Their accounting treatment is as follows: Where subsequent expenditures of a fixed asset such as renovation expenses meet the conditions of recognizing the fixed asset, they shall be recorded into the cost of the fixed asset, and the book value 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 current profits and losses 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 account of "Fixed assets", and the depreciation of the fixed asset shall be made separately by the straight-line method in a shorter time of the period of two decorations and remaining usable life of the fixed asset.

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

(6) Impairment test method and accrual method for impairment reserves of fixed assets

Please refer to Note III. 25 Long-term asset impairment for the impairment test method and impairment reserve accrual method of fixed assets.

21. 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 direct project materials, direct payroll, installation costs for equipment to be installed and project construction, project management fees, net profits and losses of project commissioning, and approved capitalized borrowing costs.

(1) Valuation of construction in progress

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

(2) Time when construction in progress is carried forward to fixed assets

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

Please refer to Note III. 25 Long-term asset impairment for the impairment test method and impairment reserve accrual method of construction in progress.

22. Borrowing costs

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

(1) Recognition of capitalization of borrowing costs

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

(2) Period of capitalization of borrowing costs

1) Time 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;
- 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 of ceasing capitalization of borrowing costs:

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

3) Recognition of suspending capitalization of borrowing costs:

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

(3) Computing method of capitalizing amount of borrowing costs

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

1) If a specialized loan is borrowed for the purchase, construction, or production of assets that meet the capitalization conditions, the amount shall be determined based on the actual interest expenses incurred in the current period of the specialized loan, minus the interest income obtained from depositing unused loans in the bank or the investment income obtained from temporary investments.

2) Where general funds are borrowed for the acquisition, construction, or production of a qualifying asset, the amount of interest to be capitalized on such general borrowings shall be calculated and recognized by applying a capitalization rate of such general borrowings to the weighted average of the excess amounts of accumulated expenditures on the asset over and above the amounts of special borrowings. The capitalization rate shall be calculated and recognized by the weighted average interest rate of general borrowings.

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

Ancillary costs in connection with special borrowings that are incurred before the qualifying assets acquired, constructed, or produced become ready for their intended use or sale shall be capitalized based on the incurred amount when they are incurred, and they shall be recorded into the cost of the qualifying asset; those incurred after the qualifying assets acquired, constructed, or produced become ready for its intended use or sale shall be recognized as expenses based on the incurred amount when they are incurred and shall be recorded in the current profits and losses. 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 in the current profits and losses.

23. Usufruct assets

For the determination method of right-of-use asset and accounting treatment method, please refer to Note III. 35 Lease.

24. 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;
- 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 under common control).

(2) Subsequent measurement

The Company shall analyze and judge the service life of intangible assets when it obtains intangible assets. If the Company is unable to forecast the period when the intangible asset can bring economic benefits to it, it shall be regarded as an intangible asset with an uncertain service life.

With regard to an intangible asset with limited service life, its amortization amount shall be amortized by the 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 an 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 the 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 current profits and losses 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. completed development of the intangible asset to make the use or sale of the intangible assets feasible technically;
- b. an intent to complete the intangible assets and use or sell them;
- c. how the intangible asset will generate economic benefits, including the ability to demonstrate the existence of a

market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

d. availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset;

e. ability to measure reliably the expenditure that is attributable to the intangible asset during its development.

Where the expenditures at the research stage or at the development stage cannot be distinguished, all expenditures to research and development shall be included in the current profits and losses.

(5) Impairment test method and accrual method of impairment reserves for intangible assets

Please refer to Note III. 25 Long-term asset impairment for the impairment test method and impairment reserve accrual method of intangible assets.

25. 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 based on single assets. Where it is difficult to estimate the recoverable amount of the single assets, the recoverable amount of the assets shall be recognized based on 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 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 assets, asset group, or combination of asset groups.

Where the recoverable amount of the single assets is lower than their book value, the asset impairment reserve shall be accrued accordingly based on the difference between the book value of the single assets and their recoverable amount. Where the recoverable amount of an asset group or a combination of asset groups is lower than its book value, it shall be recognized as the corresponding impairment loss. The amount of the impairment loss shall first be charged against the book value of goodwill which is apportioned to the asset group or combination of asset groups, then charged against the book value 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 book value of the assets above shall be treated as the impairment loss of the single assets (including the goodwill), and the impairment reserves of the single assets shall be accrued accordingly.

Once the above loss of asset impairment is recognized, it shall not be transferred back in future accounting periods.

26. 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 expenditure and shall be averagely amortized by their beneficial period, if long-term deferred expenses cannot benefit subsequent accounting periods, the unamortized value of the project shall be all transferred to the current profits and losses.

27. 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 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.

28. Payroll

(1) Accounting treatment of short-term payroll

In the accounting period during which employees provide services to the Company, the Company recognizes the short-term payroll incurred as liabilities and charges them to the current 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 a surplus, the Company shall 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 payroll arising from the defined benefit plan are recognized as service costs, net interest on net liabilities or net assets of the defined benefit plan, and changes arising from the remeasurement of net liabilities or net assets. The service costs and net interest on net liabilities or net assets of the defined benefit plan are included in the current profits and losses or relevant asset costs, while changes arising from the remeasurement of net liabilities or net assets are included in other comprehensive income and cannot be transferred back to profits and losses in subsequent accounting periods. However, the amount recognized in other comprehensive income can be transferred within the equity section.

d. A settlement gain or loss is recognized during the settlement of the defined benefit plan.

(3) Accounting treatment for termination benefits

The payroll liabilities that arise from the termination benefits shall be recognized on the earlier one of the following two dates and included in the current profits and losses:

1) When the Company cannot unilaterally cancel the termination benefits provided as a result of a plan to terminate employment or a proposal to downsize.

2) When the Company recognizes the cost or expense related to reconstruction involving the payment of termination benefits.

(4) Accounting treatment for other long-term employee benefits

For other long-term employee benefits provided by the Company to its employees that comply with the defined contribution plan, the accounting treatment shall be conducted according to the defined contribution plan. For benefits other than these, the accounting treatment shall be conducted according to the defined benefit plan. However, the portion of the relevant payroll costs that relate to "changes arising from the 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.

29. Lease liabilities

For the methods of recognition and accounting treatment of lease liabilities, please refer to Note III. 35 Lease.

30. Estimated liabilities

(1) Recognition criteria of estimated liabilities

When business related to contingencies such as external guarantee, pending litigation or arbitration, product quality assurance, staff reduction, loss contract, restructuring obligations, and fixed asset disposal obligations that meet the following conditions, it shall be recognized as liabilities:

- 1) the liabilities are current obligations undertaken by the Company;
- 2) the fulfillment of the liabilities might cause outflow of economic benefits from the enterprise;
- 3) the amount of the liabilities can be reliably measured.

(2) Measurement methods of estimated liabilities

Accrued liabilities shall be measured on the best estimate of the expenditures required to fulfill current obligations. If there is a continuous range for the necessary expenses and if all the outcomes within this range are equally likely to occur, the best estimate shall be determined by the midpoint of the range. In other cases, the best estimate shall be determined by the following methods:

- 1) when a contingency is related to a single item, the best estimate shall be determined based on the most probable amount;
- 2) when a contingency is related to multiple items, the best estimate shall be calculated and determined based on all possible amounts and their probabilities of occurrence.

If all or part of the expenditure required to settle the estimated liabilities of the Company is expected to be compensated by a third party or other parties, the amount of compensation shall be separately recognized as an asset only when it is virtually certain that the compensation will be obtained. The amount recognized for the compensation shall not exceed the book value of the recognized estimated liabilities.

31. 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 based on equity instruments for obtaining services from employees or other parties. The share-based payment is classified into equity-settled share-based payment and cash-settled share-based payment.

1) Equity-settled share-based payment

The equity-settled share-based payments in exchange for services provided by employees are measured at the fair value of the equity instruments granted to employees on the grant date. The fair value is calculated by the straight-line method and included in the relevant costs or expenses based on the best estimate of the number of vested equity instruments in the vesting period when it is vested only after the service in the vesting period is completed or the specified performance terms are met. When it is vested immediately after the grant, it is included in relevant costs or expenses on the grant date, and the capital reserve is increased accordingly.

On each balance sheet date during the vesting period, the Company makes the best estimate of subsequent information such as the latest change in the number of vesting employees to correct the estimated number of vested equity instruments. The aforementioned estimated influences are included in current relevant costs or expenses, and the capital reserves are adjusted correspondingly.

The equity-settled share-based payment in exchange for the services of other parties shall be measured at the fair value of the services of other parties on the obtaining date if the services of other parties can be measured reliably. The equity-settled share-based payment shall be measured at the fair value of the equity instruments on the obtaining date of the services of other parties if the fair value of the services of other parties cannot be measured reliably while the fair value of the equity instruments can be measured reliably, and be included in the relevant costs or expenses, and the shareholders' equity shall be increased correspondingly.

2) Cash-settled share-based payment

The cash-settled share-based payments are measured at the fair value of liabilities determined based on shares or other equity instruments undertaken by the Company. When it is vested immediately after the grant, it is included in relevant costs or expenses on the grant date, and the liabilities are increased correspondingly. If it is vested after completing the services in the vesting period or meets the specified performance terms, the current obtained services are included in costs or expenses based on the best estimate of vesting and at fair value of liabilities borne by the Company on each balance sheet date of the vesting period, and the liabilities are increased correspondingly. On each balance sheet date and settlement date before the settlement of the relevant liabilities, the fair value of the liabilities is re-measured with the changes included in the current profits and losses.

(2) Accounting treatment for amending and terminating share-based payment plan

When the Company amends the share-based payment plan, if the fair value of equity instruments granted is increased due to the amendment, the increase of the services obtained will be recognized correspondingly by the increase of the fair value of equity instruments. The increase in the fair value of equity instruments refers to the difference between the fair value of equity instruments before and after amendment on the amendment date. If the amendment reduces the total fair value of the share-based payment or adopts other unfavorable methods to the employees, the accounting treatment of the obtained services will be continued as if the modification has never occurred, unless the Company cancels part or all of the equity instruments granted.

During the vesting period, if the granted equity instrument is canceled, the Company will handle the cancellation as an accelerated vesting, the amount that shall be recognized during the remaining vesting period is immediately included in the current profits and losses with the capital reserves recognized at the same time. If an employee or other party can choose to meet the non-vesting conditions but fails to meet them during the vesting period, the Company shall treat that as a cancellation of the grant of equity instruments.

32. 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 about 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 individual performance obligations in the contract and allocates the transaction price to individual performance obligations according to the relative proportion of the stand-alone selling price of the goods promised by individual performance obligations. 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 individual performance obligations as revenue at the point when the customer obtains control over the relevant goods. When judging whether the customer has obtained control over the goods, the Company considers the following signs: where the Company has the current right to receive payment for the goods, that is, the customer has the current payment obligation for the goods; where the Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods; where the Company has transferred the goods to the customer in kind, that is, the customer has taken possession of the goods in kind; where the Company has transferred the main risks and payments of the ownership of the goods to the customer, that is, the customer has obtained the main risks and payments of the ownership of the goods; where the customer has accepted the goods; and other signs that the customer has obtained control over the goods.

The Company mainly sells household appliances and their accessories, which usually only include the performance obligations of the transferred goods.

(1) Revenue from selling goods

1) For the revenue from domestic sales of products, the Company mainly adopts the form of payment in advance. The Company recognizes the revenue when the product is delivered to the purchaser, the shipping document is issued or the customer's receipt is obtained, the amount of revenue from product sales is determined, the payment for goods is recovered, or the receipt certificate is obtained, and the relevant economic benefits are likely to flow in.

2) In terms of the export sales income, the Company recognizes the revenue when the products are declared and departed according to the contract, the bill of lading is obtained, and the sales revenue is determined.

(2) Revenue from rendering labor services

1) For the revenue from warehousing services, the Company recognizes the revenue monthly by the working hours and standard wages of the services provided, facilities used, and related expenses when the amount of revenue is 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 is 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 amount of revenue is recognized according to the terms and ratios stipulated in the business contract or agreement.

(3) Income from the transfer of the right to use assets

Income from the transfer of the right to use assets includes interest income, rental income, etc.

The Company recognizes the income from transferring 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 regularly 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 regularly. The loan interest income is recognized according to the effective interest rate method.

The effective interest rate method is 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 an applicable shorter period into the current book value of the financial asset or financial liability. When determining the effective interest rate, the Company estimates future cash flow based on all contractual terms of financial assets or financial liabilities but does not consider the loss of future credits. All the charges, transaction fees, and premiums or discounts paid or collected by the Company as part of the effective interest rate shall be considered when determining the effective interest rate.

2) The recognition conditions for the rental income of the Company are as follows:

- a. a lease contract, agreement, or other settlement notices recognized by the Lessee are available;
- b. the obligations stipulated in the contract are fulfilled; the lease invoice is issued, and the price has been obtained or will be obtained for sure;
- c. the rental cost can be measured reliably.

33. Government grants

Government grants refer to the Company's free acquisition of monetary and non-monetary from the government, excluding capital invested by the government as the owner. Government grants consist of asset-related government grants and income-related government grants.

Government grants obtained by the Company for the purchase, construction, or forming the long-term assets in other ways are defined as asset-related government grants, and all the other government grants are defined as income-related government grants. If the government document does not specify the grant object, the following mode is adopted to classify the subsidies into income-related government grants and asset-related government grants:

(1) If the government document specifies the item to which the grant aims, the allocation should be based on the relative proportion of the expenditure amount to form assets and the expenditure amount included in expenses in the budget of this specific item, and this allocation proportion needs to be reviewed on every balance sheet date and changed when necessary.

(2) If the government document provides only a general presentation of the purpose without specifying the specific item, the grants shall be regarded as income-related government grants.

The asset-related government grants are recognized as deferred income upon acquisition and are included in the profits and losses in reasonable and systematic installments over the useful life of the asset when the relevant asset reaches its intended usable state. Where the relevant assets are sold, transferred, scrapped, or damaged before the end of their useful lives, the undistributed deferred income balance is transferred to the current profits and losses of the asset disposal.

In terms of income-related government grants, those are used for compensating the related expenses or losses in the later period, are recognized as deferred income upon acquisition and included in the current profits and losses during the period when the relevant costs or losses are recognized; those are used for compensating the related cost expenses or losses incurred, are included in the current profits and losses directly upon acquisition.

Government grants related to daily activities are included in other income; government grants not related to daily activities are included in non-operating revenue and expenses.

(3) If policy preferential loans are obtained with interest discounts, accounting treatment should be carried out by distinguishing between the following two ways of obtaining them:

1) Where the financial department disburses the discount interest fund to the lending bank, the lending bank provides a loan to the Company at a policy preferential interest rate, the fair value of the loan is used as the entry value of the loan, the borrowing cost is calculated according to the effective interest rate method, and the difference between the actual amount received and the fair value of the loan is recognized as deferred income. The deferred income is amortized using the effective interest rate method during the duration of the loan to offset the relevant borrowing cost.

2) Where the financial department disburses the discount interest fund to the Company directly, the corresponding discount is used to offset the relevant borrowing costs.

(4) Government grants that are monetary assets are measured at the amount received or receivable. Government grants that are non-monetary assets are measured at the fair value; if the fair value cannot be reliably acquired, they are measured at the nominal amount. The Company usually recognizes and measures government grants based on the actual amount received upon receipt. However, funds that have conclusive evidence at the end of the period, indicating that they meet the relevant conditions stipulated in the financial support policy and are expected to receive financial support, are measured at the amount receivable. Government grants measured at the amount receivable shall simultaneously comply with the following conditions:

1) The amount of receivable grants has been confirmed by the authoritative government department by issuing a document or can be independently and reasonably calculated according to 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 according to 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.

34. 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 according to 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 can control the timing of the transferring back of the temporary differences; the temporary difference is unlikely to be reversed 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: the deductible temporary difference is likely to be transferred back in the foreseeable future, and the taxable profit in the future is likely to be available against which the deductible temporary difference can be utilized.

The deferred income tax assets and the deferred income tax liabilities that meet the following conditions are presented at the net amount after offsetting:

- 1) The deferred income tax assets and deferred income tax liabilities relate to the income taxes levied by the same taxation authority on the same taxpayer of the Company.
- 2) The taxpayer of the Company has a legal right to settle current income tax assets and current income tax liabilities on a net basis.

35. 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 in exchange for or payment of consideration. On the contract commencement date, the Company evaluates whether the contract is a lease or includes a lease.

(1) With the Company as the lessee

1) Initial measurement

On the commencement date of the lease term, the Company will recognize the right to use the leased assets during the lease term as the right-of-use asset and recognize the current value of the unpaid lease amount as a lease liability, except for short-term leases and low-value asset leases. When calculating the current value of the lease amount, the Company uses the implied interest rate in lease as a discount rate. If the implied interest rate in the lease cannot be determined, the lessee's 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, the amount related to the lease incentive that has been enjoyed is deducted;
- 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 accrues depreciation by referring to fixed asset depreciation policies (refer to Note III. 20 Fixed assets). If the Company can reasonably determine the obtaining of the ownership of the leasing assets when the lease term expires, it will accrue depreciation within the remaining service life of the leasing asset. Where it is impossible to reasonably determine if the ownership of the leased assets can be acquired upon the expiration of the lease term, the Company will accrue 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 the cost of related assets. The variable lease 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 incurred.

After the lease term starts, in case of changes in the substantially fixed payment amount, the estimated amount payable of the guarantee residual value, the index or ratio used for determining the lease amount, 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 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 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 the financial lease and operating lease based on the essence of the transaction. Financial lease refers to a lease that transfers substantially almost all risks and rewards associated with the ownership of the assets. Operating lease refers to leases other than the financial lease.

1) Operating leases

The Company adopts the straight-line method to recognize the lease 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 the lease payment are included in the current profits and losses when incurred.

2) Financial lease

On the commencement 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 commencement 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 incurred.

36. Discontinuing operation

Discontinuing operation refers to a constituent part that meets one of the following conditions, can be distinguished separately, and has been disposed of or classified as held for sale:

- (1) this constituent part represents an independent main business or a separate main business area;
- (2) this constituent part is part of an associated plan for disposing of an independent main business or a separate main business area;
- (3) this constituent part is a subsidiary specially acquired for resale.

The Company presents the profits and losses from continuing operations and the profits and losses from discontinuing 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 discontinuing operations, 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 from discontinuing operations and other operating profits and losses as well as profits and losses from disposal are presented as profits and losses from discontinuing operations.

For the discontinuing 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 discontinuing operations for comparable accounting periods 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 discontinuing operations, it is presented as a discontinuing 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 discontinuing operations, the relevant profits and losses from discontinuing operations are presented in the consolidated income statement.

37. Segment report

The Company determines the operating segments based on the internal organizational structure, management requirements, and internal reporting systems, determines the report segments based on the operating segments, and discloses segment information.

Operating segments refer to the constituent part of the Company that meets the following conditions at the same time:

- (1) this constituent part can generate revenue and expenses in daily activities;
- (2) the management of the Company can regularly evaluate the operating results of the constituent part to determine the allocation of resources and evaluate its performance;
- (3) the Company can obtain the relevant accounting information of this constituent part such as its financial status, operating results, and cash flows. If two or more operating segments have similar economic characteristics and

meet certain conditions, they can be merged into one operating segment.

38. Share repurchase

If the Company's shares are acquired due to registered capital reduction or employee rewards, the amount paid shall be treated as treasury shares and registered at the same time for future reference. If the repurchased shares are canceled, the difference between the total face value of the canceled shares and the amount paid for the repurchase shall be offset against capital reserve. If the capital reserve is insufficient, the offset shall be made against retained earnings. If the repurchased shares are rewarded to employees of the Company as equity-settled share-based payments, refer to Note III. 31 Share-based payment for corresponding accounting treatment.

39. Hedging

To avoid certain risks, the Company hedges certain financial instruments as hedging instruments. The 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 are included in the current profits and losses, while the book value of the hedged item is adjusted. If a hedged item is measured at fair value, the gains or losses incurred by the hedged item due to the hedged risk exposure are included in the current profits and losses or other comprehensive income, and there is no need to adjust the book value of the hedged item. When the Company revokes the designation of the hedging relationship, the hedging instrument has expired or been sold, the contract is terminated or exercised, or the conditions for the use of hedge accounting are no longer met, the use of hedge accounting is terminated.

(2) Cash flow hedging

For eligible hedging instruments designated as cash flow hedging, the portion of the gains or losses generated thereby that is determined to be an effective hedge is included in other comprehensive income, while the portion that is determined to be an ineffective hedge is included in the current profits and losses.

If the expected transaction causes the Company to subsequently recognize a non-financial asset or non-financial liability, or if the expected transaction of the non-financial asset or non-financial liability forms a firm commitment applicable to fair value hedge accounting, the Company will transfer out the amount of cash flow hedge reserve originally recognized in other comprehensive income and include it in the initial recognition amount of the asset or liability. For other cash flow hedging, the Company will, during the same period when the expected cash flow being hedged affects profits or losses, transfer out the amount of cash flow hedge reserve originally recognized in other comprehensive income and include it in the current profits and losses.

If it is expected that all or part of the net losses originally included in other comprehensive income cannot be compensated in the future accounting period, the portion that cannot be compensated out is transferred and included 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 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.

40. 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 safe production 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, special reserves are written off based on the cost of fixed assets and accumulated depreciation of the same amount is recognized. The fixed asset will no longer be depreciated in the future.

41. 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 the financial industry, have established a general risk reserve based on withdrawing asset impairment reserves to compensate for potential losses related to risk assets that have not yet been identified. The general risk reserve will be treated as a distribution of profits. It is an integral part of the owner's equity. In principle, it should not be 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 in the ending balance of risk assets is difficult to reach 1.5% at one time, it can be in place in years. In principle, it should not exceed 5 years.

42. Changes in major accounting policies and accounting estimate

(1) Changes in major accounting policies

1) Interpretation No. 17 of Accounting Standards for Business Enterprises

On November 9, 2023, the Ministry of Finance issued Interpretation No. 17 of Accounting Standards for Business Enterprises (hereinafter referred to as "Interpretation No. 17"). The change in accounting policy did not

significantly impact the financial indicators including total assets, total liabilities, net assets, and net profits of the Company. Therefore, the above explanations have no significant impact on the financial statements of the Company.

2) Interpretation No. 18 of Accounting Standards for Business Enterprises

On December 31, 2024, the Ministry of Finance issued Interpretation No. 18 of Accounting Standards for Business Enterprises (hereinafter referred to as "Interpretation No. 18"), which came into effect upon its issuance. The Company chooses to implement this interpretation in advance from the year of its issuance (2024). The Company's provision for quality guarantees that do not fall under individual performance obligations was originally recorded under "selling expenses". According to Article 2 "Accounting for quality guarantees that do not fall under individual performance obligations" of Interpretation No. 18, it is now recorded under "main business cost" and "other business cost", presented in the "operating cost" of the income statement, and subject to retrospective adjustments.

Unit: CNY

Item	2023
Sales expenses	-2,327,937,473.10
Operating cost	2,327,937,473.10

(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%
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 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 the 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, where the federal business income tax rate is 34.00%.

[Note 3] The Company's subsidiaries DunAn Precision Machinery (USA) Group Co., Ltd., DunAn Microstaq, Inc., and Altairnano, Inc., operate in the United States and are subject to paying federal taxes and state taxes. The federal tax rate is 21.00% while the state tax rates for DunAn Precision and DunAn Microstaq, are

0.50%–1.00% of gross profit on sales.

[Note 4] The Company's subsidiary DunAn Metals (Thailand) Co., Ltd. operates in Thailand, where the business income tax rate is 20.00%.

[Note 5] The Company's subsidiary Japan DunAn International Co., Ltd. operates 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 19.00%.

[Note 7] The Company's subsidiary DunAn International (Europe) GmbH operates in Frankfurt, Germany, where the business income tax rate is 15.00%.

[Note 8] Some subsidiaries of the Company are small and low-profit enterprises, subject to the Announcement No. 12 of 2023 issued by the Ministry of Finance and the State Taxation Administration of *Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Businesses in Relevant Tax Policies*, where the taxable income is calculated at a reduced rate of 25.00%, and the business income tax is paid at a rate of 20.00%.

2. Tax preferences

(1) The Company was identified as a high-tech enterprise in 2023 with preferential policies for high-tech enterprises (High-tech Enterprise Certificate No.: GR202344009175). The Company applied the income tax rate of 15.00%, which is valid for 3 years.

(2) Deemed to be high and new tech enterprises, the following subsidiaries of the Company applied the enterprise income tax rate of 15.00% in 2024.

No.	Name of Taxpayer	High-tech Enterprise Certificate No.	Date of Obtaining the High-tech Enterprise Certificate	Expiry Date
1	Zhuhai Landa Compressor Co., Ltd.	GR202344010890	2023/12	Three years
2	Hefei Landa Compressor Co., Ltd.	GR202334001713	2023/10	Three years
3	Zhengzhou Landa Compressor Co., Ltd.	GR202341000260	2023/11	Three years
4	Wuhan Landa Compressor Co., Ltd.	GR202342000821	2023/10	Three years
5	Gree Electric Enterprises (Ma'anshan) Ltd.	GR202334005154	2023/11	Three years
6	Zhuhai Gree Xinyuan Electronics Co., Ltd.	GR202244010903	2022/12	Three years
7	Zhuhai Kaibang Motor Manufacturing Co., Ltd.	GR202444011859	2024/12	Three years
8	Hefei Kaibang Motor Co., Ltd.	GR202334002919	2023/10	Three years
9	Henan Kaibang Motor Co., Ltd.	GR202341001262	2023/11	Three years
10	Gree (Hefei) Electric Appliances Co., Ltd.	GR202334003315	2023/10	Three years
11	Zhuhai Gree Daikin Precision Mold Co., Ltd.	GR202244010633	2022/12	Three years
12	Zhuhai Gree Daikin Device Co., Ltd.	GR202444005850	2024/11	Three years
13	Zhuhai Gree Green Refrigeration Technology Research Center Co., Ltd.	GR202344006183	2023/12	Three years
14	Gree (Zhengzhou) Electric Appliances Co., Ltd.	GR202341000272	2023/11	Three years
15	Gree (Wuhan) Electric Appliances Co., Ltd.	GR202242006898	2022/11	Three years

No.	Name of Taxpayer	High-tech Enterprise Certificate No.	Date of Obtaining the High-tech Enterprise Certificate	Expiry Date
16	Gree (Shijiazhuang) Small Home Appliances Co., Ltd.	GR202213000723	2022/10	Three years
17	Gree (Wuhu) Electric Appliances Co., Ltd.	GR202334001396	2023/10	Three years
18	Gree (Shijiazhuang) Electric Appliances Co., Ltd.	GR202213000331	2022/10	Three years
19	Zhuhai EWPE Information Technology Inc.	GR202244010117	2022/12	Three years
20	Gree (Changsha) HVAC Equipment Co., Ltd.	GR202343003172	2023/10	Three years
21	Gree HVAC and Refrigeration Equipment (Wuhan) Co., Ltd.	GR202442001843	2024/11	Three years
22	Gree (Zhongshan) Small Home Appliances Co., Ltd.	GR202444004022	2024/11	Three years
23	Gree TOSOT (Suqian) Home Appliances Co., Ltd.	GR202332019062	2023/12	Three years
24	Wuhu Gree Precision Manufacturing Co., Ltd.	GR202234003673	2022/10	Three years
25	Zhuhai Gree Precision Mold Co., Ltd.	GR202344006995	2023/12	Three years
26	Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.	GR202344006963	2023/12	Three years
27	Zhuhai Gree New Material Co., Ltd.	GR202244008332	2022/12	Three years
28	Gree (Hangzhou) Electric Appliances Co., Ltd.	GR202333008152	2023/12	Three years
29	Gree (Nanjing) Electric Appliances Co., Ltd.	GR202232008326	2022/11	Three years
30	Gree (Luoyang) Electric Appliances Co., Ltd.	GR202241002986	2022/12	Three years
31	Zhuhai Gree Green Control Technology Co., Ltd.	GR202444006582	2024/11	Three years
32	Zhuhai Edgeless Integrated Circuit Co., Ltd.	GR202444007876	2024/12	Three years
33	Hefei Kinghome Electrical Co., Ltd.	GR202434000373	2024/10	Three years
34	Zhuhai Gree Green Resources Recycling Co., Ltd.	GR202244004245	2022/12	Three years
35	Zhuhai Lianyun Technology Co., Ltd.	GR202344010393	2023/12	Three years
36	Gree Altairnano New Energy Inc.	GR202444004210	2024/11	Three years
37	Zhuhai Guangtong Automobile Co., Ltd.	GR202344009746	2023/12	Three years
38	Northern Aotai Nanotechnologies Co., Ltd.	GR202413000621	2024/11	Three years
39	Zhuhai Gree Intelligent Equipment Co., Ltd.	GR202244003127	2022/12	Three years
40	Zhejiang DunAn Thermal Technology Co., Ltd.	GR202333008719	2023/12	Three years
41	Zhuhai DunAn Thermal Technology Co., Ltd.	GR202444001315	2024/11	Three years
42	Tianjin Huaxin Machinery Co., Ltd.	GR202212000479	2022/11	Three years
43	Hangzhou Safety Equipment Co., Ltd.	GR202333000665	2023/12	Three years
44	Zhejiang DunAn Hetian Metals Co., Ltd.	GR202433002455	2024/12	Three years
45	Zhuhai Huayu Metal Co., Ltd.	GR202444001742	2024/11	Three years
46	Chongqing Huachao Metal Co., Ltd.	GR202451102589	2024/12	Three years
47	Zhejiang DunAn Machinery Co., Ltd.	GR202433007625	2024/12	Three years

No.	Name of Taxpayer	High-tech Enterprise Certificate No.	Date of Obtaining the High-tech Enterprise Certificate	Expiry Date
48	Zhejiang DunAn Electro-Mechanical Technology Co., Ltd.	GR202433003799	2024/12	Three years
49	Suzhou Huayue Metal Co., Ltd.	GR202332005590	2023/11	Three years
50	DunAn Automotive Thermal Management Technology Co., Ltd.	GR202333001123	2023/12	Three years
51	Jiangsu Tongsheng Heat Exchanger Co., Ltd.	GR202332010309	2023/12	Three years
52	Jilin Songliang Seed Industry Technology Co., Ltd.	GR202222000173	2022/11	Three years
53	DunAn (Wuhu) Zhongyuan Automatic Control Co., Ltd.	GR202434005561	2024/11	Three years
54	Shanghai Datro Automotive Technology Co., Ltd.	GR202431002439	2024/12	Three years
55	Tianjin Datro Technology Co., Ltd.	GR202312002617	2023/12	Three years
56	Datro Automotive Systems (Nantong) Co., Ltd.	GR202432013506	2024/12	Three years

(3) The following subsidiaries of the Company enjoy the country's western development policy, with an income tax rate of 15.00%.

No.	Name of Taxpayer	Start Time
1	Gree (Chongqing) Electric Appliances Co., Ltd.	2008/01/01
2	Chongqing Landa Compressor Co., Ltd.	2015/01/01
3	Chongqing Kaibang Motor Co., Ltd.	2013/01/01
4	Gree (Chengdu) Electric Appliances Co., Ltd.	2022/01/01
5	Gree (Ganzhou) Electric Appliances Co., Ltd.	2023/01/01
6	Chengdu Guangtong Automobile Co., Ltd.	2017/06/13

(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.	2022/01/01

(5) According to the *Announcement on the Value-Added Tax Deduction Policy for Advanced Manufacturing Enterprises* (Announcement No. 43 of 2023 issued by the Ministry of Finance and the State Taxation Administration), from January 1, 2023, to December 31, 2027, advanced manufacturing enterprises are allowed to deduct the value-added tax payable by an additional 5% of the deductible input tax amount in the current period. The Company and some of its subsidiaries enjoy the above preferential policies.

(6) According to the *Notice of the Ministry of Finance and the State Taxation Administration on Value-added Tax Policies for Software Products* (CS [2011] No. 100), general value-added taxpayers who sell software products developed and produced by themselves will be subject to refund policy for the portion of their actual value-added tax burden exceeding 3%. The Company and some of its subsidiaries enjoy the above refund policy for software products.

V. Notes to consolidated financial statements

For the following notes (including notes to the main items of the parent company's financial statements), unless otherwise specified, "the end of the period" means December 31, 2024, "the beginning of the period" means January 01, 2024, "the end of the previous year" means December 31, 2023, "the current year" refers to 2024, and "the previous year" refers to 2023. Unless otherwise stated, the amount unit is CNY.

1. Monetary funds

Item	Ending Balance	Beginning Balance
Cash on hand	493,036.20	747,248.45
Bank deposit	53,207,652,730.66	57,386,642,916.17
Other monetary funds [Note 1]	35,080,968,670.38	35,532,754,818.90
Deposits in central bank [Note 2]	1,876,552,187.02	1,388,929,188.19
Deposits in other banks	18,624,283,224.90	23,842,392,737.43
Subtotal	108,789,949,849.16	118,151,466,909.14
Accrued interest	5,110,511,948.78	5,953,520,380.48
Total	113,900,461,797.94	124,104,987,289.62
Including: Total amount deposited outside mainland China	2,169,874,292.62	512,193,597.72

[Note 1] The ending balance of other monetary funds refers to banks' acceptance bill deposits, guarantee deposits, letters of credit deposits, etc., where the restricted fund was CNY34,277,985,954.61.

[Note 2] The statutory deposit reserve in the Company's deposits in the central bank is CNY1,867,216,106.71, and its use is restricted.

[Note 3] Except the above cases, 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	16,548,258,632.49	9,614,423,403.40
Including: Debt instrument investment	16,532,341,817.49	9,591,172,203.40
Equity instrument investment	15,916,815.00	23,251,200.00
Total	16,548,258,632.49	9,614,423,403.40

3. Derivative financial assets

Item	Ending Balance	Beginning Balance
Foreign exchange derivatives		108,919,513.22
Total		108,919,513.22

4. Notes receivable

(1) Notes receivable presentation by categories

Item	Ending Balance	Beginning Balance
Commercial acceptance bill		91,936,979.50
Subtotal		91,936,979.50
Less: Bad debt reserves		4,596,848.98
Total		87,340,130.52

(2) Notes receivable that have been pledged at the end of the period

None.

(3) Notes receivable that have been endorsed or discounted at the end of the period and have not yet due on the balance sheet date

Item	Amount Derecognized at the End of the Period	Amount Recognized at the End of the Period
Commercial acceptance bill		1,311,115.58
Total		1,311,115.58

5. Accounts receivable

(1) Accounts receivable disclosed by account age

Account Age	Ending Balance	Beginning Balance
<1 year	15,243,930,067.09	13,969,080,305.98
1-2 years	1,047,136,307.87	1,399,796,274.58
2-3 years	1,085,992,561.17	1,134,033,141.29
>3 years	3,179,790,154.64	3,089,537,345.23
Subtotal	20,556,849,090.77	19,592,447,067.08
Less: Bad debt reserves	3,724,961,702.71	3,492,969,949.52
Total	16,831,887,388.06	16,099,477,117.56

[Note] The Company's accounts receivable with an account age of over 1 year are mainly special funds receivables for disposing of waste electrical and electronic products and payments for new energy vehicles.

(2) Presentation by categories of bad debt accrual method

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	1,205,313,781.71	5.86	1,205,313,781.71	100.00	
Accounts receivable with bad debt reserves accrued by portfolios	19,351,535,309.06	94.14	2,519,647,921.00	13.02	16,831,887,388.06
Including: Account age portfolio	17,166,688,323.81	83.51	2,242,140,497.50	13.06	14,924,547,826.31
Low risk portfolio	2,184,846,985.25	10.63	277,507,423.50	12.70	1,907,339,561.75
Total	20,556,849,090.77	100.00	3,724,961,702.71	18.12	16,831,887,388.06

(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	1,289,240,411.21	6.58	1,183,947,802.62	91.83	105,292,608.59
Accounts receivable with bad debt reserves accrued by portfolios	18,303,206,655.87	93.42	2,309,022,146.90	12.62	15,994,184,508.97
Including: Account age portfolio	16,283,805,825.87	83.11	1,906,323,339.24	11.71	14,377,482,486.63
Low risk portfolio	2,019,400,830.00	10.31	402,698,807.66	19.94	1,616,702,022.34
Total	19,592,447,067.08	100.00	3,492,969,949.52	17.83	16,099,477,117.56

1) Accounts receivable with bad debt reserves accrued by individual item

Name	Ending Balance			
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)	Reason for Accruing
64 companies in total	1,205,313,781.71	1,205,313,781.71	100.00	It is difficult to recover
Total	1,205,313,781.71	1,205,313,781.71	100.00	

(Continued)

Name	Beginning Balance			
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)	Reason for Accruing
69 companies in total	1,289,240,411.21	1,183,947,802.62	91.83	It is difficult to recover in full
Total	1,289,240,411.21	1,183,947,802.62	91.83	

2) Accounts receivable in the portfolio with bad debt reserves accrued by account age portfolio

Account Age	Ending Balance		
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)
<1 year	14,752,930,104.89	737,646,505.80	5.00
1-2 years	527,769,444.17	90,012,719.11	17.06

Account Age	Ending Balance		
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)
2-3 years	758,138,262.94	344,679,463.94	45.46
>3 years	1,127,850,511.81	1,069,801,808.65	94.85
Total	17,166,688,323.81	2,242,140,497.50	13.06

3) Accounts receivable in the portfolio with bad debt reserves accrued by low risk portfolio

Name	Ending Balance		
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)
Low risk portfolio	2,184,846,985.25	277,507,423.50	12.70
Total	2,184,846,985.25	277,507,423.50	12.70

(3) Bad debt reserves accrued, recovered, or reversed in the current period

Category	Beginning Balance	Change in the Current Period			Ending Balance
		Changes in the Scope of Consolidation	Accrual/Recovery/Reversal	Write-off	
Accrual by individual item	1,183,947,802.62	2,866,906.09	98,251,229.23	79,752,156.23	1,205,313,781.71
Account age portfolio	1,906,323,339.24	1,420,079.11	354,599,110.55	20,202,031.40	2,242,140,497.50
Low risk portfolio	402,698,807.66		-125,191,384.16		277,507,423.50
Total	3,492,969,949.52	4,286,985.20	327,658,955.62	99,954,187.63	3,724,961,702.71

[Note] There was no significant recovery or reversal of bad debt reserves during the current period.

(4)Accounts receivable written off in the current period

Item	Written Off Amount
242 companies in total	99,954,187.63
Total	99,954,187.63

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

The total amount of accounts receivable and contract assets of the top 5 debtors in terms of ending balance collected by debtors is CNY5,265,593,215.38, accounting for 24.61% of the ending balance of accounts receivable and contract assets, and the amount of bad debt reserves is CNY622,838,466.45.

6. Contract assets

(1) Contract assets

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserve	Book Value	Book Balance	Impairment Reserve	Book Value
Accrual by individual item				7,841,594.46	7,841,594.46	
Account age portfolio	793,112,642.68	243,289,401.68	549,823,241.00	1,006,698,488.92	422,787,788.10	583,910,700.82
Low risk portfolio	48,736,450.00	6,160,139.11	42,576,310.89	317,305,464.00	62,404,031.17	254,901,432.83
Total	841,849,092.68	249,449,540.79	592,399,551.89	1,331,845,547.38	493,033,413.73	838,812,133.65

(2) Bad debt reserves accrued, recovered, or reversed in the current period

Item	Beginning Balance	Accrual/Recovery/Reversal in the Current Period	Total
Accrual by individual item	7,841,594.46	-7,841,594.46	
Account age portfolio	422,787,788.10	-179,498,386.42	243,289,401.68
Low risk portfolio	62,404,031.17	-56,243,892.06	6,160,139.11
Total	493,033,413.73	-243,583,872.94	249,449,540.79

[Note] There was no significant recovery or reversal of bad debt reserves during the current period.

(3) Contract assets written off in the current period

None.

7. Receivables financing

(1) Receivables financing presentation by categories

Item	Ending Balance	Beginning Balance
Notes receivable measured at fair value	9,126,154,662.22	9,795,997,038.02
Including: Banker's acceptance bill	8,905,508,716.74	9,652,625,873.81
Financial company's acceptance bill	220,645,945.48	143,371,164.21
Accounts receivable measured at fair value	474,571,622.55	380,092,630.39
Including: Accounts receivable	474,571,622.55	380,092,630.39
Total	9,600,726,284.77	10,176,089,668.41

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

Item	Pledged Amount at the End of the Period
Banker's acceptance bill	3,545,182,191.40
Financial company's acceptance bill	178,332,675.74
Total	3,723,514,867.14

(4) Receivables financing that has been endorsed or discounted by the Company at the end of the period but not yet due at the balance sheet date

Item	Amount Derecognized at the End of the Period	Amount Recognized at the End of the Period
Banker's acceptance bill	26,831,680,333.17	
Financial company's acceptance bill	636,251.00	
Total	26,832,316,584.17	

(4) Receivables financing — credit impairment reserves of accounts receivable

1) Credit impairment reserves accrued by portfolios

Item	Ending Balance			Bad Debt Reserves
	Book Balance	Change in Fair Value	Book Value	
Accounts receivable	474,571,622.55		474,571,622.55	23,728,581.13
Total	474,571,622.55		474,571,622.55	23,728,581.13

2) Changes in credit impairment reserves

Item	Beginning Balance	Accrual/Recovery/Reversal	Ending Balance
Accounts receivable	22,939,575.95	789,005.18	23,728,581.13
Total	22,939,575.95	789,005.18	23,728,581.13

(5) Receivables financing written off in the current period

None.

8. Advance payments

(1) Advance payment presentation by account age

Account Age	Ending Balance		Beginning Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
<1 year	1,427,996,706.28	93.31	2,305,877,292.53	92.51
1-2 years	58,964,864.97	3.85	43,605,485.46	1.75
2-3 years	12,778,693.25	0.84	98,923,012.64	3.97
>3 years	30,572,054.15	2.00	44,241,604.68	1.77
Total	1,530,312,318.65	100.00	2,492,647,395.31	100.00

(2) Significant advance payments aged over one year

None.

(3) Prepayments of the top 5 prepayment objects in terms of ending balance collected by prepayment objects

The total amount of advance payments of the top 5 suppliers in the ending balance was CNY647,934,718.27, accounting for 42.34% of the total ending balance of advance payments.

9. Other receivables

Item	Ending Balance	Beginning Balance
Dividends receivable	4,325,690.04	19,936,649.83
Other receivables [Note 1]	865,405,534.36	806,621,972.59
Total	869,731,224.40	826,558,622.42

[Note 1] Other receivables in the table above refer to other receivables after the deduction of interest receivable and dividends receivable.

[Note 2] The Company has no interest receivable balance at the end and the beginning of the period.

(1) Dividends receivable

1) Dividends receivable

Item	Ending Balance	Beginning Balance
Dividends receivable	4,325,690.04	19,936,649.83
Total	4,325,690.04	19,936,649.83

2) Important dividends receivable aged over 1 year

None.

(2) Other receivables

1) Disclosure by account age

Account Age	Ending Balance	Beginning Balance
<1 year	918,927,111.10	559,642,182.51
1–2 years	109,462,906.88	49,650,562.46
2–3 years	37,700,792.39	87,315,224.98
>3 years	434,126,013.28	559,302,826.00
Subtotal	1,500,216,823.65	1,255,910,795.95
Less: Bad debt reserves	634,811,289.29	449,288,823.36
Total	865,405,534.36	806,621,972.59

2) Classification by nature of payment

Nature of Payment	Ending Balance	Beginning Balance
Intercourse funds	1,406,601,684.90	763,529,291.78
Equity and asset transfer payments	93,615,138.75	492,381,504.17
Subtotal	1,500,216,823.65	1,255,910,795.95
Less: Bad debt reserves	634,811,289.29	449,288,823.36
Total	865,405,534.36	806,621,972.59

3) Disclosure by classification of bad debt reserves accrual methods

Category	Ending Balance				
	Book Balance		Bad Debt Reserves		Book Value
	Amount	Proportion (%)	Amount	Credit Loss Rate (%)	
Other accounts receivable with bad debt reserves accrued by individual item	481,013,553.15	32.06	478,139,164.48	99.40	2,874,388.67
Other accounts receivable with bad debt reserves accrued by portfolios	1,019,203,270.50	67.94	156,672,124.81	15.37	862,531,145.69
Including: Account age portfolio	1,019,203,270.50	67.94	156,672,124.81	15.37	862,531,145.69
Total	1,500,216,823.65	100.00	634,811,289.29	42.31	865,405,534.36

(Continued)

Category	Beginning Balance				
	Book Balance		Bad Debt Reserves		Book Value
	Amount	Proportion (%)	Amount	Credit Loss Rate (%)	
Other accounts receivable with bad debt reserves accrued by individual item	510,787,480.98	40.67	354,908,028.59	69.48	155,879,452.39
Other accounts receivable with bad debt reserves accrued by portfolios	745,123,314.97	59.33	94,380,794.77	12.67	650,742,520.20
Including: Account age portfolio	745,123,314.97	59.33	94,380,794.77	12.67	650,742,520.20
Total	1,255,910,795.95	100.00	449,288,823.36	35.77	806,621,972.59

① Other accounts receivable with bad debt reserves accrued by individual item

Name	Ending Balance			
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)	Reason for Accruing
Company 1	170,791,178.69	170,791,178.69	100.00	It is difficult to recover
Company 2	121,063,353.05	121,063,353.05	100.00	It is difficult to recover
26 companies remaining	189,159,021.41	186,284,632.74	98.48	It is difficult to recover in full
Total	481,013,553.15	478,139,164.48	99.40	

(Continued)

Name	Beginning Balance			
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)	Reason for Accruing
Company 1	172,325,809.58	129,244,357.19	75.00	It is difficult to recover in full
Company 2	221,500,000.00	110,750,000.00	50.00	It is difficult to recover in full
13 companies remaining	116,961,671.40	114,913,671.40	98.25	It is difficult to recover in full
Total	510,787,480.98	354,908,028.59	69.48	

② Other receivables in the portfolio with bad debt reserves accrued by account age portfolio

Account Age	Ending Balance		
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)
<1 year	781,097,133.57	39,054,856.80	5.00
1–2 years	100,629,034.27	17,049,877.73	16.94
2–3 years	36,539,186.08	9,322,301.56	25.51
>3 years	100,937,916.58	91,245,088.72	90.40
Total	1,019,203,270.50	156,672,124.81	15.37

4) Accrual of bad debt reserves

Bad debt reserves	Phase I	Phase II	Phase III	Total
	Expected Credit Losses in the Next 12 Months	Expected Credit Loss for the Entire Duration (no Credit Impairment Occurred)	Expected Credit Loss for the Entire Duration (Credit Impairment Occurred)	
Beginning Balance	27,982,109.24		421,306,714.12	449,288,823.36
Changes in the scope of consolidation	-72,642.07		63,113.17	-9,528.90
Accrual in the current period	11,145,389.63		174,388,705.20	185,534,094.83
Wrote-off in the current period			2,100.00	2,100.00
Ending Balance	39,054,856.80		595,756,432.49	634,811,289.29

5) Bad debt reserves accrued, recovered, or reversed in the current period

Category	Beginning Balance	Change in the Current Period			Ending Balance
		Changes in the Scope of Consolidation	Accrual/Recovery/Reversal	Write-off	
Accrual by individual item	354,908,028.59		123,231,135.89		478,139,164.48
Account age portfolio	94,380,794.77	-9,528.90	62,302,958.94	2,100.00	156,672,124.81
Total	449,288,823.36	-9,528.90	185,534,094.83	2,100.00	634,811,289.29

[Note] There was no significant recovery or reversal of bad debt reserves during the current period.

6) Other receivables written off in the current period

Item	Written Off Amount
1 company	2,100.00

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

The total amount of other receivables of the top 5 debtors in terms of ending balance collected by debtors is CNY917,518,889.54, accounting for 61.16% of the total ending balance of other receivables, and the amount of bad debt reserves is CNY392,784,446.67.

8) Other receivables due to centralized fund management

None.

10. Buying back the sale of financial assets

Item	Ending Balance	Beginning Balance
Bonds	5,625,455,000.00	3,930,985,000.00
Accrued interest	522,294.57	4,431,450.15
Subtotal	5,625,977,294.57	3,935,416,450.15
Less: Impairment reserves		3,077,495.66
Total	5,625,977,294.57	3,932,338,954.49

11. Inventory

(1) Classification of inventories

Item	Ending Balance		
	Book Balance	Inventory Falling Price Reserves/Impairment Reserves of Contract Performance Costs	Book Value
Raw materials	7,698,541,352.85	979,460,215.35	6,719,081,137.50
Goods in process and contract performance costs	1,506,172,848.54	42,733,316.42	1,463,439,532.12
Finished goods	17,262,357,795.65	2,850,241,012.37	14,412,116,783.28
Development costs	4,404,475,514.84		4,404,475,514.84
Development products	911,797,547.81		911,797,547.81
Total	31,783,345,059.69	3,872,434,544.14	27,910,910,515.55

(Continued)

Item	Beginning Balance		
	Book Balance	Inventory Falling Price Reserves/Impairment Reserves of Contract Performance Costs	Book Value
Raw materials	7,057,081,762.87	1,425,810,833.17	5,631,270,929.70
Goods in process and contract performance costs	2,134,877,242.86	115,317,125.00	2,019,560,117.86
Finished goods	21,827,045,795.09	2,943,541,383.93	18,883,504,411.16
Development costs	5,674,994,638.60		5,674,994,638.60
Development products	369,809,931.38		369,809,931.38
Total	37,063,809,370.80	4,484,669,342.10	32,579,140,028.70

(2) Inventory falling price reserves and impairment reserves of contract performance costs

Item	Beginning Balance	Change in the Current Period			Ending Balance
		Changes in the Scope of Consolidation	Accrual	Reversal/Write-off	
Raw materials	1,425,810,833.17	224,428.68	68,595,768.29	515,170,814.79	979,460,215.35

Item	Beginning Balance	Change in the Current Period			Ending Balance
		Changes in the Scope of Consolidation	Accrual	Reversal/Write-off	
Goods in process and contract performance costs	115,317,125.00			72,583,808.58	42,733,316.42
Finished goods	2,943,541,383.93	89,883.83	146,470,947.41	239,861,202.80	2,850,241,012.37
Total	4,484,669,342.10	314,312.51	215,066,715.70	827,615,826.17	3,872,434,544.14

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

Item	Specific Bases for Accruing the Inventory Falling Price Reserves	Reversal/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
Goods in process and contract performance costs	Inventory cost or net realizable value, whichever is lower	Received or sold in the current period
Finished goods	Inventory cost or net realizable value, whichever is lower	Sold in the current period

(3) Capitalization amount of borrowing costs included in the ending balance of inventory

None.

(4) Amortization amount of contract performance costs in the current year of CNY281,516,614.32.

12. Non-current assets due within one year

Item	Ending Balance	Beginning Balance
Debt investments due within 1 year	1,149,000,000.00	
Other debt investments due within 1 year	10,326,354,820.00	2,181,118,917.45
Monetary investment products due within 1 year	1,500,000,000.00	
Long-term receivables due within 1 year	40,656,657.97	55,162,876.25
Subtotal	13,016,011,477.97	2,236,281,793.70
Add: Accrued interests	839,706,290.23	176,614,895.44
Less: Impairment reserves	931,037.47	1,263,229.85
Total	13,854,786,730.73	2,411,633,459.29

[Note] For monetary investment products due within 1 year, please refer to Note V. 28 Other non-current assets.

13. Other current assets

Item	Ending Balance	Beginning Balance
Input tax to be deducted and prepaid tax	2,221,574,559.51	2,225,932,314.59
Bond products	100,000,000.00	100,000,000.00
Monetary investment products [Note]	14,831,000,000.00	22,059,399,315.54
Others	252,317,985.96	181,031,697.63

Item	Ending Balance	Beginning Balance
Subtotal	17,404,892,545.47	24,566,363,327.76
Add: Accrued interests	175,539,773.57	341,107,724.98
Less: Impairment reserves	42,975,406.21	38,529,298.59
Total	17,537,456,912.83	24,868,941,754.15

[Note] Monetary investment products include the amount reclassified from other debt investments. For details, please refer to Note V. 16. Other debt investments.

14. Disbursement of loans and advances

(1) Distribution of enterprises and individuals

Item	Ending Balance	Beginning Balance
Loans and advances measured at amortized costs:		
Disbursement of corporate loans and advances	442,700,000.00	558,000,000.00
Including: Loans	442,700,000.00	558,000,000.00
Subtotal	442,700,000.00	558,000,000.00
Add: Accrued interests	467,970.70	671,437.49
Less: Impairment reserves	11,959,035.09	14,944,828.26
Book value of issued corporate loans and advances	431,208,935.61	543,726,609.23

(2) Changes in loan loss reserves

Item	Ending Balance	Beginning Balance
Beginning Balance	14,944,828.26	18,431,750.00
Reversal in the current period	2,985,793.17	3,486,921.74
Ending Balance	11,959,035.09	14,944,828.26

15. Debt investment

(1) Debt investment

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserve	Book Value	Book Balance	Impairment Reserve	Book Value
Debt investment	2,149,000,000.00		2,149,000,000.00	1,149,000,000.00		1,149,000,000.00
Accrued interest	3,211,148.67		3,211,148.67	1,744,482.05		1,744,482.05
Subtotal	2,152,211,148.67		2,152,211,148.67	1,150,744,482.05		1,150,744,482.05
Less: Debt investments due within 1 year	1,150,744,482.03		1,150,744,482.03			
Total	1,001,466,666.64		1,001,466,666.64	1,150,744,482.05		1,150,744,482.05

(2) Debt investment

Item	Ending Balance				Beginning Balance			
	Face value	Coupon Rate	Effective Interest rate	Date Due	Face Value	Coupon Rate	Effective Interest rate	Date Due
Jinghua No.1 trust plan	1,000,000,000.00	5.10%	5.10%	2026/05/29				
Jinyu Guoshi trust plan	999,000,000.00	5.30%	5.30%	2025/09/30	999,000,000.00	5.30%	5.30%	2025/09/30
(26th issue) Agricultural Bank treasury bonds	150,000,000.00	2.28%	2.28%	2025/11/25	150,000,000.00	2.28%	2.28%	2025/11/25
Total	2,149,000,000.00				1,149,000,000.00			

[Note] Debt investments in the table above include debt investments due within 1 year.

(3) Accrual of impairment reserves

None.

16. Other debt investments

(1) Other debt investments

Item	Ending Balance				Accumulated Loss Reserves Recognized in Other Comprehensive Income
	Cost	Accrued Interest	Change in Fair Value	Book Value	
Treasury bonds	317,943,393.24	3,551,890.42	11,157,686.76	332,652,970.42	
Corporate bonds and financial bonds	819,887,584.56	12,451,534.21	18,527,435.44	850,866,554.21	
Negotiable certificate of deposit	21,529,497,581.58	1,216,044,331.79		22,745,541,913.37	
Subtotal	22,667,328,559.38	1,232,047,756.42	29,685,122.20	23,929,061,438.00	
Less: Other debt investments due within 1 year	10,319,887,584.56	804,908,383.54	6,467,235.44	11,131,263,203.54	
Other current assets	5,700,000,000.00	81,243,013.70		5,781,243,013.70	
Total	6,647,440,974.82	345,896,359.18	23,217,886.76	7,016,555,220.76	

(Continued)

Item	Beginning Balance				Accumulated Loss Reserves Recognized in Other Comprehensive Income
	Cost	Accrued Interest	Change in Fair Value	Book Value	
Treasury bonds	316,621,828.84	3,551,890.42	6,786,591.16	326,960,310.42	
Corporate bonds and financial bonds	899,720,207.58	14,149,657.51	9,897,862.42	923,767,727.51	
Negotiable certificate of deposit	16,667,335,007.45	803,512,433.47		17,470,847,440.92	

Item	Beginning Balance				Accumulated Loss Reserves Recognized in Other Comprehensive Income
	Cost	Accrued Interest	Change in Fair Value	Book Value	
Subtotal	17,883,677,043.87	821,213,981.40	16,684,453.58	18,721,575,478.85	
Less: Other debt investments due within 1 year	2,180,334,092.16	176,614,895.44	784,825.29	2,357,733,812.89	
Total	15,703,342,951.71	644,599,085.96	15,899,628.29	16,363,841,665.96	

[Note] The other debt investments held by the Company are classified as financial assets measured at fair value with changes included in other comprehensive income based on the intentions of the management and the contractual cash flows. According to the product term, they are presented respectively in other debt investments and other current assets, and detailed in other debt investments and non-current assets due within 1 year based on the liquidity of other debt investments. On December 31, 2024, there was no significant difference between the cost of the Company's negotiable certificate of deposit and its fair value.

(2) Other debt investments

Other Debt Items	Ending Balance				Beginning Balance			
	Face Value	Coupon Rate (%)	Effective Interest Rate (%)	Date Due	Face Value	Coupon Rate (%)	Effective Interest Rate (%)	Date Due
Negotiable certificate of deposit	21,517,000,000.00	1.80-4.00	1.80-4.00	2025/01/12 to 2027/10/21	16,667,000,000.00	3.10-4.00	3.10-4.00	2024/02/26 to 2027/10/21
16 coupon-bearing bond 17	200,000,000.00	2.74	3.10	2026/08/04	200,000,000.00	2.74	3.10	2026/08/04
20 Nongfa 08	200,000,000.00	3.45	3.54	2025/09/23	200,000,000.00	3.45	3.54	2025/09/23
23 CZBank Tier 2 Capital Note 02	200,000,000.00	3.50	3.50	2033/11/27	200,000,000.00	3.50	3.50	2033/11/27
22 Huafa Group MTN006	180,000,000.00	4.20	4.20	2025/04/25	180,000,000.00	4.20	4.20	2025/04/25
22 Huafa Group MTN009B	180,000,000.00	4.00	4.00	2025/06/20	180,000,000.00	4.00	4.00	2025/06/20
16 coupon-bearing bond 17	100,000,000.00	2.74	3.44	2026/08/04	100,000,000.00	2.74	3.44	2026/08/04

Other Debt Items	Ending Balance				Beginning Balance			
	Face Value	Coupon Rate (%)	Effective Interest Rate (%)	Date Due	Face Value	Coupon Rate (%)	Effective Interest Rate (%)	Date Due
22 Huafa Group MTN012B	60,000,000.00	3.75	3.75	2025/08/16	60,000,000.00	3.75	3.75	2025/08/16
22 Coupon-bearing Bond 19	20,000,000.00	2.60	2.61	2032/09/01	20,000,000.00	2.60	2.61	2032/09/01
21 Huafa Group MTN007					70,000,000.00	4.65	4.65	2024/06/28
19 Huafa Group MTN008B					10,000,000.00	5.30	5.31	2024/12/11
Total	22,657,000,000.00				17,887,000,000.00			

[Note] The other debt investments in the above table include those presented under non-current assets due within 1 year and other current assets.

17. Long-term receivables

(1) Long-term receivables

Item	Ending Balance		
	Book Balance	Bad Debt Reserves	Book Value
Goods of installment sales	105,430,191.48	30,023,445.46	75,406,746.02
Less: Unrealized financing income	11,422,062.22		11,422,062.22
Less: Long-term accounts receivable due within 1 year	40,656,657.97	931,037.47	39,725,620.50
Less: Other current assets	43,646,104.48	28,870,155.10	14,775,949.38
Total	9,705,366.81	222,252.89	9,483,113.92

(Continued)

Item	Beginning Balance		
	Book Balance	Bad Debt Reserves	Book Value
Goods of installment sales	186,803,996.60	26,735,849.27	160,068,147.33
Less: Unrealized financing income	18,178,746.29		18,178,746.29
Less: Long-term accounts receivable due within 1 year	55,162,876.25	1,263,229.85	53,899,646.40
Less: Other current assets	49,819,628.06	24,015,200.54	25,804,427.52
Total	63,642,746.00	1,457,418.88	62,185,327.12

[Note] The Company reclassifies long-term receivables due within 1 year to non-current assets due within 1 year and reclassifies overdue long-term receivables to other current assets.

(2) Disclosure by classification of bad debt reserves accrual methods

Category	Ending Balance				
	Book Balance		Bad Debt Reserves		Book Value
	Amount	Proportion (%)	Amount	Credit Loss Rate (%)	
Long-term accounts receivable with bad debt reserves accrued by individual item					
Long-term accounts receivable with bad debt reserves accrued by portfolios	9,705,366.81	100.00	222,252.89	2.29	9,483,113.92
Including: Account age portfolio	9,705,366.81	100.00	222,252.89	2.29	9,483,113.92
Total	9,705,366.81	100.00	222,252.89	2.29	9,483,113.92

(Continued)

Category	Beginning Balance				
	Book Balance		Bad Debt Reserves		Book Value
	Amount	Proportion (%)	Amount	Credit Loss Rate (%)	
Long-term accounts receivable with bad debt reserves accrued					

Category	Beginning Balance				
	Book Balance		Bad Debt Reserves		Book Value
	Amount	Proportion (%)	Amount	Credit Loss Rate (%)	
by individual item					
Long-term accounts receivable with bad debt reserves accrued by portfolios	63,642,746.00	100.00	1,457,418.88	2.29	62,185,327.12
Including: Account age portfolio	63,642,746.00	100.00	1,457,418.88	2.29	62,185,327.12
Total	63,642,746.00	100.00	1,457,418.88	2.29	62,185,327.12

Long-term accounts receivable with bad debt reserves accrued by account age portfolios

Category	Ending Balance		
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)
Goods of installment sales	9,705,366.81	222,252.89	2.29
Total	9,705,366.81	222,252.89	2.29

(3) Bad debt reserves accrued, recovered, or reversed in the current period

Category	Beginning Balance	Accrual/Recovery/Reversal	Ending Balance
Goods of installment sales	1,457,418.88	-1,235,165.99	222,252.89
Total	1,457,418.88	-1,235,165.99	222,252.89

(4) Long-term accounts receivable written off in the current period

None.

18. Long-term equity investments

Investee	Beginning Balance		Increase/Decrease in the Current Period								Ending Balance	
	Original Value	Impairment Reserve	Additional Investment	Decreased Investment	Profits and Losses on Investment Recognized by Equity Method	Adjustment of other Comprehensive Income	Declared Distribution of Cash Dividends or Profits	Other Changes in Equity	Accrual of Impairment Reserves	Others	Original Value	Impairment Reserve
I. Joint ventures												
SL Group Jiangwan Rice Industry Co., Ltd.	1,158,934.68				-12,620.24						1,146,314.44	
Subtotal	1,158,934.68				-12,620.24						1,146,314.44	
II. Associates												
Gree (Vietnam) Electric Appliances, Inc.	1,940,009.35	1,940,009.35									1,940,009.35	1,940,009.35
Outlook All Media Co., Ltd.	35,987,610.46				-7,056,245.72						28,931,364.74	
Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd.	15,390,790.44				345,925.26						15,736,715.70	
Coresing Semiconductor Technology Co., Ltd.	21,291,586.95				292,445.47		851,343.60				20,732,688.82	
Zhuhai Ronglin Equity Investment Partnership (Limited Partnership)	2,821,794,849.12				-1,042,751.57	-173,479,038.52					2,647,273,059.03	
Zhuhai Jiayao Food Technology Co., Ltd.	807,887.83		903,000.00		-687,902.85						1,022,984.98	
Henan Yuze Finance Leasing Co., Ltd.	52,575,995.19				1,858,410.38		1,410,618.10				53,023,787.47	

Investee	Beginning Balance		Increase/Decrease in the Current Period								Ending Balance	
	Original Value	Impairment Reserve	Additional Investment	Decreased Investment	Profits and Losses on Investment Recognized by Equity Method	Adjustment of other Comprehensive Income	Declared Distribution of Cash Dividends or Profits	Other Changes in Equity	Accrual of Impairment Reserves	Others	Original Value	Impairment Reserve
Zhuhai Hanling Equity Investment Partnership (Limited Partnership)	822,322,003.98			45,240,000.00	-7,460,887.40		5,944,607.00				763,676,509.58	
Lanzhou Guangtong New Energy Automobile Co., Ltd.	92,236,259.40				-7,233,994.07	-685,328.00					84,316,937.33	
Guizhou Qianzhixing New Energy Co., Ltd.	1,119,316.95				-543,754.48						575,562.47	
Ningxia Nenggu New Energy Technology Co., Ltd.	29,546.89				-29,546.89							
Beijing Liyin Automobile Technology Co., Ltd.	4,605,056.55										4,605,056.55	
Sichuan Jinshi Leasing Co., Ltd.	310,838,556.07				20,761,777.80	535,539.13	5,783,718.81				326,352,154.19	
Zhuji Rushan Huiying Venture Investment Partnership (Limited Partnership)	39,734,942.72			7,833,333.33	769,986.71						32,671,596.10	
DunAn (Tianjin) Energy Saving System Co., Ltd.	269,073,693.97				14,259,033.24			10,728,253.34		81,586,539.59	375,647,520.14	
Subtotal	4,489,748,105.87	1,940,009.35	903,000.00	53,073,333.33	14,232,495.88	-173,628,827.39	13,990,287.51	10,728,253.34		81,586,539.59	4,356,505,946.45	1,940,009.35
Total	4,490,907,040.55	1,940,009.35	903,000.00	53,073,333.33	14,219,875.64	-173,628,827.39	13,990,287.51	10,728,253.34		81,586,539.59	4,357,652,260.89	1,940,009.35

[Note 1] The change in other comprehensive income in the current period of the joint venture of the Company, Zhuhai Ronglin Equity Investment Partnership (Limited Partnership) (hereinafter referred to as "Zhuhai Ronglin"), is due to the fluctuation of the share price of Wingtech Technology Co., Ltd. held by it.

[Note 2] According to the partnership agreement of Zhuhai Ronglin Equity Investment Partnership (Limited Partnership), the Company invested in Zhuhai Ronglin as a limited partner. Upon the decision of all partners, the general partner is entrusted to perform partnership affairs. For matters related to the partnership submitted by the general partner to all partners for discussion, the voting method of one partner, one vote, and unanimously approved by all partners is implemented to make resolutions. The Company has no control over Zhuhai Ronglin, and Zhuhai Ronglin is not included in the scope of consolidation of the Company's statements during the reporting period.

19. Other equity instrument investments

(1) Other equity instrument investments

Item	Ending Balance	Beginning Balance
San'an Optoelectronics Co., Ltd.	1,394,043,525.29	1,586,483,387.45
Wingtech Technology Co., Ltd.	1,193,148,603.36	1,517,194,078.45
Shanghai Highly (Group) Co., Ltd.	339,586,352.90	626,491,486.09
RSMACALLINE-HSHS	105,810,081.91	125,653,291.82
COFCO Trading (Suibin) Agricultural Development Co., Ltd.	7,000,000.00	7,000,000.00
Xinjiang Joinworld Company Limited		2,043,265.56
Total	3,039,588,563.46	3,864,865,509.37

(2) Non-trading equity instrument investment

Item	Dividend Income Recognized	Gains Included in Other Comprehensive Income in the Current Period	Losses Included in Other Comprehensive Income in the Current Period	Accumulated Gains Included in Other Comprehensive Income at the End of Current Period	Accumulated Losses Included in Other Comprehensive Income at the End of Current Period	Amount Transferred from Other Comprehensive Income to Retained Earnings	Reason for the Amount Measured at Fair Value with Changes Included in Other Comprehensive Income	Reason for the Amount Transferred from Other Comprehensive Income to Retained Earnings
San'an Optoelectronics Co., Ltd.	3,436,426.11		192,439,862.16		605,956,474.71		Based on the management's intention and	

Item	Dividend Income Recognized	Gains Included in Other Comprehensive Income in the Current Period	Losses Included in Other Comprehensive Income in the Current Period	Accumulated Gains Included in Other Comprehensive Income at the End of Current Period	Accumulated Losses Included in Other Comprehensive Income at the End of Current Period	Amount Transferred from Other Comprehensive Income to Retained Earnings	Reason for the Amount Measured at Fair Value with Changes Included in Other Comprehensive Income	Reason for the Amount Transferred from Other Comprehensive Income to Retained Earnings
							contractual cash flow	
RSMACALLINE-HSHS			35,342,832.51		619,071,258.11		Based on the management's intention and contractual cash flow	
Shanghai Highly (Group) Co., Ltd.	960,805.37	495,357,248.70			23,695,744.78	165,774,110.67	Based on the management's intention and contractual cash flow	Sales of some shares
COFCO Trading (Suibin) Agricultural Development Co., Ltd.	400,000.00						Based on the management's intention and contractual cash flow	
Xinjiang Joinworld Company Limited			842,749.35			1,001,305.34	Based on the management's intention and contractual cash flow	Sales of shares
Wingtech Technology Co., Ltd.	4,482,374.38		198,377,802.65	433,816,279.20		102,343,911.72	Based on the management's intention and contractual cash flow	Sales of some shares
Total	9,279,605.86	495,357,248.70	427,003,246.67	433,816,279.20	1,248,723,477.60	269,119,327.73		

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	1,130,795,709.53	50,861,964.09	1,181,657,673.62
2. Increased amount in the current period	32,825,057.98	4,625,157.66	37,450,215.64
Including: (1) Transfer-in from fixed assets	32,825,057.98		32,825,057.98
(2) Transfer-in from intangible assets		4,625,157.66	4,625,157.66
3. Decreased amount in the current period	229,030,903.74		229,030,903.74
Including: Transfer to fixed assets	229,030,903.74		229,030,903.74
4. Ending balance	934,589,863.77	55,487,121.75	990,076,985.52
II. Accumulated depreciation and accumulated amortization			
1. Beginning balance	535,362,807.61	13,032,704.91	548,395,512.52
2. Increased amount in the current period	80,194,361.32	1,955,231.21	82,149,592.53
Including: (1) Accrual or amortization	63,121,543.09	1,155,457.10	64,277,000.19
(2) Transfer-in from fixed assets	17,072,818.23		17,072,818.23
(3) Transfer-in from intangible assets		799,774.11	799,774.11
3. Decreased amount in the current period	105,126,505.73		105,126,505.73
Including: Transfer to fixed assets	105,126,505.73		105,126,505.73
4. Ending balance	510,430,663.20	14,987,936.12	525,418,599.32
III. Impairment reserves			
IV. Book value			
1. Book value at the end of the period	424,159,200.57	40,499,185.63	464,658,386.20
2. Book value at the beginning of the period	595,432,901.92	37,829,259.18	633,262,161.10

[Note] As of December 31, 2024, the book value of investment real estate — houses and buildings of which the Company has not obtained the certificate of title was CNY41,600,556.61.

21. Fixed assets

Item	Ending Balance	Beginning Balance
Fixed assets [Note]	36,986,760,728.25	34,023,728,822.05
Fixed assets in liquidation	9,408,128.59	11,100,294.42
Total	36,996,168,856.84	34,034,829,116.47

[Note] The fixed assets in the table above refer to the fixed assets after the deduction of the fixed assets in liquidation.

(1) Fixed assets

Item	Houses and Buildings	Machinery and Equipment	Transportation Equipment	Electronic Equipment	Other Equipment	Total
I. Original book value						
1. Beginning balance	34,566,715,171.17	28,956,185,091.99	1,600,846,651.52	2,616,424,306.42	842,944,909.05	68,583,116,130.15
2. Increased amount in the current period	4,437,091,292.77	3,411,022,159.09	99,848,966.02	138,602,208.05	105,813,548.75	8,192,378,174.68
Including: (1) Purchase	603,328.45	623,198,481.01	99,708,492.67	137,065,571.57	105,813,548.75	966,389,422.45
(2) Transfer-in from investment real estate	229,030,903.74					229,030,903.74
(3) Transfer-in from construction in progress	4,207,457,060.58	2,736,644,547.94				6,944,101,608.52
(4) Increase from the business combination		51,179,130.14	140,473.35	1,536,636.48		52,856,239.97
3. Decreased amount in the current period	66,061,895.93	302,566,129.71	43,868,754.97	34,405,350.18	23,217,321.84	470,119,452.63
Including: (1) Disposal or scrapping	33,236,837.95	302,566,129.71	43,868,754.97	34,405,350.18	23,217,321.84	437,294,394.65
(2) Transfer to investment real estate	32,825,057.98					32,825,057.98
4. Foreign currency financial statement	-23,025,207.11	-15,383,103.32	-291,410.10	-587,189.08	-528,330.70	-39,815,240.31

Item	Houses and Buildings	Machinery and Equipment	Transportation Equipment	Electronic Equipment	Other Equipment	Total
translation						
5. Ending balance	38,914,719,360.90	32,049,258,018.05	1,656,535,452.47	2,720,033,975.21	925,012,805.26	76,265,559,611.89
II. Accumulated depreciation						
1. Beginning balance	10,685,292,657.00	19,230,335,206.88	1,340,579,120.06	2,394,411,674.51	748,766,912.10	34,399,385,570.55
2. Increased amount in the current period	1,960,529,885.18	2,404,863,333.15	115,617,349.90	171,288,830.39	107,919,070.21	4,760,218,468.83
Including: (1) Accrual	1,855,403,379.45	2,387,428,119.22	115,609,055.84	170,521,057.30	107,919,070.21	4,636,880,682.02
(2) Transfer-in from investment real estate	105,126,505.73					105,126,505.73
(3) Increase from the business combination		17,435,213.93	8,294.06	767,773.09		18,211,281.08
3. Decreased amount in the current period	26,098,735.07	242,310,440.98	41,184,912.32	30,759,866.99	19,959,510.36	360,313,465.72
Including: (1) Disposal or scrapping	9,025,916.84	242,310,440.98	41,184,912.32	30,759,866.99	19,959,510.36	343,240,647.49
(2) Transfer to investment real estate	17,072,818.23					17,072,818.23
4. Foreign currency financial statement translation	-3,829,004.72	-8,306,096.91	-290,311.90	-358,838.74	-273,497.75	-13,057,750.02
5. Ending balance	12,615,894,802.39	21,384,582,002.14	1,414,721,245.74	2,534,581,799.17	836,452,974.20	38,786,232,823.64
III. Impairment reserves						
1. Beginning balance	57,785,760.01	101,084,907.65	244,907.04	194,820.58	691,342.27	160,001,737.55
2. Increased amount in the current period	4,788,523.99	324,598,969.51	1,119,747.72	1,484,251.17	1,415,178.54	333,406,670.93
Including: (1) Accrual	4,788,523.99	324,259,690.40	1,119,747.72	1,484,251.17	1,415,178.54	333,067,391.82
(2) Transfer-in from construction in progress		339,279.11				339,279.11
3. Decreased amount in		521,198.51	67,655.02	30,157.12	1,618.47	620,629.12

Item	Houses and Buildings	Machinery and Equipment	Transportation Equipment	Electronic Equipment	Other Equipment	Total
the current period						
Including: Disposal or scrapping		521,198.51	67,655.02	30,157.12	1,618.47	620,629.12
4. Foreign currency financial statement translation		-221,719.36				-221,719.36
5. Ending balance	62,574,284.00	424,940,959.29	1,296,999.74	1,648,914.63	2,104,902.34	492,566,060.00
IV. Book value						
1. Book value at the end of the period	26,236,250,274.51	10,239,735,056.62	240,517,206.99	183,803,261.41	86,454,928.72	36,986,760,728.25
2. Book value at the beginning of the period	23,823,636,754.16	9,624,764,977.46	260,022,624.42	221,817,811.33	93,486,654.68	34,023,728,822.05

[Note] As of December 31, 2024, the book value of the Company's fixed assets — houses and buildings of which the Company has not obtained the certificate of title was CNY15,149,467,033.93. The acquisition of the certificate of title is mainly affected by the progress of the project's final acceptance, and the Company is still processing according to the schedule.

(2) Temporary idle fixed assets

The Company has no significant temporary idle fixed assets.

(3) Fixed assets leased out through operating leases

The Company has no significant fixed assets leased out through operating leases.

(4) Fixed assets in liquidation

Item	Ending Balance	Beginning Balance
Fixed assets in liquidation	9,408,128.59	11,100,294.42
Total	9,408,128.59	11,100,294.42

22. Construction in progress

Item	Ending Balance	Beginning Balance
Construction in progress [Note]	3,076,380,868.80	6,563,911,378.94
Total	3,076,380,868.80	6,563,911,378.94

[Note] The construction in progress in the above table refers to the construction in progress after the deduction of construction materials.

(1) Construction in progress

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserve	Book Value	Book Balance	Impairment Reserve	Book Value
Gree Altairnano Project	1,444,064,370.64	148,185,180.76	1,295,879,189.88	1,740,587,474.47	21,644,400.92	1,718,943,073.55
Zhuhai Jinwan Project	654,084,649.69		654,084,649.69	1,531,971,594.79		1,531,971,594.79
Wuhan Mold Project	419,342,296.60		419,342,296.60	283,100,962.02		283,100,962.02
Zhuhai Electronic Component Project	271,412,147.03		271,412,147.03	1,257,752,616.62		1,257,752,616.62
Zhuhai Electrical Project	222,951,605.31	4,689,734.56	218,261,870.75	165,437,659.94		165,437,659.94
Others	225,796,441.34	8,395,726.49	217,400,714.85	1,606,705,472.02		1,606,705,472.02
Total	3,237,651,510.61	161,270,641.81	3,076,380,868.80	6,585,555,779.86	21,644,400.92	6,563,911,378.94

(2) Current changes in important construction in progress

Item	Beginning Balance	Changes in the Scope of Consolidation in the Current Period	Increased Amount in the Current Period	Amount Transferred to Fixed Assets in the Current Period	Disposal in the Current Period	Ending Balance	Including: Capitalization Amount of Interest in the Current Period
Gree Altairnano Project	1,740,587,474.47		5,827,981.30	302,322,564.82	28,520.31	1,444,064,370.64	
Zhuhai Jinwan Project	1,531,971,594.79		336,443,702.76	1,214,330,647.86		654,084,649.69	659,128.09
Wuhan Mold Project	283,100,962.02		142,781,999.37	6,540,664.79		419,342,296.60	7,818,426.40

Item	Beginning Balance	Changes in the Scope of Consolidation in the Current Period	Increased Amount in the Current Period	Amount Transferred to Fixed Assets in the Current Period	Disposal in the Current Period	Ending Balance	Including: Capitalization Amount of Interest in the Current Period
Zhuhai Electronic Component Project	1,257,752,616.62		1,894,049,687.21	2,880,390,156.80		271,412,147.03	
Zhuhai Electrical Project	165,437,659.94		187,505,556.51	129,789,217.98	202,393.16	222,951,605.31	4,295,510.38
Others	1,606,705,472.02	7,780,042.42	1,022,172,026.53	2,410,728,356.27	132,743.36	225,796,441.34	-3,974,556.58
Total	6,585,555,779.86	7,780,042.42	3,588,780,953.68	6,944,101,608.52	363,656.83	3,237,651,510.61	8,798,508.29

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

23. Usufruct assets

Item	Houses and Buildings
I. Original book value	
1. Beginning balance	1,024,626,197.90
2. Increased amount in the current period	64,158,531.01
Including: (1) Lease	53,002,887.97
(2) Increase from the business combination	11,155,643.04
3. Decreased amount in the current period	26,108,956.37
4. Ending balance	1,062,675,772.54
II. Accumulated depreciation	
1. Beginning balance	182,375,689.78
2. Increased amount in the current period	115,538,137.39
Including: (1) Accrual	110,183,752.39
(2) Increase from the business combination	5,354,385.00
3. Decreased amount in the current period	25,001,845.27
4. Ending balance	272,911,981.90
III. Impairment reserves	
IV. Book value	
1. Book value at the end of the period	789,763,790.64
2. Book value at the beginning of the period	842,250,508.12

24. Intangible assets

Item	Land Use Rights	Patent Rights and Others	Total
I. Original book value			
1. Beginning balance	10,853,717,712.97	3,592,506,682.77	14,446,224,395.74
2. Increased amount in the current period	176,796,084.04	59,490,723.68	236,286,807.72
Including: (1) Purchase	176,796,084.04	35,321,178.58	212,117,262.62
(2) Increase from the business combination		24,169,545.10	24,169,545.10
3. Decreased amount in the current period	171,420,336.31	24,274,410.00	195,694,746.31
Including: (1) Disposal	166,795,178.65	19,559,810.00	186,354,988.65
(2) Write-off		4,714,600.00	4,714,600.00
(3) Transfer to investment real estate	4,625,157.66		4,625,157.66
4. Ending balance	10,859,093,460.70	3,627,722,996.45	14,486,816,457.15
II. Accumulated amortization			

Item	Land Use Rights	Patent Rights and Others	Total
1. Beginning balance	1,644,184,187.07	1,251,937,543.58	2,896,121,730.65
2. Increased amount in the current period	226,535,365.92	239,759,447.15	466,294,813.07
Including: (1) Amortization	226,535,365.92	239,204,262.83	465,739,628.75
(2) Increase from the business combination		555,184.32	555,184.32
3. Decreased amount in the current period	30,369,187.60	13,851,828.46	44,221,016.06
Including: (1) Disposal	29,569,413.49	9,137,228.46	38,706,641.95
(2) Write-off		4,714,600.00	4,714,600.00
(3) Transfer to investment real estate	799,774.11		799,774.11
4. Ending balance	1,840,350,365.39	1,477,845,162.27	3,318,195,527.66
III. Impairment reserves			
1. Beginning balance	8,670,282.34	713,737,860.93	722,408,143.27
2. Increased amount in the current period	967,591.51	18,930,200.16	19,897,791.67
Including: Accrual	967,591.51	18,930,200.16	19,897,791.67
3. Decreased amount in the current period		12,558,263.46	12,558,263.46
Including: (1) Disposal		8,044,676.86	8,044,676.86
(2) Write-off		4,513,586.60	4,513,586.60
4. Ending balance	9,637,873.85	720,109,797.63	729,747,671.48
IV. Book value			
1. Book value at the end of the period	9,009,105,221.46	1,429,768,036.55	10,438,873,258.01
2. Book value at the beginning of the period	9,200,863,243.56	1,626,831,278.26	10,827,694,521.82

[Note 1] Write-off amount of intangible assets — patent rights and others in the current period were the used quota licensing rights.

[Note 2] As of December 31, 2024, the book value of intangible assets of which the Company has not obtained the certificate of title was CNY169,198,160.53.

[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 Combination	Disposal	
Zhejiang DunAn Artificial Environment Co., Ltd.	1,198,301,590.22			1,198,301,590.22
Gree Altairnano New Energy Inc.	612,777,583.92			612,777,583.92

Name of Investee or Matters Forming Goodwill	Beginning Balance	Increase in the Current Period	Decrease in the Current Period	Ending Balance
		Formed by Business Combination	Disposal	
Nanjing Walsin Metal Co., Ltd.	274,115,040.11			274,115,040.11
Hefei Kinghome Electrical Co., Ltd.	51,804,350.47			51,804,350.47
Shenyang Water and Heat Source Development Co., Ltd.	372,585.32		372,585.32	
Shanghai Datro Automotive Technology Co., Ltd.		181,930,623.08		181,930,623.08
Total	2,137,371,150.04	181,930,623.08	372,585.32	2,318,929,187.80

(2) Goodwill impairment reserves

Name of Investee or Matters Forming Goodwill	Beginning Balance	Increase in the Current Period		Decrease in the Current Period	Ending Balance
		Accrual	Others	Disposal	
Gree Altairnano New Energy Inc.	358,582,322.03	254,195,261.89			612,777,583.92
Nanjing Walsin Metal Co., Ltd.	274,115,040.11				274,115,040.11
Hefei Kinghome Electrical Co., Ltd.	51,804,350.47				51,804,350.47
Shenyang Water and Heat Source Development Co., Ltd.	372,585.32			372,585.32	
Shanghai Datro Automotive Technology Co., Ltd.		12,503,141.17			12,503,141.17
Total	684,874,297.93	266,698,403.06		372,585.32	951,200,115.67

(3) Information about the asset group or asset group combination in which the goodwill is located

Name	Composition and Basis of the Asset Group or Combination	Operating Segments and Basis	Consistency with Previous Years (Yes/No)
Asset group of Gree Altairnano	Operating assets of an asset group, based on the asset group that can generate independent cash flows	Classified by company management requirements and business modules	Yes
Asset group of DunAn Environment refrigeration accessories	Including fixed assets, construction in progress, right-of-use assets, intangible assets, long-term unamortized expenses, and other long-term assets, based on the asset group that can generate independent cash flows	DunAn Hetian and Zhuhai Huayu, classified by company management requirements and business modules	Yes
Asset group of DunAn Environment equipment	Including fixed assets, construction in progress, right-of-use assets, intangible assets, long-term unamortized expenses, and other long-term assets, based on the asset group that can generate independent cash flows	DunAn Electro-Mechanical, classified by company management requirements and business modules	Yes
Asset group of DunAn Environment thermal	Including fixed assets, construction in progress, right-of-use assets, intangible assets, long-term unamortized expenses, and other long-term assets, based on the asset group that can generate independent cash flows	DunAn Thermal and Zhuhai Thermal, classified by company management requirements and business modules	Yes
Asset group of DunAn Environment thermal management	Including fixed assets, construction in progress, right-of-use assets, intangible assets, long-term unamortized expenses, and other long-term assets, based on the asset group that can generate independent cash flows	DunAn thermal management, classified by company management requirements and business modules	Yes
Asset group of Shanghai Datro	Including fixed assets, construction in progress, right-of-use assets, intangible assets, long-term unamortized expenses, and other non-current assets, based on the asset group that can generate independent cash flows	Shanghai Datro, classified by company management requirements and business modules	Not applicable

(4) Specific determination method of recoverable amount

1) Determined based on the net amount after deducting disposal expenses from fair value

Item	Book Value	Recoverable Amount	Impairment Amount of Goodwill Attributable to Shareholders of the Parent Company	Determination of Fair Value and Disposal Expenses	Key Parameters	Basis for Determining Key Parameters
Asset group of Gree Altairnano [Note 1]	11,126,591,344.62	9,836,938,770.48	254,195,261.89	Fair value	Fair value, disposal expenses	The fair value is determined through market inquiry and factor correction. The disposal expenses are confirmed by property rights transaction fees, stamp duty, surcharges, etc.
Asset group of Shanghai Datro [Note 2]	341,461,777.00	322,502,600.00	12,503,141.17	Fair value	Weighted average capital discount rate after tax	The fair value of the asset group of Shanghai Datro is estimated using the income method. The after-tax weighted average capital discount rate when estimating the fair value of the asset group of Shanghai Datro using the income method is 9.42%. Disposal costs are determined based on the principle of orderly realization, including legal fees related to asset disposal, relevant taxes, transportation fees, and direct costs incurred to bring the assets to a salable state, etc.
Total	11,468,053,121.62	10,159,441,370.48	266,698,403.06			

[Note 1] According to the *Asset Evaluation Report on the Recoverable Amount of the Goodwill and Asset Group Formed by the Combination of GREE Altairnano New Energy Inc. by Gree Electric Appliances, Inc. of Zhuhai in the Impairment Test* (SGYPBZ HS [2025] No. 111) issued by Shenzhen Guoyu Asset Appraisal and Real Estate Land Appraisal Consulting Co., Ltd., the amount of goodwill impairment attributable to the parent company in the current period is CNY254,195,261.89, and the recoverable amount of the asset group is calculated by using the method of net amount after deducting disposal expenses from fair value in the assessment report.

[Note 2] According to the *Asset Evaluation Report on the Recoverable Amount of the Asset Group of Shanghai Datro Automotive Technology Co., Ltd. Involved in the Impairment Test of Goodwill Formed by the Combination of Shanghai Datro Automotive Technology Co., Ltd. by Zhejiang DunAn Artificial Environment Co., Ltd.* (BFYSPBZ [2025] No. 01-0345) issued by North Asia Assets Assessment Co., Ltd., the impairment amount of goodwill attributable to the parent company for the current period is CNY12,503,141.17.

2) Determine based on the present value of expected future cash flows

Item	Book Value	Recoverable Amount	Impairment Amount	Years in the Forecast Period	Key Parameters for the Forecast Period (Growth Rate and Profit Rate)	Key Parameters for the Stable Period (Growth Rate, Profit Rate, and Discount Rate)	Basis for Determining Key Parameters During the Stable Period
Asset group of DunAn Environment refrigeration accessories	5,327,657,529.72	5,411,820,000.00		5 years + perpetual period	Revenue growth rate: 4.61%–7.22%; profit margin: 16.33%–17.65%; discount rate: 11.23%	Revenue growth rate: 0.00%; profit margin: 17.33%; discount rate: 11.23%	Pre-tax wacc calculated from industry data
Asset group of DunAn Environment equipment	331,449,079.03	3,660,310,000.00		5 years + perpetual period	Revenue growth rate: 11.11%–16.53%; profit margin: 26.60%–26.95%; discount rate: 11.23%	Revenue growth rate: 0.00%; profit margin: 26.99%; discount rate: 11.23%	Pre-tax wacc calculated from industry data
Asset group of DunAn Environment thermal	895,418,480.94	3,356,310,000.00		5 years + perpetual period	Revenue growth rate: 11.76%–23.34%; profit margin: 24.80%–25.67%; discount rate: 11.23%	Revenue growth rate: 0.00%; profit margin: 25.55%; discount rate: 11.23%	Pre-tax wacc calculated from industry data
Asset group of DunAn Environment thermal management	466,560,102.15	3,092,010,000.00		5 years + perpetual period	Revenue growth rate: 21.43%–45.45%; profit margin: 23.52%–24.08%; discount rate: 11.23%	Revenue growth rate: 0.00%; profit margin: 24.71%; discount rate: 11.23%	Pre-tax wacc calculated from industry data
Total	7,021,085,191.84	15,520,450,000.00					

[Note] According to the *Asset Evaluation Report on the Recoverable Amount of the Asset Group (Including Goodwill) of Zhejiang DunAn Artificial Environment Co., Ltd. Involved in the Goodwill Impairment Test of Gree Electric Appliances, Inc. of Zhuhai for the Preparation of Financial Statements (ZLPBZ [2025] No. 1105)* issued by Hubei Zhonglian Asset Appraisal Co., Ltd., there is no impairment of goodwill of Zhejiang DunAn Artificial Environment Co., Ltd., and the recoverable amount of the asset group is calculated by using the method of the present value of expected future cash flows in the evaluation report.

26. Long-term unamortized expenses

Item	Beginning Balance	Increased Amount in the Current Period	Amortization Amount in the Current Period	Ending Balance
Renovation costs and others	24,275,474.94	28,965,680.60	15,896,474.43	37,344,681.11
Total	24,275,474.94	28,965,680.60	15,896,474.43	37,344,681.11

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
Accrued expenses	82,929,725,894.70	12,452,334,218.46	81,894,353,560.58	12,299,777,470.95
Assets impairment reserves	12,080,308,125.20	2,282,447,345.97	9,185,884,979.39	1,563,753,624.25
Deductible losses	10,248,473,115.97	1,937,363,228.67	7,607,177,645.41	1,383,660,092.05
Payroll payable	1,325,704,081.21	198,725,660.01	2,403,160,852.09	368,434,495.66
Lease liabilities	792,895,907.54	194,177,199.77	855,196,661.01	210,201,073.63
Asset amortization/depreciation	352,912,616.75	53,620,582.42	285,078,030.33	43,422,888.16
Changes in the fair value of other equity instrument investments	173,175,011.09	25,976,251.66	270,341,234.04	40,551,185.11
Others	2,627,593,974.97	526,241,081.97	3,386,147,827.13	651,636,192.00
Total	110,530,788,727.43	17,670,885,568.93	105,887,340,789.98	16,561,437,021.81

(2) Deferred income tax liabilities not offset

Item	Ending Balance		Beginning Balance	
	Taxable Temporary Differences	Deferred Income Tax Liabilities	Taxable Temporary Differences	Deferred Income Tax Liabilities
Accrued interest	8,750,997,039.28	1,330,400,316.88	8,004,193,370.39	1,338,930,710.07
Appraised appreciation of assets from business combination not under the common control	2,490,738,639.45	518,926,980.90	3,068,234,386.94	628,766,638.59
Usufruct assets	771,912,726.22	189,038,125.98	841,445,774.92	207,082,853.09
Assets amortization	1,012,426,068.01	169,418,314.12	1,178,075,518.52	185,886,711.77
Changes in the fair value of derivative financial assets	94,743,412.42	16,933,857.86	174,933,139.85	27,862,021.19
Long-term equity investments	907,395,438.51	136,109,315.78	1,080,874,477.03	162,131,171.55
Others	1,836,332,243.87	440,267,757.89	1,361,383,913.95	321,097,051.32
Total	15,864,545,567.76	2,801,094,669.41	15,709,140,581.60	2,871,757,157.58

(3) Details of deferred income tax assets not recognized

Item	Ending Balance	Beginning Balance
Deductible losses	7,118,650,296.65	5,611,793,371.12
Deductible temporary differences	3,726,336,705.57	3,078,969,898.57
Total	10,844,987,002.22	8,690,763,269.69

(4) Deductible losses of deferred income tax assets not recognized due in the following years

Year	Investment Amount at the End of the Period	Beginning Amount
2024		1,417,170,907.63
2025	1,014,209,976.41	1,017,526,622.61
2026	1,196,016,171.98	856,758,140.24
2027	382,295,484.77	585,602,169.96
2028	584,010,870.63	820,192,288.14
2029	573,567,215.78	14,221,495.75
2030	41,206,753.03	19,960,469.70
2031	300,807,435.87	17,117,414.62
2032	276,258,408.36	32,376,800.88
2033	321,703,937.83	
2034	1,701,518,041.28	
Open-ended	727,056,000.71	830,867,061.59
Total	7,118,650,296.65	5,611,793,371.12

28. Other non-current assets

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserve	Book Value	Book Balance	Impairment Reserve	Book Value
Monetary investment products and accrued interest	57,706,146,160.20		57,706,146,160.20	41,018,451,427.70		41,018,451,427.70
Others	481,496,403.29	121,612,502.44	359,883,900.85	1,556,623,758.24	76,969,740.55	1,479,654,017.69
Subtotal	58,187,642,563.49	121,612,502.44	58,066,030,061.05	42,575,075,185.94	76,969,740.55	42,498,105,445.39
Less: Monetary investment products due within 1 year	1,533,053,424.66		1,533,053,424.66			
Total	56,654,589,138.83	121,612,502.44	56,532,976,636.39	42,575,075,185.94	76,969,740.55	42,498,105,445.39

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

Item	End of Period	
	Book Value	Reason for Restriction
Monetary funds	36,145,202,061.32	Required deposit reserve, earnest money, etc.

Item	End of Period	
	Book Value	Reason for Restriction
Accounts receivable	18,433,952.94	Pledged
Receivables financing	3,723,514,867.14	Pledged
Contract assets	1,725,716.05	Pledged
Other current assets	3,170,000,000.00	Pledged
Non-current assets due within one year	8,000,000,000.00	Pledged
Other debt investments	2,290,000,000.00	Pledged
Long-term equity investments	326,352,154.19	Pledged
Investment real estate	3,985,469.17	Pledged
Fixed assets	2,927,927,740.11	Pledged
Construction in progress	4,169,396.70	Pledged
Intangible assets	920,002,049.00	Pledged
Other non-current assets	13,710,000,000.00	Pledged
Total	71,241,313,406.62	

(Continued)

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

30. Short-term borrowings

(1) Classification of short-term borrowings

Item	Ending Balance	Beginning Balance
Pledge borrowings	9,617,880,311.88	13,689,816,990.91
Credit borrowings	28,422,207,506.52	11,791,884,924.68
Other borrowings	791,500,000.00	873,828,953.96
Subtotal	38,831,587,818.40	26,355,530,869.55
Accrued interest	177,939,454.82	87,945,518.97
Total	39,009,527,273.22	26,443,476,388.52

(2) Overdue and unpaid short-term borrowings

None.

31. Derivative financial liabilities

Item	Ending Balance	Beginning Balance
Foreign exchange derivatives	170,740,734.87	4,079,919.91
Total	170,740,734.87	4,079,919.91

32. Notes payable

Type	Ending Balance	Beginning Balance
Banker's acceptance bill	14,479,000,765.12	23,741,128,400.12
Total	14,479,000,765.12	23,741,128,400.12

[Note] As of December 31, 2024, the Company had no notes payable that were due and unpaid.

33. Accounts payable

(1) List of accounts payable

Item	Ending Balance	Beginning Balance
Payment for goods and services	43,413,420,251.59	37,687,019,566.61
Others	3,677,900,492.46	3,460,339,655.34
Total	47,091,320,744.05	41,147,359,221.95

(2) Important payables aged over 1 year

None.

34. Contract liabilities

Item	Ending Balance	Beginning Balance
Payment for goods and pre-sale housing	12,491,059,928.53	13,588,771,210.88
Total	12,491,059,928.53	13,588,771,210.88

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

35. Deposits from customers and interbank

Item	Ending Balance	Beginning Balance
Time deposits	285,233,783.98	245,243,190.05
Current deposits	13,758,901.35	3,188,766.08
Subtotal	298,992,685.33	248,431,956.13
Accrued interest	8,795,633.70	6,184,943.22
Total	307,788,319.03	254,616,899.35

36. Payroll payable

(1) List of payroll payable

Item	Beginning Balance	Increase in the Current Period	Decrease in the Current Period	Ending Balance
I. Short-term payroll	4,265,770,300.58	11,366,269,370.86	11,269,071,941.46	4,362,967,729.98
II. Post-employment benefits — defined contribution plan	22,841,085.71	900,421,134.21	895,572,730.35	27,689,489.57
Total	4,288,611,386.29	12,266,690,505.07	12,164,644,671.81	4,390,657,219.55

(2) List of short-term payroll

Item	Beginning Balance	Increase in the Current Period	Decrease in the Current Period	Ending Balance
1. Wages, bonuses, subsidies, and allowances	3,052,675,702.64	9,628,692,520.78	9,648,004,582.87	3,033,363,640.55
2. Employee benefits	1,882,276.07	712,936,238.15	713,198,156.37	1,620,357.85
3. Social insurance premiums	7,219,464.78	346,315,958.66	346,177,566.64	7,357,856.80
Including: Medical insurance premiums	6,615,849.30	305,882,283.92	305,849,925.91	6,648,207.31
Work-related injury insurance premiums	538,376.60	32,989,705.61	32,853,182.18	674,900.03
Maternity insurance premiums	65,238.88	7,443,969.13	7,474,458.55	34,749.46
4. Housing provident funds	3,916,942.58	413,290,420.64	412,000,174.53	5,207,188.69
5. Labor union expenditures and employee education funds	1,200,075,914.51	265,034,232.63	149,691,461.05	1,315,418,686.09
Total	4,265,770,300.58	11,366,269,370.86	11,269,071,941.46	4,362,967,729.98

(3) List of post-employment benefits — defined contribution plan

Item	Beginning Balance	Increase in the Current Period	Decrease in the Current Period	Ending Balance
1. Basic endowment insurance premiums	21,345,288.94	865,641,580.37	860,883,414.74	26,103,454.57
2. Unemployment insurance premiums	1,495,796.77	34,779,553.84	34,689,315.61	1,586,035.00
Total	22,841,085.71	900,421,134.21	895,572,730.35	27,689,489.57

37. Taxes and dues payable

Item	Ending Balance	Beginning Balance
Business income tax	1,942,399,837.72	2,544,807,089.57
Value-added tax	582,794,381.59	1,393,002,309.22
Others	187,850,831.71	399,822,161.49
Total	2,713,045,051.02	4,337,631,560.28

38. Other payables

Item	Ending Balance	Beginning Balance
Dividends payable	3,889,950.33	5,572,388.92
Other payables [Note 1]	4,553,021,754.89	5,507,694,127.90
Total	4,556,911,705.22	5,513,266,516.82

[Note 1] Other payables in the table above refer to other payables deducting the interest payable and dividends payable.

[Note 2] The Company has no interest payable at the end and the beginning of the period.

(1) Dividends payable

Item	Ending Balance	Beginning Balance
Common share dividends	602,881.87	602,881.87
Others	3,287,068.46	4,969,507.05
Total	3,889,950.33	5,572,388.92

[Note] The Company has no important dividends payable aged over 1 year.

(2) Other payables

1) Other payables listed by nature of payment

Item	Ending Balance	Beginning Balance
Intercourse funds	1,626,920,031.91	2,617,427,058.95
Enterprise borrowing and interest	1,503,105,131.31	1,654,225,040.13
Cash pledge and deposit	1,422,996,591.67	1,236,042,028.82
Total	4,553,021,754.89	5,507,694,127.90

2) Other important payables aged over 1 year

Item	Ending Balance	Reasons for Failing to Repay or Carry-over
Company 1	1,037,797,300.02	Unsatisfied repayment conditions
Total	1,037,797,300.02	

39. Non-current liabilities due within one year

Item	Ending Balance	Beginning Balance
Long-term borrowings due within 1 year	15,479,259,752.69	20,411,257,654.34
Long-term payables due within 1 year	11,983,224.42	104,437,399.09
Lease liabilities due within 1 year	85,936,308.78	89,826,019.60
Total	15,577,179,285.89	20,605,521,073.03

40. Other current liabilities

Item	Ending Balance	Beginning Balance
Sales rebate	49,056,364,849.24	50,881,332,212.24
Others	11,281,845,506.12	10,177,504,966.53
Total	60,338,210,355.36	61,058,837,178.77

41. Long-term borrowings

Item	Ending Balance	Beginning Balance
Pledge borrowings	9,438,920,000.00	19,537,435,550.95
Credit borrowings	22,688,108,497.49	37,768,442,020.95
Mortgaged borrowings	1,546,869,354.24	2,089,219,068.84
Guaranteed borrowings	8,000,000.00	
Subtotal	33,681,897,851.73	59,395,096,640.74
Add: Accrued interests	27,179,823.09	51,903,548.69
Less: Long-term borrowings due within 1 year	15,479,259,752.69	20,411,257,654.34
Total	18,229,817,922.13	39,035,742,535.09

42. Lease liabilities

Item	Ending Balance	Beginning Balance
Lease liabilities	797,227,498.47	856,833,971.52
Less: Lease liabilities due within 1 year	85,936,308.78	89,826,019.60
Total	711,291,189.69	767,007,951.92

43. Long-term payables

Item	Ending Balance	Beginning Balance
Financial liabilities formed after sale and leaseback	19,895,652.51	131,465,897.39
Subtotal	19,895,652.51	131,465,897.39
Less: Long-term payables due within 1 year	11,983,224.42	104,437,399.09
Total	7,912,428.09	27,028,498.30

44. Long-term payroll payable

(1) Table of long-term payroll payable

Item	Ending Balance	Beginning Balance
Net liabilities of post-employment benefits — defined benefit plan	232,102,639.00	195,057,663.00
Others	599,890.58	
Total	232,702,529.58	195,057,663.00

(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 in the Previous Period
I. Beginning balance	195,057,663.00	175,712,728.00
II. Defined benefit cost included in the current profits and losses	9,765,880.00	9,941,893.00
1. Service costs in the current period	3,487,947.00	3,238,005.00
2. Net interest	5,267,560.00	5,173,500.00
3. Impact of adding new personnel	1,010,373.00	1,530,388.00
III. Defined benefit cost included in other comprehensive income	34,144,434.00	15,837,466.00
Including: Gains	34,144,434.00	15,837,466.00
IV. Other changes	-6,865,338.00	-6,434,424.00
Including: Paid benefits	-6,865,338.00	-6,434,424.00
V. Ending balance	232,102,639.00	195,057,663.00

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

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
I. Beginning balance	195,057,663.00	175,712,728.00
II. Defined benefit cost included in the current profits and losses	9,765,880.00	9,941,893.00
III. Defined benefit cost included in other comprehensive income	34,144,434.00	15,837,466.00
IV. Other changes	-6,865,338.00	-6,434,424.00
V. Ending balance	232,102,639.00	195,057,663.00

(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 — Payroll*, 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 the insurance business of China Life Insurance (Group) Company.

45. Deferred income

Item	Beginning Balance	Increase in the Current Period	Decrease in the Current Period	Ending Balance	Cause of Formation
Government grants	3,524,154,801.52	142,971,910.73	259,645,488.48	3,407,481,223.77	Related to assets/incomes
Others	3,700,796.60		1,432,566.24	2,268,230.36	Unconfirmed profit and loss from sale and leaseback
Total	3,527,855,598.12	142,971,910.73	261,078,054.72	3,409,749,454.13	

46. Share capital

Item	Beginning Balance	Increase in the Current Period	Decrease in the Current Period	Ending Balance
Total shares [Note]	5,631,405,741.00		30,000,000.00	5,601,405,741.00
Total	5,631,405,741.00		30,000,000.00	5,601,405,741.00

[Note] By the resolution of the 1st Extraordinary General Meeting of Shareholders in 2024, 30,000,000 shares in the inventory of the repurchase special account were canceled. After the cancellation was completed, the total share capital of the Company decreased from 5,631,405,741 shares to 5,601,405,741 shares. The Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (CSDC) has confirmed that the cancellation date of the repurchased shares is October 17, 2024.

47. Capital reserves

Item	Beginning Balance	Increase in the Current Period	Decrease in the Current Period	Ending Balance
Share capital premium		1,587,056,613.37	1,225,394,453.00	361,662,160.37
Other capital reserves	1,352,522,393.67	326,044,646.05	1,568,049,830.59	110,517,209.13
Total	1,352,522,393.67	1,913,101,259.42	2,793,444,283.59	472,179,369.50

[Note 1] The expiration of the lock-up period of the Phase II employee stock ownership plan and the fulfillment of the vesting conditions resulted in an increase of CNY1,568,049,830.59 in capital reserves — share capital premium, and a decrease of CNY1,568,049,830.59 in capital reserves — other capital reserves.

[Note 2] The subsidiary granted restricted shares to the incentive recipients who met the grant conditions in the current period, and the subscription premium increased the capital reserves — share capital premium by CNY19,006,782.78.

[Note 3] Equity transactions occurred in the subsidiary in the current period, resulting in a decrease of CNY14,915,033.94 in the capital reserves — share capital premium.

[Note 4] The share of equity incentive — employee stock ownership plan expenses in the current period

increased the capital reserves — other capital reserves by CNY321,918,559.82.

[Note 5] The associates of subsidiaries increased the capital reserves in the current period, resulting in an increase of CNY4,126,086.23 in the capital reserves— other capital reserves.

[Note 6] Repurchased 30,000,000 shares in phases III and IV were canceled on October 17, 2024, reducing the capital reserves — share capital premium by CNY1,210,479,419.06.

48. Treasury share

Item	Beginning Balance	Increase in the Current Period	Decrease in the Current Period	Ending Balance
Repurchased share	4,942,723,911.44	22,394,801.10	2,348,552,735.86	2,616,565,976.68
Total	4,942,723,911.44	22,394,801.10	2,348,552,735.86	2,616,565,976.68

[Note 1] The assessment period of the company's Phase II employee stock ownership plan has expired and the performance indicators of the vesting period have been achieved, so the rights and interests of the attributable shares are distributed. The Company terminated the recognition of the obligation to repurchase the shares of the Phase II employee stock ownership plan in the current period, resulting in a decrease of CNY1,108,073,316.80 in the treasury shares.

[Note 2] The subsidiary completed the grant registration of share options in the 2023 restricted share and share option incentive plan on February 22, 2024, and confirmed the repurchase obligation at the same time, increasing the treasury shares by CNY22,394,801.10.

[Note 3] By the resolution of the 1st Extraordinary General Meeting of Shareholders in 2024, 30,000,000 shares in the special account for repurchase were canceled, corresponding to an inventory amount of CNY1,240,479,419.06. The Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (CSDC) has confirmed that the cancellation date of the repurchased shares is October 17, 2024.

49. 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 the Previous Period But Transferred to the Profits and Losses in the Current Period	Less: Amount Included in Other Comprehensive Income in the Previous Period But Transferred to Retained Earnings in the Current Period	Less: Income Tax Expenses	Amount Attributable to the Parent Company After Tax	Amount Attributable to Minority Shareholders After Tax	
I. Other comprehensive income cannot be reclassified into profits and losses	-13,316,885.77	129,849,857.23		269,119,327.73	-11,446,922.32	-127,822,548.18		-141,139,433.95
Changes arising from remeasurement of the defined benefit plan	-87,845,692.00	-34,144,434.00				-34,144,434.00		-121,990,126.00
Other comprehensive income that cannot be transferred to profits and losses under the equity method	917,238,821.54	-173,479,038.52			-26,021,855.77	-147,457,182.75		769,781,638.79
Changes in the fair value of other equity instrument investments	-842,710,015.31	337,473,329.75		269,119,327.73	14,574,933.45	53,779,068.57		-788,930,946.74
II. Other comprehensive income to be reclassified into profits and losses	288,855,179.07	66,273,651.80	22,180,106.52		5,125,649.88	34,302,540.65	4,665,354.75	323,157,719.72
Other comprehensive income that can be transferred to profits and losses under the equity method	-48,167.26	-149,788.87				-82,393.76	-67,395.11	-130,561.02
Changes in the fair value of other debt investments	-2,414,070.00	21,183,234.23			4,602,403.24	16,578,380.61	2,450.38	14,164,310.61
Reserves for credit impairment of other debt investments	-914,210.82	23,728,581.13	19,004,631.52		1,401,377.89	1,291,886.08	2,030,685.64	377,675.26
Cash flow hedging reserves	2,724,303.79	-2,646,800.00	3,175,475.00		-878,131.25	-4,944,143.75		-2,219,839.96
Difference arising from translation of financial statements in foreign currency	289,507,323.36	24,158,425.31				21,458,811.47	2,699,613.84	310,966,134.83
Total	275,538,293.30	196,123,509.03	22,180,106.52	269,119,327.73	-6,321,272.44	-93,520,007.53	4,665,354.75	182,018,285.77

50. Special reserves

Item	Beginning Balance	Increase in the Current Period	Decrease in the Current Period	Ending Balance
Safe production expenses	26,969,643.44	10,069,964.53	5,363,478.09	31,676,129.88
Total	26,969,643.44	10,069,964.53	5,363,478.09	31,676,129.88

51. Surplus reserves

Item	Beginning Balance	Increase in the Current Period	Decrease in the Current Period	Ending Balance
Statutory surplus reserves	1,731,130,024.40	58,313,690.85		1,789,443,715.25
Total	1,731,130,024.40	58,313,690.85		1,789,443,715.25

[Note 1] According to the regulations, the Company accrued a statutory surplus reserve of CNY32,929,994.98 at 10% of the net profit of the parent company for the current period. No accrual will be made when the accumulated statutory surplus reserve reaches 50% of the registered capital.

[Note 2] The carry-over of other comprehensive income to retained earnings increased the surplus reserve by CNY25,383,695.87.

52. General risk reserves

Item	Beginning Balance	Increase in the Current Period	Decrease in the Current Period	Ending Balance
General risk reserves	507,223,117.40	2,022,363.18		509,245,480.58
Total	507,223,117.40	2,022,363.18		509,245,480.58

53. Undistributed profits

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Undistributed profits at the end of the previous period before adjustment	112,211,650,801.62	91,458,073,960.81
Total adjustment of undistributed profits at the beginning of the period (+ for increase, - for decrease)		
Undistributed profit at the beginning of the period after adjustment	112,211,650,801.62	91,458,073,960.81
Add: Net profit attributable to shareholders of the parent company for the current period	32,184,570,372.28	29,017,387,604.18
Less: Withdrawal of statutory surplus reserves	32,929,994.98	2,704,897,285.76
Withdrawal of general risk reserves	2,022,363.18	
Common share dividends payable [Note]	13,142,225,877.48	5,613,841,613.00
Impact of share-based payment and share cancellation		313,591,772.67
Add: Amount transferred from other comprehensive income to retained earnings	228,453,262.83	368,519,908.06
Undistributed profit at the end of the period	131,447,496,201.09	112,211,650,801.62

[Note] Under the resolutions of the annual general meeting of shareholders on June 28, 2024, the Company

distributed cash dividends to all shareholders at a rate of CNY23.80 (tax inclusive) per 10 shares. Based on the shares deducting 109,462,095 repurchased shares in the account for repurchase from the Company's total capital shares of 5,631,405,741, CNY13,142,225,877.48 of cash dividends should be distributed.

54. Operating revenues and costs

Item	Amount Incurred in the Current Period		Amount Incurred in the Previous Period	
	Revenue	Cost	Revenue	Cost
Main business	169,715,353,002.47	114,476,752,530.27	174,565,470,852.38	115,836,488,022.69
Other business	19,448,301,062.17	19,019,367,093.09	29,413,795,534.71	28,116,999,197.36
Total	189,163,654,064.64	133,496,119,623.36	203,979,266,387.09	143,953,487,220.05

Information related to the revenues from main businesses:

Item	Amount Incurred in the Current Period		Amount Incurred in the Previous Period	
	Revenue	Cost	Revenue	Cost
Classified by industry				
Manufacturing industry	169,715,353,002.47	114,476,752,530.27	174,565,470,852.38	115,836,488,022.69
Total	169,715,353,002.47	114,476,752,530.27	174,565,470,852.38	115,836,488,022.69
Classified by product type				
Including: Household appliances	148,559,931,838.58	96,691,946,304.39	155,218,482,437.25	100,029,892,199.51
Industrial products and green energy	17,246,185,690.02	14,537,492,029.56	17,109,354,623.75	14,008,884,148.22
Smart device	424,131,758.64	313,649,678.84	669,842,288.11	460,881,332.89
Others	3,485,103,715.23	2,933,664,517.48	1,567,791,503.27	1,336,830,342.07
Total	169,715,353,002.47	114,476,752,530.27	174,565,470,852.38	115,836,488,022.69
Classified by region				
Including: Domestic sales	141,512,822,056.59	93,045,292,807.84	149,661,934,832.94	96,846,915,467.14
Export sales	28,202,530,945.88	21,431,459,722.43	24,903,536,019.44	18,989,572,555.55
Total	169,715,353,002.47	114,476,752,530.27	174,565,470,852.38	115,836,488,022.69

55. Interest income and interest expenses

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Interest income	874,417,456.85	1,038,856,837.77
Including: Interest income from deposits in other banks and central banks	573,713,739.27	769,444,269.59
Interest income from the disbursement of loans and advances	146,194,865.10	116,256,351.56
Others	154,508,852.48	153,156,216.62
Interest expense	158,700,589.03	126,399,291.44

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Including: Expenses from transactions with financial institutions	144,920,539.03	113,834,187.03
Others	13,780,050.00	12,565,104.41
Net interest income	715,716,867.82	912,457,546.33

56. Taxes and surcharges

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Urban maintenance & construction tax	509,067,607.82	608,933,524.27
Education surcharge	367,982,324.72	443,446,170.48
Building tax	316,450,996.41	291,022,667.17
Land use tax	148,331,976.12	150,553,829.97
Others	456,994,890.37	620,228,300.94
Total	1,798,827,795.44	2,114,184,492.83

57. Sales expenses

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Sales expenses	9,753,022,469.17	14,801,702,209.41
Total	9,753,022,469.17	14,801,702,209.41

[Note] In 2024, the sales expenses mainly included installation expenses, warehousing expenses, loading and unloading fees, promotion expenses, and payroll, totally accounting for more than 80% of the total sales expenses.

58. Administrative expenses

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Administrative expenses	6,057,608,713.94	6,542,161,037.82
Total	6,057,608,713.94	6,542,161,037.82

[Note] In 2024, the overhead expenses included payroll, material consumption, depreciation, and amortization, totally accounting for more than 80% of the total overhead expenses.

59. R&D expenses

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
R&D expenses	6,904,084,981.92	6,762,136,262.23
Total	6,904,084,981.92	6,762,136,262.23

[Note] In 2024, the R&D expenses mainly included the employees' labor costs and direct investment costs, accounting for more than 80% of the total R&D expenses.

60. Financial expenses

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Interest expenses	2,378,372,721.06	2,962,205,439.75
Less: Interest income [Note]	5,999,412,762.36	6,189,969,897.82
Add: Exchange profits and losses	250,076,580.51	-373,003,623.17
Commissions	66,617,496.60	67,736,176.25
Interest expenses for defined benefit obligation	5,267,560.00	5,173,500.00
Others	-1,339,154.77	1,336,553.24
Total	-3,300,417,558.96	-3,526,521,851.75

[Note] Both the above interest income and the interest income in Note V. 55 Interest income and interest expenses are capital income.

61. Other income

Sources of Other Income	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Government grants	1,916,950,375.04	716,882,751.82
Value-added tax additional deduction and others	807,707,443.33	183,786,384.13
Total	2,724,657,818.37	900,669,135.95

62. Income from investment

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Investment income obtained from trading financial instruments	460,296,091.05	280,532,436.05
Long-term equity investment income measured by the equity method	14,219,875.64	93,222,443.16
Investment income from derivative financial instruments	150,970,608.40	-334,089,576.80
Others	-65,204,728.73	177,491,302.82
Total	560,281,846.36	217,156,605.23

63. Income from changes in fair value

Sources of Income from Changes in Fair Value	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Derivative financial instruments	-273,556,968.51	290,358,381.45
Trading financial instruments	-5,658,203.37	135,772,263.81
Others	5,239,667.54	11,453,343.46
Total	-273,975,504.34	437,583,988.72

64. Credit impairment losses

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Bad debt losses	-528,495,906.55	-824,454,538.38

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Impairment losses of buying back the sale	3,077,495.66	-3,077,495.66
Impairment losses of loans and advances	2,985,793.17	3,486,921.74
Total	-522,432,617.72	-824,045,112.30

65. Asset impairment losses

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Inventory falling price losses	-144,034,693.43	-2,077,565,556.79
Goodwill impairment losses	-266,698,403.06	-206,861,546.92
Contract asset impairment losses	243,583,872.94	-23,251,340.92
Fixed asset impairment losses	-333,067,391.82	-142,060,658.57
Impairment losses of the construction in progress	-139,998,209.31	-21,589,987.17
Other asset impairment losses	-46,604,377.59	-22,250,603.71
Total	-686,819,202.27	-2,493,579,694.08

66. Income from disposal of assets

Source of Income from Disposal of Assets	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Gains from disposal of non-current assets (losses expressed with "-")	16,965,090.94	382,923,791.69
Total	16,965,090.94	382,923,791.69

67. Non-operating revenues

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period	Amount Included in Non-Recurring Profits and Losses in the Current Period
Net profit from destruction scrap of non-current assets	2,062,553.28	3,273,237.25	2,062,553.28
Non-operating government subsidies	3,781,050.00	26,340,308.60	3,781,050.00
Others	66,347,364.54	98,758,262.67	66,347,364.54
Total	72,190,967.82	128,371,808.52	72,190,967.82

68. Non-operating expenses

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period	Amount Included in Non-Recurring Profits and Losses in the Current Period
Net losses from destruction scrap of non-current assets	117,645,205.80	57,463,367.50	117,645,205.80
Others	46,987,839.32	119,984,960.59	46,987,839.32
Total	164,633,045.12	177,448,328.09	164,633,045.12

69. Income tax expenses

(1) Table of income tax expenses

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Income tax expenses in the current period	5,695,658,290.98	6,477,401,667.61
Deferred income tax expenses	-1,170,731,730.03	-1,380,720,743.01
Total	4,524,926,560.95	5,096,680,924.60

(2) Adjustment of accounting profits and income tax expenses

Item	Amount Incurred in the Current Period
Total profits	36,895,995,848.30
Income tax expenses calculated at the statutory/applicable tax rate	5,534,399,377.25
Impact by different tax rates applicable to subsidiaries	-78,338,578.17
Impact by non-deductible costs, expenses, and losses	51,325,226.04
Impact of deductible temporary differences or deductible losses on unrecognized deferred income tax assets at the end of the period	970,095,189.37
Others	-1,952,554,653.54
Income tax expenses	4,524,926,560.95

70. Items of cash flow statement

(1) Cash flows related to operating activities

1) Other cash received related to operating activities

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Government grants	1,799,273,956.24	990,758,810.62
Interest income	315,360,111.29	386,430,147.87
Cash pledges, deposits, and others	1,134,685,096.06	1,461,579,187.30
Total	3,249,319,163.59	2,838,768,145.79

2) Other cash payments related to operating activities

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Cash payments for sales expenses	7,185,012,975.87	8,562,376,407.52
Cash payments for overhead expenses and R&D expenses	1,648,760,232.90	1,800,397,545.02
Net increase in restricted funds related to operating activities such as bills, guarantees, and margin deposits	950,809,072.53	5,911,533,582.83
Return of advance project funds	21,684,919.23	165,658,259.48
Payment of performance, bid security, and others	1,117,979,551.09	1,117,354,876.06
Total	10,924,246,751.62	17,557,320,670.91

(2) Cash related to investment activities

1) Cash received related to investment activities

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Redemption of monetary investment products, large certificates of deposit, debt instrument investments, and other products	27,116,400,779.20	21,394,360,863.88
Total	27,116,400,779.20	21,394,360,863.88

2) Cash payment related to investment activities

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Payment of monetary investment products, large certificates of deposit, debt instrument investments, and other products	42,427,405,328.01	84,266,255,633.47
Total	42,427,405,328.01	84,266,255,633.47

3) Other cash received related to investment activities

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Net inflow of forward foreign exchange settlement and purchase	165,860,138.00	
Net decrease in time deposits		21,131,039,386.45
Time deposit interest income	4,951,508,980.79	3,556,171,690.87
Others	48,331,796.10	28,671,249.18
Total	5,165,700,914.89	24,715,882,326.50

4) Other cash payment related to investment activities

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Net outflow of forward foreign exchange settlement and purchase		304,332,374.80
Net increase in time deposits	715,596,870.46	
Others	3,724,962,434.47	3,866,295.73
Total	4,440,559,304.93	308,198,670.53

(3) Cash payment related to financing activities

1) Other cash payments related to financing activities

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Net decrease in pledge deposits on borrowings	5,382,824,066.67	19,055,112,862.00
Collection of employee stock ownership plan funds		1,108,073,316.80
Others		40,000,000.00
Total	5,382,824,066.67	20,203,186,178.80

2) Other cash payments related to financing activities

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Cash payment for repurchased shares		3,000,202,396.37
Others	484,846,580.49	1,362,342,134.72

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Total	484,846,580.49	4,362,544,531.09

3) Changes in liabilities arising from financing activities

Item	Beginning Balance	Increase in the Current Period		Decrease in the Current Period		Ending Balance
		Cash Changes	Non-cash Changes	Cash Changes	Non-cash Changes	
Bank loans and others	87,676,167,515.47	69,114,070,361.03	2,332,043,190.25	84,880,675,334.89		74,241,605,731.86
Dividends payable	5,572,388.92		13,143,744,877.48	13,143,744,877.48	1,682,438.59	3,889,950.33
Lease liabilities (including lease liabilities due within 1 year)	856,833,971.52		72,291,531.11	131,898,004.16		797,227,498.47
Total	88,538,573,875.91	69,114,070,361.03	15,548,079,598.84	98,156,318,216.53	1,682,438.59	75,042,723,180.66

71. Supplementary for cash flow statement

(1) Supplementary for cash flow statement

Supplementary	Amount in the Current Period	Amount in the Previous Period
1. Adjusting net profit to cash flow from operating activities:		
Net profits	32,371,069,287.35	27,719,022,913.59
Add: Assets and credit impairment reverses	1,209,251,819.99	3,317,624,806.38
Depreciation of fixed assets, depreciation of investment real estate, and amortization of right-to-use assets	4,811,341,434.60	4,808,144,624.82
Amortization of intangible assets	445,567,650.39	475,186,591.56
Losses on disposal of fixed assets, intangible assets, and other long-term assets (income expressed with “-”)	-16,965,090.94	-382,923,791.69
Loss from scrapping fixed assets (income expressed with “-”)	115,582,652.52	54,190,130.25
Losses from changes in fair value (income expressed with “-”)	273,975,504.34	-437,583,988.72
Financial expenses (income expressed with “-”)	-3,108,257,855.15	-3,910,047,955.94
Investment losses (income expressed with “-”)	-765,303,511.76	-217,156,605.23
Decrease in deferred income tax assets (increase expressed with “-”)	-1,100,364,408.99	-1,966,236,836.12
Increase in deferred income tax liabilities (decrease expressed with “-”)	-68,885,485.14	585,516,093.11
Decrease of inventories (increase expressed with “-”)	4,545,947,126.79	3,656,838,547.28
Decrease in operating receivables (increase expressed with “-”)	-512,406,905.95	12,312,109,488.56
Increase in operating payables (decrease expressed with “-”)	-7,735,915,199.13	15,003,082,209.85
Others [Note]	-1,095,386,448.26	-4,619,339,873.53
Net cash flows from operating activities	29,369,250,570.66	56,398,426,354.17
2. Major investment and financing activities not involving cash receipts and payment:		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	21,140,958,080.12	30,914,196,186.41

Supplementary	Amount in the Current Period	Amount in the Previous Period
Less: Beginning balance of cash	30,914,196,186.41	31,754,656,695.61
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-9,773,238,106.29	-840,460,509.20

[Note] "Others" include a net increase of CNY485,197,013.98 in the statutory deposit reserves, a net increase of CNY950,809,072.53 in bill margin, etc., and an expense of CNY340,619,638.25 allocated by the employee stock ownership plan for the current period.

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

Item	Shanghai Datro Automotive Technology Co., Ltd.
Cash or cash equivalent payment for business combination that occurred in the current period	244,597,668.00
Including: Cash	244,597,668.00
Less: Cash and cash equivalents held by the subsidiary on the acquisition date	35,152,822.52
Net cash payment for the acquisition of subsidiaries	209,444,845.48

(3) Net cash from the disposal of subsidiaries this year

Item	Amount
Cash or cash equivalents from the disposal of subsidiaries in the current period	1,800,001.00
Including: Shenyang Water and Heat Source Development Co., Ltd.	1,000,001.00
Jilin Songliang Modern Agricultural Development Co., Ltd.	800,000.00
Less: Cash and cash equivalents held by the subsidiary on the date of losing control	986,544.60
Including: Shenyang Water and Heat Source Development Co., Ltd.	982,539.54
Jilin Songliang Modern Agricultural Development Co., Ltd.	4,005.06
Add: Cash or cash equivalents received in the current period from the disposal of subsidiaries in the previous period	100,000,000.00
Including: DunAn (Tianjin) Energy Saving System Co., Ltd.	100,000,000.00
Net cash from the disposal of subsidiaries	100,813,456.40

(4) Composition of cash and cash equivalents

Item	Ending Balance	Beginning Balance
I. Monetary funds	113,900,461,797.94	124,104,987,289.62
Including: Cash on hand	493,036.20	747,248.45
Bank deposits for payment at any time	14,705,329,427.85	12,145,466,861.21
Other monetary funds for payment at any time	802,982,715.77	470,104,370.06
Deposits in the central bank for	9,336,080.31	6,910,095.46

Item	Ending Balance	Beginning Balance
payment at any time		
Deposits in other banks for payment at any time	5,622,816,819.99	18,290,967,611.23
Time deposits and accrued interest not in the category of cash and cash equivalents	56,614,301,656.50	56,746,121,561.64
Deposits with restricted use	36,145,202,061.32	36,444,669,541.57
II. Cash equivalents		
III. Ending balance of monetary funds and cash equivalents	113,900,461,797.94	124,104,987,289.62
Less: Time deposits and accrued interest not in the category of cash and cash equivalents	56,614,301,656.50	56,746,121,561.64
Less: Deposits with restricted use	36,145,202,061.32	36,444,669,541.57
Including: Statutory deposit reserves	1,867,216,106.71	1,382,019,092.73
Bill, letter of credit, and other deposits	34,277,985,954.61	35,062,650,448.84
IV. Ending balance of cash and cash equivalents	21,140,958,080.12	30,914,196,186.41

(5) Restricted usage scope but still listed as cash and cash equivalents

None.

72. Annotations to items in the statement of changes in owner's equity

None.

73.Monetary items in foreign currencies

(1) Monetary items in foreign currencies

Item	USD Converted into CNY	HKD Converted into CNY	Euro Converted into CNY	BRL Converted into CNY	JPY Converted into CNY	THB Converted into CNY	Others	Total in CNY
Exchange rate on 2024/12/31	7.1884	0.9260	7.5257	1.1821	0.0462	0.2126	Not Applicable	Not Applicable
Monetary funds	5,433,045,308.17	5,524,591,270.01	4,874,672,447.96	1,375,148,323.34	22,615,605.47	53,563,175.00	1,070,753.98	17,284,706,883.93
Accounts receivable	4,047,652,082.20	36,301,505.90	40,411,103.94	625,974,286.95		144,685,983.64	12,376,680.65	4,907,401,643.28
Contract assets	143,768.00							143,768.00
Other receivables	5,112,617.59	439,297.69	457,136.98	252,535.77		7,625,383.14	3,891,615.80	17,778,586.97
Other non-current assets				564,758.23				564,758.23
Short-term borrowings	13,657,715,570.25				1,893,347,528.30			15,551,063,098.55
Accounts payable	265,316,357.99	11,812,663.41	32,682,731.35	41,266,801.98	14,281,266.04	34,194,559.22	4,698,128.88	404,252,508.87
Other payables	199,595,288.53	2,900,621.24	11,781,266.38	2,035,596.09	642,411.57	1,288,539.90	190,379.13	218,434,102.84

(2) Description of overseas operating entities

The company's main business locations outside the Chinese mainland include Hong Kong, Brazil, Thailand, the United States, etc. Each business entity takes its main business currency as the functional currency. As of December 31, 2024, the financial statements of the subsidiaries from countries and regions outside the Chinese mainland, such as the Hong Kong subsidiary, the Brazil subsidiary, the Thailand subsidiary, and the US subsidiary, which are included in the consolidated financial statements, have all been converted into CNY for presentation. The conversion exchange rates for the balance sheet items are the exchange rates in Note V. 73 (1). The conversion exchange rates for the income statement and cash flow statement items adopt the average exchange rate for 2024.

74. Lease

1) The simplified short-term lease or low-value asset lease expenses are CNY88,491,363.86.

2) Sale-leaseback transaction

Some subsidiaries of the Company transferred some machinery equipment to financial lease companies and leased them back. In the sale-leaseback transaction, the financial lease company cannot dominate the use of the goods and obtain almost all economic benefits from it. The Company can dominate the use of the leased assets, and has not transferred the control of them. Therefore, the sale-leaseback transaction does not meet the requirements of sales. The Company continues to recognize the transferred assets and recognizes long-term payables at the same time.

3) With the Company is a lessor

Item	Rental Incomes	Including: Income Related to Variable Lease Payments not Included in Lease Payments
Operating lease as a lessor	170,746,006.07	
Total	170,746,006.07	

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
Shanghai Datro Automotive Technology Co., Ltd.	2024/07/01	244,597,668.00	65.95%	Purchase by cash	2024/07/01

(Continued)

Name of the Acquiree	Basis for Determining the Acquisition Date	Operating Income of the Acquiree from the Acquisition Date to the End of the Period	Net Profit of the Acquiree from the Acquisition Date to the End of the Period	Cash Flow of the Acquiree from the Acquisition Date to the End of the Period
Shanghai Datro Automotive Technology Co., Ltd.	Acquisition of control	50,610,255.50	-10,890,056.09	3,852,261.61

On June 30, 2024, the Company's wholly-owned subsidiary, DunAn Environment, acquired 62.95% of the equity of Shanghai Datro Automotive Technology Co., Ltd. (hereinafter referred to as "Datro") through a cash transaction valued at CNY214.5977 million, and also increased its capital in Datro by CNY30 million. After the transaction was completed, DunAn Environment held 65.95% of the equity in Datro. DunAn Environment has completed the equity transfer and industrial and commercial change registration procedures. Datro has been included in the consolidated scope of DunAn Environment.

(2) Cost and goodwill of business combination

Cost of Business Combination	Amount
Total cost of business combination	244,597,668.00
Including: Cash	244,597,668.00
Less: Fair value of the identifiable net assets acquired	62,667,044.92
Goodwill	181,930,623.08

DunAn Environment currently holds 65.95% of the equity in Datro. The enterprise merger cost is CNY244,597,668.00. The fair value share of identifiable net assets attributable to the parent company shareholders obtained is CNY62,667,044.92. The corresponding fair value of identifiable net assets was assessed by Zhonglian Appraisal Consulting (Shanghai) Co., Ltd. and an assessment report with the number ZLHP Zi [2024] No. 20 was issued. The difference between the enterprise merger cost and the fair value share of identifiable net assets attributable to the parent company shareholders of Datro forms goodwill of CNY181,930,623.08.

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

Item	Shanghai Datro Automotive Technology Co., Ltd.	
	Fair Value on the Acquisition Date	Book Value on the Acquisition Date
Assets:		
Monetary funds	5,152,822.52	5,152,822.52
Notes receivable	715,882.91	715,882.91
Receivables	36,803,450.59	36,803,450.59
Receivables financing	5,824,589.99	5,824,589.99
Advance payments	1,041,919.28	1,041,919.28
Other receivables	31,512,194.62	31,512,194.62
Inventory	20,200,520.76	17,127,908.27
Other current assets	2,080,550.17	2,080,550.17
Fixed assets	34,644,958.89	32,761,348.70
Construction in progress	7,780,042.42	7,780,019.35
Usufruct assets	5,801,258.04	5,801,258.04
Intangible assets	23,614,360.78	394,064.49
Long-term unamortized expenses	2,896,776.52	2,896,776.52
Deferred income tax assets	10,437,280.23	10,437,280.23
Other non-current assets	37,924.20	37,924.20
Liabilities:		
Short-term borrowings	39,000,000.00	39,000,000.00
Notes payable	1,487,740.22	1,487,740.22

Item	Shanghai Datro Automotive Technology Co., Ltd.	
	Fair Value on the Acquisition Date	Book Value on the Acquisition Date
Payables	27,451,609.43	27,451,609.43
Contract liabilities	18,956.40	18,956.40
Payroll payable	2,627,612.49	2,627,612.49
Taxes and dues payable	12,974.49	12,974.49
Other payables	1,245.36	1,245.36
Non-current liabilities due within one year	4,367,779.95	4,367,779.95
Other current liabilities	2,464.33	2,464.33
Long-term borrowings	7,000,000.00	7,000,000.00
Lease liabilities	3,744,872.39	3,744,872.39
Deferred income	518,000.00	518,000.00
Deferred income tax liabilities	7,285,908.39	241,772.88
Net Assets	95,025,368.47	73,892,961.94
Less: Minority shareholders' equity	32,358,323.55	25,162,253.08
Net assets acquired	62,667,044.92	48,730,708.86

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

None.

2. Business combination under common control

None.

3. Reverse acquisitions

None.

4. Disposal of subsidiaries

Name of Subsidiary	Time Point of Losing Control	Disposal Price of the Time Point of Losing Control	Disposal Ratio of the Time Point of Losing Control (%)	Disposal Methods of the Time Point of Losing Control	Basis for Determining the Time Point of Losing Control	The Difference Between the Disposal Price and the Share of the Subsidiaries' Net Assets at the Level of Consolidated Statements Corresponding to the Disposal Investment	Proportion of Remaining Equity on the Date of Losing Control (%)	Book Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Fair Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Gains or Losses Arising from Remeasurement of Remaining Equity at Fair Value	Determination Methods and Main Assumptions of the Fair Value of the Remaining Equity on the Date of Losing Control at the Consolidated Financial Statement Level	Amount of Other Comprehensive Income Related to Equity Investment of the Original Subsidiary Transferred into Investment Profits and Losses or Retained Earnings
Shenyang Water and Heat Source Development Co., Ltd.	2024/01/25	1,000,001.00	56.00	Sale	Business registration	-230,233.67						
Gree (Chengdu) Precision Mold Co., Ltd.	2024/05/27		100.00	Cancelled	Business registration							
Gree Robot (Luoyang) Co., Ltd.	2024/05/31		100.00	Cancelled	Business registration							
Jilin Songliang Modern Agricultural Development Co., Ltd.	2024/07/10	2,000,000.00	70.00	Sale	Business registration	2,354,547.19						
Jilin Songliang Tianfuyu Agricultural Development	2024/07/10	It was merged and sold together with its parent company, Jilin	100.00	Sale	Business registration	It was merged and sold together with its parent company, Jilin						

Name of Subsidiary	Time Point of Losing Control	Disposal Price of the Time Point of Losing Control	Disposal Ratio of the Time Point of Losing Control (%)	Disposal Methods of the Time Point of Losing Control	Basis for Determining the Time Point of Losing Control	The Difference Between the Disposal Price and the Share of the Subsidiaries' Net Assets at the Level of Consolidated Statements Corresponding to the Disposal Investment	Proportion of Remaining Equity on the Date of Losing Control (%)	Book Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Fair Value of the Remaining Equity at the Consolidated Financial Statement Level on the Date of Losing Control	Gains or Losses Arising from Remeasurement of Remaining Equity at Fair Value	Determination Methods and Main Assumptions of the Fair Value of the Remaining Equity on the Date of Losing Control at the Consolidated Financial Statement Level	Amount of Other Comprehensive Income Related to Equity Investment of the Original Subsidiary Transferred into Investment Profits and Losses or Retained Earnings
Co., Ltd.		Songliang Modern Agricultural Development Co., Ltd.				Songliang Modern Agricultural Development Co., Ltd.						
Gelan Environmental Protection Technology (Shaoguan) Co., Ltd.	2024/08/23		100.00	Cancelled	Business registration							
Datro (Weihai) Auto Parts Co., Ltd.	2024/09/13		65.95	Cancelled	Business registration							
Gree HVAC Equipment (Chengdu) Co., Ltd.	2024/10/16		100.00	Cancelled	Business registration							
Gree CNC Machine Tool Research Institute Co., Ltd. of Zhuhai	2024/10/22		100.00	Cancelled	Business registration							

5. Change of consolidation scope for other reasons

Newly established entity in the current period:

Name	Date of Establishment	Net Assets at the End of the Period	Net Profit from the Combination Date to the End of the Period
DunAn International (Hong Kong) Company Limited	2024/02/06		
DunAn Hong Kong Industrial Co., Ltd.	2024/02/16		
Zhuhai Gree Technology Management Co., Ltd.	2024/03/11	932,242.59	-67,757.41
Zhuhai Hengqin Gree Materials Supply Co., Ltd.	2024/03/29	127,406,890.56	27,442,815.56
Zhuhai Gree Medical Equipment Co., Ltd.	2024/04/22	62,774.57	62,774.57
Henan Gree Refrigeration and Washing Machine Sales Co., Ltd.	2024/05/15	178,759.00	178,759.00
Shanghai Gree Green Energy Technology Co., Ltd.	2024/06/06	-128,016.30	-149,016.30
Hebei Gree Refrigeration and Washing Machine Sales Co., Ltd.	2024/06/13	389,714.82	389,714.82
Shanghai Gree Auto Technology Co., Ltd.	2024/10/11	3,996,764.92	-3,235.08
Gree Green Resources Recycling (Linyi) Co., Ltd.	2024/09/12		
Gree Digital Technology (Jieyang) Co., Ltd.	2024/12/3	277,073.26	277,073.26
Gree Digital Technology (Hunan) Co., Ltd.	2024/12/31		
Gree Digital Technology (Hebei) Co., Ltd.	2024/12/31		
Gree Digital Technology (Henan) Co., Ltd.	2024/12/31		

VII. Equity in other entities

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 Electrical Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Business combination under common control
4	Zhuhai Gree Xinyuan Electronics Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Business combination under common control
5	Zhuhai Kaibang Motor Manufacturing Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Business combinations not under common control
6	Gree (Hefei) Electric Appliances Co., Ltd.	Hefei City	Hefei City	Industrial manufacture	100.00		100.00	Establishment
7	Gree (Zhongshan) Small Home Appliances Co., Ltd..	Zhongshan City	Zhongshan City	Industrial manufacture	100.00		100.00	Establishment
8	Zhuhai Gree Group Finance Company Limited	Zhuhai City	Zhuhai City	Finance	99.54	0.46	100.00	Business combination under common control
9	Gree (Brazil) Electric Appliances Co., Ltd.	Manaus, Brazil	Manaus, Brazil	Industrial manufacture	100.00		100.00	Establishment
10	Gree Hong Kong Electric Appliances Sales Co., Ltd.	Kowloon, Hong Kong	Kowloon, Hong Kong	Sales	100.00		100.00	Business combinations not under common control
11	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 Daikin 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 Resources Recycling Co., Ltd.	Zhengzhou City	Zhengzhou City	Industrial manufacture	100.00		100.00	Establishment
18	Hunan Green Resources Recycling Co., Ltd.	Ningxiang County	Ningxiang County	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		
19	Gree (Wuhan) Electric Appliances Co., Ltd.	Wuhu City	Wuhu City	Industrial manufacture	100.00		100.00	Establishment
20	Wuhu Green Resources Recycling Co., Ltd.	Wuhu City	Wuhu City	Industrial manufacture	100.00		100.00	Establishment
21	Gree (Shijiazhuang) Small Home Appliances Co., Ltd.	Shijiazhuang City	Shijiazhuang City	Industrial manufacture	100.00		100.00	Establishment
22	Shijiazhuang Green Resources Recycling 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	Zhuhai Gree HVAC and Refrigeration Equipment Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
25	Tianjin Green Renewable Resources Utilization Co., Ltd.	Tianjin City	Tianjin City	Industrial manufacture	100.00		100.00	Establishment
26	Zhuhai Gree TOSOT Home Appliances Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
27	Zhuhai EWPE Information Technology Inc.	Zhuhai City	Zhuhai City	Information technologies	100.00		100.00	Establishment
28	Gree (Changsha) HVAC Equipment Co., Ltd.	Changsha City	Changsha City	Industrial manufacture	100.00		100.00	Establishment
29	Gree TOSOT (Suqian) Home Appliances Co., Ltd.	Suqian City	Suqian City	Industrial manufacture	100.00		100.00	Establishment
30	Wuhu Gree Precision Manufacturing Co., Ltd.	Wuhu City	Wuhu City	Industrial manufacture	100.00		100.00	Establishment
31	Zhuhai Gree Intelligent Equipment Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
32	Zhuhai Hengqin Gree Business Factoring Co., Ltd.	Zhuhai City	Zhuhai City	Finance	100.00		100.00	Establishment
33	Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
34	Gree HVAC and Refrigeration Equipment (Wuhan) Co., Ltd.	Wuhan City	Wuhan City	Industrial manufacture	100.00		100.00	Establishment
35	Gree (Wuhan) Precision Mold Co., Ltd.	Wuhan City	Wuhan City	Industrial manufacture	100.00		100.00	Establishment
36	Zhuhai Gree Precision Mold Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
37	Gree New Material Co., Ltd.	Zhuhai City	Zhuhai 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		
38	Zhuhai Gree Energy Environment Technology Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
39	Gree (Hangzhou) Electric Appliances Co., Ltd.	Hangzhou City	Hangzhou City	Industrial manufacture	100.00		100.00	Establishment
40	Gree Information Technology Co., Ltd. of Zhuhai	Zhuhai City	Zhuhai City	Information technologies	51.00		51.00	Establishment
41	Gree (Wu'an) Precision Equipment Manufacturing Co., Ltd.	Wu'an County	Wu'an County	Industrial manufacture	70.00		70.00	Establishment
42	Zhuhai Gree Transportation Co., Ltd.	Zhuhai City	Zhuhai City	Transportation	100.00		100.00	Establishment
43	Gree (Luoyang) Electric Appliances Co., Ltd.	Luoyang City	Luoyang City	Industrial manufacture	100.00		100.00	Establishment
44	Gree (Nanjing) Electric Appliances Co., Ltd.	Nanjing City	Nanjing City	Industrial manufacture	100.00		100.00	Establishment
45	Zhuhai Lianyun Technology Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
46	Zhuhai Edgeless Integrated Circuit Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
47	Gree (Chengdu) Electric Appliances Co., Ltd.	Chengdu City	Chengdu City	Industrial manufacture	100.00		100.00	Establishment
48	Gree Material Supply Co., Ltd. of Zhuhai	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
49	Zhuhai Gree Green Control Technology Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
50	Hefei Kinghome Electrical Co., Ltd.	Hefei City	Hefei City	Industrial manufacture	100.00		100.00	Business combinations not under common control
51	Zhuhai Gree Mechanical and Electrical Engineering Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Business combination under common control
52	Gree Electric Appliances (Luoyang) Washing Machine Co., Ltd.	Luoyang City	Luoyang City	Industrial manufacture	100.00		100.00	Establishment
53	Guochuang Energy Internet Innovation Center (Guangdong) Co., Ltd.	Zhuhai City	Zhuhai City	Information technologies	75.00	2.75	77.75	Establishment
54	Gree (Anji) Precision Mold Co., Ltd.	Anji County	Anji County	Industrial manufacture	100.00		100.00	Establishment
55	Zhuhai Gree Green Resources Recycling Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
56	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		
57	Zhuhai Gejian Health Medical Technology Co., Ltd.	Zhuhai City	Zhuhai City	Medical device	100.00		100.00	Establishment
58	Gree (Zhuhai Jinwan) Electric Appliances Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
59	Gree Chengdu Xinhui Medical Equipment Co., Ltd.	Chengdu City	Chengdu City	Medical device	75.00	2.75	77.75	Establishment
60	Gree (Ganzhou) Electric Appliances Co., Ltd.	Ganzhou City	Ganzhou City	Industrial manufacture	100.00		100.00	Establishment
61	SL Group Co., Ltd.	Songyuan City	Songyuan City	Agriculture	75.00		75.00	Business combinations not under common control
62	Gree (Linyi) Electric Appliances Co., Ltd.	Linyi City	Linyi City	Industrial manufacture	100.00		100.00	Establishment
63	Gree (Zhuhai Hengqin) Development Co., Ltd.	Zhuhai City	Zhuhai City	Real estate industry	100.00		100.00	Establishment
64	Changsha Kinghome Electric Appliances Co., Ltd.	Changsha City	Changsha City	Industrial manufacture	100.00		100.00	Establishment
65	Gree Altairnano New Energy Inc.	Zhuhai City	Zhuhai City	Industrial manufacture	55.01		72.47	Business combinations not under common control
66	Zhuhai Mingruida Supply Chain Technology Co., Ltd.	Zhuhai City	Zhuhai City	Transportation	70.00		70.00	Establishment
67	Zhejiang DunAn Artificial Environment Co., Ltd.	Zhuji City	Zhuji City	Industrial manufacture	38.46		38.46	Business combinations not under common control
68	Zhuhai Gree Electronic Components Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
69	Zhuhai Gree Digital Technology Co., Ltd.	Zhuhai City	Zhuhai City	Wholesales and retails	100.00		100.00	Establishment
70	Zhuhai Gree Prefabricated Vegetable Equipment Technology Development Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment
71	Gree Lintanyuan (Shanghai) Technology Co., Ltd.	Shanghai City	Shanghai City	Electrical machinery and equipment manufacturing industry	40.00	15.55	55.55	Establishment
72	Zhuhai Gree Technology Management Co., Ltd.	Zhuhai City	Zhuhai City	Science and technology popularization and application	60.00		60.00	Establishment

S/N	Name of Subsidiary	Main Business Location	Place of Registration	Nature of Business	Shareholding Ratio (%)		Voting Right Proportion (%)	Acquisition Method
					Direct	Indirect		
73	Zhuhai Hengqin Gree Materials Supply Co., Ltd.	Zhuhai City	Zhuhai City	Industrial manufacture	100.00		100.00	Establishment

[Note] The Company directly holds 38.46% of the equity of DunAn Environment, becomes the largest shareholder of DunAn Environment, and has the power to restructure the board of directors of DunAn Environment and nominate more than half of the directors. At present, the Company comprises more than half of the board of directors and controls DunAn Environment. Therefore, the DunAn Environment is included in the scope of company consolidation.

(2) Important non-holly-owned subsidiaries

None.

2. Transactions in which the share of owner's equity in the subsidiary changes and still controls the subsidiary

On February 27, 2024, the holding subsidiary of the Company, DunAn Environment, issued 8.8092 million ordinary A-shares through a targeted placement, accounting for 0.83% of the share capital of DunAn Environment. After the issuance, the Company's shareholding in DunAn Environment changed from 38.78% to 38.46%.

3. Equities in joint ventures or associates

(1) Important joint ventures or associates

None.

(2) Main financial information of important joint ventures

None.

(3) Main financial information of important associates

None.

(4) Summary financial information of unimportant joint ventures and associates

Item	Ending Balance/Current Amount Incurred	Beginning Balance/Amount Incurred in the Previous Period
Joint ventures:		
Total investment book value	1,146,314.44	1,158,934.68
Total number of the following items calculated based on the shareholding ratio		
– Net profits	-12,620.24	-7,424.29
– Total comprehensive income	-12,620.24	-7,424.29
Associates:		
Total investment book value	4,354,565,937.10	4,487,808,096.52
Total number of the following items calculated based on the shareholding ratio		
– Net profits	14,232,495.88	93,229,867.45
– Other comprehensive income	-173,628,827.39	-1,013,488,757.99
– Total comprehensive income	-159,396,331.51	-920,258,890.54

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

None.

(6) Excess losses incurred by joint ventures or associates

Name of Joint Venture or Associates	Accumulated Unrecognized Losses Accumulated in the Previous Period	Unrecognized Losses in the Current Period (or Net Profit Shared in the Current Period)	Accumulated Unrecognized Losses at the End of Current Period
Beijing Gree Technology Co., Ltd.	-1,128,887.77	-17,837.62	-1,146,725.39
Eocell Limited	-10,186,749.35	1,619,631.13	-8,567,118.22
Ningxia Nenggu New Energy Technology Co., Ltd.		-146,625.62	-146,625.62

(7) Unrecognized commitments related to investment in joint ventures

None.

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

None.

4. Important co-management

None.

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

None.

VIII. Government grants

1. Government grants recognized at the end of the period based on the amount receivable

There are no government grants recognized at the end of the period based on the amount receivable.

2. Debt projects involved government grants

Items in Financial Statements	Beginning Balance	Newly Added Grant Amount in the Current Period	Other Income Transferred in the Current Period	Ending Balance	Related to Assets/Incomes
Deferred income	3,325,145,873.85	114,088,661.27	230,521,463.92	3,208,713,071.20	Related to assets
Deferred income	199,008,927.67	28,883,249.46	29,124,024.56	198,768,152.57	Related to incomes
Total	3,524,154,801.52	142,971,910.73	259,645,488.48	3,407,481,223.77	

3. Government subsidies included in the profits and losses in this year

Items in Financial Statements	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Other income	1,916,950,375.04	716,882,751.82
Non-operating revenues	3,781,050.00	26,340,308.60
Total	1,920,731,425.04	743,223,060.42

IX. Risks associated with financial instruments

The main financial instruments of the Company include monetary funds, trading financial assets, derivative financial assets, notes receivable, receivables financing, receivables, loans 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 the operations of the Company.

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

1. Risks of financial instruments

(1) Classification of financial instruments

The book values of various financial instruments on the balance sheet date:

1) Ending Balance

Item	Classification of Financial Assets			
	Financial Assets Measured at Amortized Costs	Financial Assets Measured at Fair Value with Changes included in Other Comprehensive Income	Financial Assets Measured at Fair Value with Changes Included in Other Comprehensive Income	Total
1. Measured at amortized costs				
Monetary funds	113,900,461,797.94			113,900,461,797.94
Accounts receivable	16,831,887,388.06			16,831,887,388.06
Other receivables	869,731,224.40			869,731,224.40
Buying back the sale of financial assets	5,625,977,294.57			5,625,977,294.57
Non-current assets due within one year	2,723,523,527.19			2,723,523,527.19
Other current financial assets	9,508,720,109.73			9,508,720,109.73
Disbursement of loans and advances	431,208,935.61			431,208,935.61
Debt investment	1,001,466,666.64			1,001,466,666.64
Long-term receivables	9,483,113.92			9,483,113.92
Other non-current financial assets	56,225,114,705.67			56,225,114,705.67
Subtotal	207,127,574,763.73			207,127,574,763.73
2. Measured at fair values				
Trading financial assets			16,548,258,632.49	16,548,258,632.49
Receivables financing		9,600,726,284.77		9,600,726,284.77
Non-current assets due within one year		11,131,263,203.54		11,131,263,203.54
Other current financial assets		5,781,243,013.70	27,356,960.00	5,808,599,973.70
Other debt investments		7,016,555,220.76		7,016,555,220.76
Other equity instrument investments		3,039,588,563.46		3,039,588,563.46
Subtotal		36,569,376,286.23	16,575,615,592.49	53,144,991,878.72
Total	207,127,574,763.73	36,569,376,286.23	16,575,615,592.49	260,272,566,642.45

(Continued)

Item	Classification of Financial Liabilities		
	Financial Liabilities Measured at Fair Value with Changes Included in the Current Profits and Losses	Other Financial Liabilities	Total
1. Measured at amortized costs			
Short-term borrowings		39,009,527,273.22	39,009,527,273.22
Notes payable		14,479,000,765.12	14,479,000,765.12
Accounts payable		47,091,320,744.05	47,091,320,744.05
Deposits from customers and interbank		307,788,319.03	307,788,319.03
Other payables		4,556,911,705.22	4,556,911,705.22
Non-current liabilities due within one year		15,577,179,285.89	15,577,179,285.89
Other current financial liabilities		9,817,844,355.19	9,817,844,355.19
Long-term borrowings		18,229,817,922.13	18,229,817,922.13
Lease liabilities		711,291,189.69	711,291,189.69
Long-term payables		7,912,428.09	7,912,428.09
Subtotal		149,788,593,987.63	149,788,593,987.63
2. Measured at fair values			
Derivative financial liabilities	170,740,734.87		170,740,734.87
Subtotal	170,740,734.87		170,740,734.87
Total	170,740,734.87	149,788,593,987.63	149,959,334,722.50

2) Beginning Balance

Item	Classification of Financial Assets			
	Financial Assets Measured at Amortized Costs	Financial Assets Measured at Fair Value with Changes Included in Other Comprehensive Income	Financial Assets Measured at Fair Value with Changes Included in Other Comprehensive Income	Total
1. Measured at amortized costs				
Monetary funds	124,104,987,289.62			124,104,987,289.62
Notes receivable	87,340,130.52			87,340,130.52
Accounts receivable	16,099,477,117.56			16,099,477,117.56
Other receivables	826,558,622.42			826,558,622.42
Buying back the sale of financial assets	3,932,338,954.49			3,932,338,954.49

Item	Classification of Financial Assets			
	Financial Assets Measured at Amortized 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
Non-current assets due within one year	53,899,646.40			53,899,646.40
Other current financial assets	22,648,940,712.61			22,648,940,712.61
Disbursement of loans and advances	543,726,609.23			543,726,609.23
Debt investment	1,150,744,482.05			1,150,744,482.05
Long-term receivables	62,185,327.12			62,185,327.12
Other non-current financial assets	41,140,982,554.52			41,140,982,554.52
Subtotal	210,651,181,446.54			210,651,181,446.54
2. Measured at fair values				
Trading financial assets			9,614,423,403.40	9,614,423,403.40
Derivative financial assets			108,919,513.22	108,919,513.22
Receivables financing		10,176,089,668.41		10,176,089,668.41
Non-current assets due within one year		2,357,733,812.89		2,357,733,812.89
Other current financial assets		3,175,475.00	5,407,350.00	8,582,825.00
Other debt investments		16,363,841,665.96		16,363,841,665.96
Other equity instrument investments		3,864,865,509.37		3,864,865,509.37
Subtotal		32,765,706,131.63	9,728,750,266.62	42,494,456,398.25
Total	210,651,181,446.54	32,765,706,131.63	9,728,750,266.62	253,145,637,844.79

(Continued)

Item	Classification of Financial Liabilities		
	Financial Liabilities Measured at Fair Value with Changes Included in the Current Profits and Losses	Other Financial Liabilities	Total
1. Measured at amortized costs			
Short-term borrowings		26,443,476,388.52	26,443,476,388.52
Notes payable		23,741,128,400.12	23,741,128,400.12
Accounts payable		41,147,359,221.95	41,147,359,221.95
Deposits from customers and interbank		254,616,899.35	254,616,899.35

Item	Classification of Financial Liabilities		
	Financial Liabilities Measured at Fair Value with Changes Included in the Current Profits and Losses	Other Financial Liabilities	Total
Other payables		5,513,266,516.82	5,513,266,516.82
Non-current liabilities due within one year		20,605,521,073.03	20,605,521,073.03
Other current financial liabilities		8,654,989,988.95	8,654,989,988.95
Long-term borrowings		39,035,742,535.09	39,035,742,535.09
Lease liabilities		767,007,951.92	767,007,951.92
Long-term payables		27,028,498.30	27,028,498.30
Subtotal		166,190,137,474.05	166,190,137,474.05
2. Measured at fair values			
Derivative financial liabilities	4,079,919.91		4,079,919.91
Subtotal	4,079,919.91		4,079,919.91
Total	4,079,919.91	166,190,137,474.05	166,194,217,393.96

(2) 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 the financial instrument.

The Company only has 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 continuously monitors the balance of accounts receivable to ensure that the Company is not confronted with the major risk of bad debts.

The financial assets of the Company include monetary funds and receivables financing. The credit risks of these financial assets come from the nonperformance of the transaction counterparty, and the maximum risk exposure is equal to the book value of these instruments.

The monetary funds are deposited in state-owned financial institutions with high credit ratings, 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 and advances, and long-term receivables in the consolidated balance sheet are the highest credit risk with which the Company may be confronted.

As of the end of the reporting period, the Company's notes receivables, accounts receivable, receivables financing, other receivables, contract assets, loans and advances, and long-term receivables account for 7.71% of the total assets (the beginning balance is 7.80%), 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, please refer to the disclosed information in Note V. 4 Notes receivable, Note V. 5 Accounts receivable, Note V. 7 Receivables financing, Note V. 9 Other receivables, Note V. 6 Contract assets, Note V. 14 Loans and advances, and Note V. 17 Long-term receivables.

(3) Liquidity risks

Liquidity risk refers to a risk of fund shortage generated when the enterprise performs the obligation to settle accounts by cash payment or other financial assets.

As indicated by changes in the Company's financial instruments at the beginning and end of the period, the proportion of the Company's financial assets to financial liabilities at the end of the reporting period was 1.74 (which was 1.52 at the beginning of the period), showing that the Company has adequate liquidity and the risk of 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 instruments due to changes in the market price, including fair value fluctuation risk, exchange rate risk, and interest rate risk.

1) Fair value fluctuation risk

The Company's financial investments mainly involve products such as stocks, wealth management products, bonds, negotiable certificates of deposit, and forward foreign exchange settlement and purchase. Except for the significant fluctuations in the fair value of stocks, the fair value of products such as wealth management products, bonds, negotiable certificates of deposit, and forward foreign exchange settlement and purchase does not fluctuate significantly. The stocks held by the Company are mainly stocks traded on the open market, and the quality of the invested companies is relatively good.

As of the end of the reporting period, the Company's wealth management products, bonds, negotiable certificates of deposit, and forward foreign exchange settlement and purchase account for 14.44% of the total assets (the beginning balance is 11.55%), which are measured at fair value. For the fair value risk exposure of the Company arising from the above-mentioned financial assets, please refer to Note V. 2. Trading financial assets, Note V. 7. Receivables financing, Note V. 12. Non-current assets due within 1 year, Note V. 13. Other current assets, Note V. 16. Other debt investments, and Note V. 19. Other equity instrument investment.

2) Exchange rate risk

Exchange rate risk refers to the risk of fluctuation in the fair value or future cash flow of financial instruments due to changes in the foreign exchange rate.

As of December 31, 2024, the amounts of foreign currency financial assets and liabilities held by the Company converted into CNY are presented in Note V. 73. (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, 2024, the Company's liabilities with interests are as follows:

Statement Item	Amount	Interest Rate Range
Short-term borrowings	39,009,527,273.22	0.60%-5.60%
Deposits from customers and interbank	307,788,319.03	0.25%-3.50%
Other payables	1,503,105,131.31	4.35%

Statement Item	Amount	Interest Rate Range
Non-current liabilities due within one year	15,491,242,977.11	1.90%-6.00%
Long-term borrowings	18,229,817,922.13	2.28%-4.99%
Long-term payables	7,912,428.09	4.85%-4.90%
Total	74,549,394,050.89	

X. Fair value disclosure

1. Ending fair value of assets and liabilities measured at fair value

Item	Ending Fair Value			
	Measurement of Level 1 fair value	Measurement of Level 2 fair value	Measurement of Level 3 fair value	Total
Continuous fair value measurement				
Trading financial assets	3,566,175,526.49	12,931,706,705.36	50,376,400.64	16,548,258,632.49
Receivables financing		9,600,726,284.77		9,600,726,284.77
Non-current assets due within one year	638,135,121.35	10,493,128,082.19		11,131,263,203.54
Other current financial assets	27,356,960.00	5,781,243,013.70		5,808,599,973.70
Other debt investments	545,384,403.28	6,471,170,817.48		7,016,555,220.76
Other equity instrument investments	3,032,588,563.46		7,000,000.00	3,039,588,563.46
Total of assets measured at fair value continuously	7,809,640,574.58	45,277,974,903.50	57,376,400.64	53,144,991,878.72
Derivative financial liabilities		170,740,734.87		170,740,734.87
Total of liabilities measured at fair value continuously		170,740,734.87		170,740,734.87

2. Basis for determining market prices of items measured within the level 1 of fair value hierarchy continuously and not continuously

Trading financial assets, non-current assets — bonds due within one year, other current assets, other debt investments — bonds, and other equity instrument investments held by the Company at the level 1 fair value 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 continuously and not continuously

Assets held by the Company measured within Level 2 fair value are determined using the market approach and income approach.

Receivables financing held by the Company measured within Level 2 fair value are the banker's acceptance bills and accounts receivable held by the Company, and their corresponding transfer and discounted amounts are used as the basis for determining their market prices.

Trading financial assets and derivative financial liabilities held by the Company measured within Level 2 fair value are mainly forward hedging instruments and asset management plans, and the determination of fair value is based on the fair value confirmation letter issued by the trading institution at the end of the period;

Non-current assets, other current assets, and other debt investments held by the Company measured within Level 2 fair value within one year are mainly negotiable certificates of deposit, and the fair value is determined based on the prices of the same or similar assets in the inactive market.

4. Qualitative and quantitative information on valuation techniques and important parameters for items measured within Level 3 fair value 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 fair value 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.

XI. Affiliated parties and affiliated transaction

1. Information on the Company's parent company

The Company has no controlling shareholders or substantial controllers.

2. Information on the Company's subsidiaries

For details, please refer to Note VII. 1 Equity in subsidiaries.

3. Joint ventures and associates of the Company

For details of other joint ventures or associates that have affiliated transactions with the Company in the current period or form balances from affiliated transactions with the Company in the previous period, please refer to Note V. 18. Long-term equity investment and Note VII. 3 (6) Excess losses incurred by joint ventures or associates.

4. Other affiliated parties

Name of Other Affiliated Parties	Relationship Between Other Affiliated Parties and the Company
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Company in which the Company holds over 5% of its shares
Wuhu Green Resources Recycling Co., Ltd.	Company in which the Company has a significant impact on it
Henan Gree Installation Engineering Co., Ltd.	Company held by the Company's director
Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	Company where directors of the Company act as executive directors and general managers

Name of Other Affiliated Parties	Relationship Between Other Affiliated Parties and 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 board chairman
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Company where directors of the Company act as executive directors
Shandong Jierui Logistics Co., Ltd.	Company held by the Company's supervisor
ETR Law Firm	Company where the Company's independent directors serve as its senior partners
Hunan Green Resources Recycling Co., Ltd.	Company in which the Company has a significant impact on it
Henan Kaige Trading Co., Ltd.	Company where the son of the Company's director acts as executive directors
Henan Huizhong Yifeng E-commerce Co., Ltd.	Company where the son of the Company's director acts as executive directors
Chang'an Bank Co., Ltd.	Company where the Director and Vice President of the Company serve as a Director

5. 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 Transactions	Content of Affiliated Transactions	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Material procurement	Raw materials	1,104,632,383.40	1,347,112,001.68
Beijing Gree Technology Co., Ltd.	Material procurement	Accessories	21,467,551.41	16,652,917.66
Sichuan Jinshi Leasing Co., Ltd. and its holding companies	Service procurement	Interest expenses and consulting services	5,307,435.43	14,709,472.85
Henan Yuze Finance Leasing Co., Ltd.	Service procurement	Interest expense	3,276,594.49	3,549,617.92
Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	Accept money deposits	Interest expense	38.53	62.23
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Accept money deposits	Interest expense	33.38	45.18
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Material procurement	Raw materials		488,645.15
Total			1,134,684,036.64	1,382,512,762.67

2) Schedule of commodity sold/services provided

Affiliated Parties	Type of Affiliated Transactions	Content of Affiliated Transactions	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	Sale of goods	Sales revenue	5,377,436,945.43	5,885,129,357.41
Henan Shengshi Xinxing Gree Trade Co., Ltd.	Sale of goods	Sales revenue	1,535,857,617.10	4,673,380,959.10
Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	Sale of goods	Sales revenue	904,181,035.33	1,025,827,011.12
Henan Gree Installation Engineering Co.,	Sale of goods	Sales revenue	325,036,112.31	

Affiliated Parties	Type of Affiliated Transactions	Content of Affiliated Transactions	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Ltd.				
Henan Kaige Trading Co., Ltd.	Sale of goods	Sales revenue	23,500,508.19	
Henan Huizhong Yifeng E-commerce Co., Ltd.	Sale of goods	Sales revenue	1,823,972.55	22,940,080.25
Zhuhai Jiayao Food Technology Co., Ltd.	Sale of goods	Sales revenue	876,969.82	
Beijing Gree Technology Co., Ltd.	Loan	Interest income	666,055.04	647,429.80
Beijing Gree Technology Co., Ltd.	Sale of goods	Sales revenue	457,782.58	115,919.47
ETR Law Firm	Sale of goods	Sales revenue	2,114.16	2,779.94
Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	Sale of goods	Sales revenue		74,808.34
Lanzhou Guangtong New Energy Automobile Co., Ltd.	Sale of goods	Sales revenue		1,747,290.45
Eocell Limited	Sale of goods	Sales revenue		35,657.27
Chang'an Bank Co., Ltd.	Sale of goods	Sales revenue		211.50
Total			8,169,839,112.51	11,609,901,504.65

(2) Associated trusteeship management/contracting or entrusted management/contract awarding

None.

(3) Associated lease

3) The Company as the lessor:

Affiliated Parties	Type of Leased Assets	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Zhuhai Jiayao Food Technology Co., Ltd.	House lease	125,612.75	

4) 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 in the Previous Period
Remunerations for key management personnel	45,051,813.97	34,081,922.40

(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	268,347,372.19	13,438,523.28	246,543,051.23	12,327,152.54
Accounts receivable	Lanzhou Guangtong New Energy Automobile Co., Ltd.	167,167,904.76	167,059,470.15	168,267,904.76	138,251,251.48
Accounts receivable	Wuhu Green Resources Recycling Co., Ltd.	2,263,529.62	2,263,529.62	2,263,529.62	1,131,764.81
Receivables financing	Henan Gree Installation Engineering Co., Ltd.	235,896,253.91		9,972,475.49	
Receivables financing	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	139,952,191.77		189,472,820.55	
Receivables financing	Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	31,561,193.50		5,634,448.65	
Receivables financing	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	23,632,611.04		124,206,884.12	
Receivables financing	Henan Shengshi Xinxing Gree Trade Co., Ltd.			435,297,317.29	
Receivables financing	Shandong Jierui Logistics Co., Ltd.			176,233,586.82	
Notes receivable	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries			16,000,000.00	800,000.00
Advance payments	Sichuan Jinshi Leasing Co., Ltd. and its holding companies	2,432,890.00		6,082,225.00	
Advance payments	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	10,000.00		5,641,887.98	
Other receivables	DunAn (Tianjin) Energy Saving System Co., Ltd. and its holding companies	170,791,178.69	170,791,178.69	172,325,809.58	129,244,357.19
Other receivables	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	142,612.34	11,880.62	343,266.03	19,413.30
Other receivables	Zhuhai Jiayao Food Technology Co., Ltd.	140,224.70	7,011.24		
Other receivables	Sichuan Jinshi Leasing Co., Ltd. and its holding companies			19,519,366.99	4,879,841.75
Contract assets	Zhuhai Jiayao Food Technology Co., Ltd.	29,550.52	1,477.53		
Other non-current assets	Sichuan Jinshi Leasing Co., Ltd. and its holding companies			18,500,000.00	4,625,000.00
Total		1,042,367,513.04	353,573,071.13	1,596,304,574.11	291,278,781.07

(2) Payables

Item	Affiliated Parties	Ending Balance	Beginning Balance
Accept money deposits	Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies	10,762.35	16,192.56
Accept money deposits	Henan Shengshi Xinxing Gree Trade Co., Ltd.		12,068.59
Accounts payable	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	334,434,585.61	425,094,848.95
Accounts payable	Beijing Gree Technology Co., Ltd.	7,739,610.01	12,029,563.76
Accounts payable	Hunan Green Resources Recycling Co., Ltd.	2,437,065.09	2,437,065.09

Item	Affiliated Parties	Ending Balance	Beginning Balance
Accounts payable	Henan Shengshi Xinxing Gree Trade Co., Ltd.	249,988.68	249,988.68
Accounts payable	Zhejiang Shengshi Xinxing Gree Trading Co., Ltd.	33,668.86	
Accounts payable	DunAn (Tianjin) Energy Saving System Co., Ltd. and its holding companies	4,716.98	4,716.98
Other payables	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	512,200.00	14,200.00
Other payables	Henan Shengshi Xinxing Gree Trade Co., Ltd.	500,001.00	
Other payables	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	33,037.37	21,617.37
Other payables	Henan Kaige Trading Co., Ltd.	2,001.00	
Other payables	Shandong Jierui Logistics Co., Ltd.	0.26	0.26
Other payables	Henan Huizhong Yifeng E-commerce Co., Ltd.		100,000.00
Other payables	Zhejiang Tongcheng Gree Electric Appliances Co., Ltd. and its holding companies		204.24
Contract liabilities	Henan Shengshi Xinxing Gree Trade Co., Ltd.	526,513,385.57	566,925,018.21
Contract liabilities	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	368,879,902.30	277,427,020.12
Contract liabilities	Henan Gree Installation Engineering Co., Ltd.	71,901,435.75	
Contract liabilities	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	1,310,162.68	1,071,224.64
Contract liabilities	Henan Kaige Trading Co., Ltd.	0.65	
Contract liabilities	Henan Huizhong Yifeng E-commerce Co., Ltd.		4,027,582.80
Contract liabilities	Eocell Limited		42,382.22
Other current liabilities — value-added tax	Henan Shengshi Xinxing Gree Trade Co., Ltd.	68,446,740.13	73,700,252.37
Other current liabilities — value-added tax	Zhejiang Shengshi Xinxing Gree Trade Co., Ltd.	47,954,387.31	36,065,512.62
Other current liabilities — value-added tax	Henan Gree Installation Engineering Co., Ltd.	9,347,186.65	
Other current liabilities — value-added tax	Shanghai Highly (Group) Co., Ltd. and its holding subsidiaries	170,321.16	139,259.20
Other current liabilities — value-added tax	Henan Kaige Trading Co., Ltd.	0.09	
Other current liabilities — value-added tax	Henan Huizhong Yifeng E-commerce Co., Ltd.		523,585.76
Long-term payables	Henan Yuze Finance Leasing Co., Ltd.	7,912,428.09	18,027,707.93
Long-term payables	Sichuan Jinshi Leasing Co., Ltd. and its holding companies		7,515,470.87
Non-current liabilities due within one year	Henan Yuze Finance Leasing Co., Ltd.	10,115,279.84	25,690,210.83
Non-current liabilities due within one year	Sichuan Jinshi Leasing Co., Ltd. and its holding companies		75,632,127.95
Total		1,458,508,867.43	1,526,767,822.00

7. Commitment of affiliated parties

None.

XII. Share-based payment

1. Overall situation of share-based payment

Item	Content
Total amount of equity instruments granted this year	<p>The 10th Meeting of the 8th Board of Directors and the 10th Meeting of the 8th Supervisory Board held by the company's wholly-owned subsidiary, DunAn Environment deliberated and approved the <i>Proposal on Adjusting the List of Incentive Recipients and the Number of Grants for the First Phase of the Company's Long-Term Incentive Plan and the 2023 Restricted Share and Share Option Incentive Plan</i> and the <i>Proposal on Granting Restricted Shares and Share Options to Incentive Recipients</i>, which agreed to consider January 24, 2024, as the first grant date of the restricted shares and the first grant date of the share options under this incentive plan, and grant 8.8092 million restricted shares to 367 incentive recipients who met the grant conditions at a grant price of CNY6.61 per share and 4.99 million share options to 41 incentive recipients who met the grant conditions at an exercise price of CNY13.21 per share.</p> <p>The total amount of equity instruments granted this year is CNY50,428,637.25.</p>
Total amount of equity instruments exercised this year	<p>According to the <i>Employee Stock Ownership Plan Phase II of Gree Electric Appliances, Inc. of Zhuhai (Draft) (Revised Draft)</i>, the Audit Report (ZHSZ (2024) No. 0500139) issued by Union Power Certified Public Accountants (Special General Partnership), and the Company's relevant equity distribution, the company-level performance evaluation indicators of the Company's employee stock ownership plan phase II have been achieved, and the two phases of attributable stock rights can be vested and distributed. The total amount of equity instruments in the employee stock ownership plan phase II is CNY1,569,513,319.20.</p>
Total amount of various equity instruments that have expired this year	N/A

Share options outstanding at the end of the period

Category of Grant Object	Share Options Outstanding at the End of the Period		Other Equity Instruments Outstanding at the End of the Period	
	Exercise Price	Remaining Term of the Contract	Exercise Price	Remaining Term of the Contract
Senior executive of the holding subsidiary, DunAn Environment		From the first trading day 12, 24, and 36 months after the first grant of the share option to the		
Middle-level managers and core technical (business) personnel of the holding subsidiary, DunAn Environment	CNY13.21/share			N/A

Category of Grant Object	Share Options Outstanding at the End of the Period		Other Equity Instruments Outstanding at the End of the Period	
	Exercise Price	Remaining Term of the Contract	Exercise Price	Remaining Term of the Contract
		last trading day within 24, 36, and 48 months from the first grant of the share option		

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 period	N/A
Accumulated amount of equity settled share-based payments recognized in capital reserves	11,519,906.05
Total expenses recognized for equity settled share-based payments this period	340,619,638.25

3. Cash settled share-based payments

None.

4. Amendment and termination of share-based payment

None.

XIII. Commitments and contingencies

1. Important commitments

None.

2. Contingencies

(1) In accordance with the *Equity Transfer Agreement* entered into between Zhejiang DunAn Energy Saving Technology Co., Ltd. (hereinafter referred to as "Zhejiang Energy Saving"), a holding subsidiary of the Company, and Shuifa Energy Group Co., Ltd. (hereinafter referred to as "Shuifa Energy") on November 21, 2019, the transfer of other debts or payment obligations (hereinafter referred to as "contingent liabilities") of the target company DunAn (Tianjin) Energy Saving System Co., Ltd. (hereinafter referred to as "Tianjin Energy Saving") before the audit base date (May 31, 2019), including but not limited to contingent debts, and debts or liabilities arising after the base date due to the fault of Zhejiang Energy Saving before the base date, shall be borne by Zhejiang Energy Saving. If the above debts are borne by Tianjin Energy Saving in advance or Tianjin Energy Saving is punished as a result, Tianjin Energy Saving has the right to recover from Zhejiang Energy Saving. If Shuifa Energy has money payable to Zhejiang Energy Saving, Zhejiang Energy Saving agrees that Shuifa Energy will directly deduct the compensation to Tianjin Energy Saving. Tianjin Energy Saving has the right to continue to recover from the Company for the insufficient part. The aforementioned responsibilities of Zhejiang Energy Saving can be directly deducted from the equity transaction price payable by Shuifa Energy or the dividends of Zhejiang Energy Saving in Tianjin Energy Saving, and the shortfall will be compensated by Zhejiang Energy Saving.

(2) The Company provides guarantees for mortgage loans for homebuyers in accordance with industry practices, mainly in the form of phased guarantees. The guarantee period starts from the effective date of the guarantee contract and ends on the date when the real estate certificate and mortgage registration procedures for the products purchased by the customer are completed and delivered to the bank for management. As of December 31, 2024, the outstanding guarantee amount is CNY 2,231.5020 million.

3. Others

None.

XIV. Matters after the balance sheet date

1. Important non-adjustment matters

None.

2. Distribution of profits

On April 22, 2025, the Company's 2025 1st Extraordinary General Meeting of Shareholders approved the *2024 Interim Profit Distribution Plan*. Based on the total share capital of the Company, which was 5,601,405,741 shares, after deducting the number of shares in the repurchase account, which was 79,462,095 shares, a cash dividend of CNY10 (tax inclusive) was distributed to all shareholders for every 10 shares. No bonus shares were given, and no capital was converted from capital reserves. A total of CNY5,521,943,646.00 in cash dividends was distributed. 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 accordingly based on the principle of keeping the distribution ratio per share unchanged.

Under the resolution at the 2nd Meeting of the 13th Board of Directors, the Company's profit distribution plan for 2024 is as follows: Since the total shares entitled to profit distribution as of April 25, 2025, totaling 5,585,138,741 shares (share capital of 5,601,405,741 shares less 16,267,000 shares held in the Company's repurchase account), is proposed as the base temporarily, the Company plans to distribute a cash dividend of CNY20 (tax inclusive) per 10 shares to all shareholders, totaling CNY11,170,277,482.00. 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. Divided as held for sale after the balance sheet date

None.

5. Other important non-adjustment matters after the balance sheet date

None.

XV. Other important matters

1. Correction of accounting errors in the previous period

None.

2. Important debt restructuring

None.

3. Asset replacement

(1) Exchange of non-monetary assets

None.

(2) Replacement of other assets

None.

4. Annuity plan

None.

5. Discontinuing operation

Item	Revenue	Expense	Credit Impairment losses	Total Profits	Income Tax Expenses	Net Profits	Profit From Discontinuing Operation Attributable to Shareholders of Parent Company
Gree (USA) Sales Co., Ltd.		6,155,836.24	66,164,694.73	60,008,858.49	5,694.24	60,003,164.25	60,003,164.25

(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.	-13,279,330.47		

6. Segment report

(1) Determination basis and accounting policies for reporting segments

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. The Company is divided into four segments: household appliances, industrial products and green energy, intelligent equipment, and others. Assets and liabilities commonly used with each segment are allocated in proportion to their scale.

(2) Financial information of reporting segments

Item	Household Appliances	Industrial Products and Green Energy	Smart Device	Others	Offset Among Segments	Total
External transaction income	148,559,931,838.58	17,246,185,690.02	424,131,758.64	23,807,822,317.54		190,038,071,604.78
External transaction costs	96,691,946,304.39	14,537,492,029.56	313,649,678.84	22,112,096,696.22		133,655,184,709.01
Total assets	425,862,201,079.21	67,108,355,024.43	5,971,419,219.45	55,417,465,495.86	186,327,736,296.09	368,031,704,522.86
Total liabilities	290,054,172,215.07	55,404,172,054.87	5,568,850,234.51	43,964,859,954.08	168,474,044,883.64	226,518,009,574.89

7. Other important matters affecting investor decisions

(1) The Company implements the phase III employee stock ownership plan

On August 2, 2024, the Company held the 19th Meeting of the 12th Board of Directors and the 16th Meeting of the 12th Board of Supervisors to deliberate and approve the *Proposal on the Phase III Employee Stock Ownership Plan of Gree Electric Appliances, Inc. of Zhuhai (Draft)* and the *Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Relevant Matters of the Phase III Employee Stock Ownership Plan*.

On August 19, 2024, the 1st Extraordinary General Meeting of Shareholders in 2024 was held, and the above two proposals were reviewed and approved. According to the regulations on the implementation of the 2023 annual equity distribution plan and the Phase III employee stock ownership plan, the Company held the 21st Meeting of the 12th Board of Directors and the 18th Meeting of the 12th Board of Supervisors on September 20, 2024, to deliberate and approve the *Proposal on Adjusting the Purchase Price in the Phase III Employee Stock Ownership Plan Due to the Distribution of Dividends during the Execution Period*.

The source of the shares for this employee stock ownership plan is the shares that have been repurchased under the 4th repurchase plan in the company's dedicated repurchase account. The number is less than 79,462,095 shares, accounting for 1.41% of the company's total share capital at that time.

On January 22, 2025, the Company received the *Confirmation of Securities Transfer Registration from the Shenzhen Branch of CSDC*. The Company's repo special securities account transferred 63,195,095 shares to the special account for the "Gree Electric Appliances, Inc. of Zhuhai — Phase III Employee Stock Ownership Plan" through non-transaction transfer on January 21, 2025, accounting for 1.13% of the Company's total share capital, with a total purchase amount of CNY1,133,088,053.35.

(2) Company guarantee

As of December 31, 2024, the total amount of Gree Altairnano guarantees is CNY1,478,098,111.59, of which the total amount of guarantees provided by Gree Altairnano subsidiaries for short-term loans, non-current liabilities due within 1 year, accounts payable (E Xintong), and long-term payables is CNY398,549,400.00; the total amount of guarantees provided to companies outside the consolidated statements is CNY1,079,548,711.59 (the stock guarantee provided by Gree Altairnano for the financial leasing and car purchase business of its bus company and other customers).

(3) Financial support

1) Gree Altairnano provided financial loans of CNY94,200, CNY681,400, CNY23,019,800, and CNY17,200 respectively to its original shareholder and its affiliated parties Wei Yincang, Sun Guohua, Zhuhai Yinlong Investment Holding Group Co., Ltd. As of the date of this Annual Report, the aforesaid loans have not been recovered.

2) On November 21, 2019, Zhejiang Energy Saving signed an equity transfer agreement with Shuifa Energy. Zhejiang Energy Saving agreed to transfer its 65% equity and related rights of creditor of Tianjin Energy Saving (and its subsidiaries and branches) to Shuifa Energy (hereinafter referred to as "Tianjin Energy Saving Equity Transfer"), with an equity transfer price of CNY390 million, a payment for rights of creditor transfer of CNY390 million, totaling CNY780 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 CNY600 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 CNY600 million to Tianjin Energy Saving, forming financial support of CNY600 million; After Shuifa Energy paid CNY390 million for the rights of creditor transfer under the Equity Transfer Agreement, Zhejiang Energy Saving had a remaining credit of CNY210 million to Tianjin Energy Saving, forming financial support of CNY210 million. As of December 31, 2024, there was still CNY170,791,200 that had not been recovered, and the corresponding impairment reserves were CNY170,791,200.

XVI. 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	Beginning Balance
<1 year	4,924,371,165.01	5,093,333,514.94
1-2 years	49,013,594.09	99,365,598.67
2-3 years	57,105,362.09	72,800,967.64
>3 years	55,325,630.66	29,800,846.44
Subtotal	5,085,815,751.85	5,295,300,927.69
Less: Bad debt reserves	258,043,391.48	289,922,749.83
Total	4,827,772,360.37	5,005,378,177.86

(2) Presentation by categories of bad debt accrual method

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	4,714,882.36	0.09	4,714,882.36	100.00	
Accounts receivable with bad debt reserves accrued by portfolios	5,081,100,869.49	99.91	253,328,509.12	4.99	4,827,772,360.37
Including: Account age portfolio	3,443,976,923.61	67.72	253,328,509.12	7.36	3,190,648,414.49
Free-risk portfolios	1,637,123,945.88	32.19			1,637,123,945.88
Total	5,085,815,751.85	100.00	258,043,391.48	5.07	4,827,772,360.37

(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	0.09	4,715,115.32	100.00	
Accounts receivable with bad debt reserves accrued by portfolios	5,290,585,812.37	99.91	285,207,634.51	5.39	5,005,378,177.86
Including: Account age portfolio	4,274,218,293.99	80.72	285,207,634.51	6.67	3,989,010,659.48
Free-risk portfolios	1,016,367,518.38	19.19			1,016,367,518.38
Total	5,295,300,927.69	100.00	289,922,749.83	5.48	5,005,378,177.86

1) Accounts receivable with bad debt reserves accrued by individual item

Name	Ending Balance			
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)	Reason for Accruing
Company 1	4,714,882.36	4,714,882.36	100.00	It is difficult to recover
Total	4,714,882.36	4,714,882.36	100.00	

(Continued)

Name	Beginning Balance			
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)	Reason for accruing
Company 1	4,715,115.32	4,715,115.32	100.00	It is difficult to recover
Total	4,715,115.32	4,715,115.32	100.00	

2) Accounts receivable in the portfolio with bad debt reserves accrued by account age portfolio

Account Age	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)
<1 year	3,287,247,219.13	164,362,360.95	5.00
1–2 years	49,013,594.09	9,802,718.82	20.00
2–3 years	57,105,362.09	28,552,681.05	50.00
>3 years	50,610,748.30	50,610,748.30	100.00
Total	3,443,976,923.61	253,328,509.12	7.36

(3) Bad debt reserves accrued, recovered, or reversed in the current period

Category	Beginning Balance	Accrual/Recovery/Reversal in the Current Period	Ending Balance
Accrual by individual item	4,715,115.32	-232.96	4,714,882.36
Account age portfolio	285,207,634.51	-31,879,125.39	253,328,509.12
Total	289,922,749.83	-31,879,358.35	258,043,391.48

[Note] There was no significant recovery or reversal of bad debt reserves during the current period.

(4) Accounts receivable written off in the current period

None.

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

The total amount of accounts receivable and contract assets of the top 5 debtors in terms of ending balance collected by debtors is CNY3,283,478,637.70, accounting for 64.56% of the ending balance of accounts receivable and contract assets, and the amount of bad debt reserves is CNY88,122,525.03.

2. Other receivables

Item	Ending Balance	Beginning Balance
Other receivables [Note 1]	10,199,939,865.70	4,860,219,830.31
Total	10,199,939,865.70	4,860,219,830.31

[Note 1] Other receivables in the table above refer to other receivables after the deduction of interest receivable and dividends receivable.

[Note 2] The Company has no beginning and ending balance of interests receivable and dividends receivable.

(1) Other receivables

1) Disclosure by account age

Account Age	Ending Balance	Beginning Balance
<1 year	6,122,500,607.02	4,863,865,345.66
1-2 years	4,109,389,281.66	6,358,344.91
2-3 years	4,200,093.90	1,650,917.24
>3 years	4,714,891.92	4,910,948.86
Subtotal	10,240,804,874.50	4,876,785,556.67
Less: Bad debt reserves	40,865,008.80	16,565,726.36
Total	10,199,939,865.70	4,860,219,830.31

2) Classification by nature of payment

Nature of Payment	Ending Book Balance	Beginning Book Balance
Intercourse and free-risk funds	10,219,433,060.30	4,739,303,404.07
Asset transfer payments	21,371,814.20	137,482,152.60
Subtotal	10,240,804,874.50	4,876,785,556.67
Less: Bad debt reserves	40,865,008.80	16,565,726.36
Total	10,199,939,865.70	4,860,219,830.31

3) Disclosure by classification of bad debt reserves accrual methods

Category	Ending Balance				Book Value
	Book Balance		Bad Debt Reserves		
	Amount	Proportion (%)	Amount	Credit Loss Rate (%)	
Other accounts receivable with bad debt reserves accrued by individual item					
Other accounts receivable with bad debt reserves accrued by portfolios	10,240,804,874.50	100.00	40,865,008.80	0.40	10,199,939,865.70
Including: Account age portfolio	616,817,914.45	6.02	40,865,008.80	6.63	575,952,905.65
Free-risk portfolios	9,623,986,960.05	93.98			9,623,986,960.05
Total	10,240,804,874.50	100.00	40,865,008.80	0.40	10,199,939,865.70

(Continued)

Category	Beginning Balance				Book Value
	Book Balance		Bad Debt Reserves		
	Amount	Proportion (%)	Amount	Credit Loss Rate (%)	
Other accounts receivable with bad debt reserves accrued by individual item					
Other accounts receivable with bad debt reserves accrued by portfolios	4,876,785,556.67	100.00	16,565,726.36	0.34	4,860,219,830.31
Including: Account age portfolio	204,073,208.93	4.18	16,565,726.36	8.12	187,507,482.57
Free-risk portfolios	4,672,712,347.74	95.82			4,672,712,347.74
Total	4,876,785,556.67	100.00	16,565,726.36	0.34	4,860,219,830.31

Other receivables in the portfolio with bad debt reserves accrued by account age portfolio

Account Age	Ending Balance		
	Book Balance	Bad Debt Reserves	Credit Loss Rate (%)
<1 year	583,536,771.97	29,176,838.60	5.00
1-2 years	24,366,156.66	4,873,231.33	20.00
2-3 years	4,200,093.90	2,100,046.95	50.00
>3 years	4,714,891.92	4,714,891.92	100.00
Total	616,817,914.45	40,865,008.80	6.63

4) Accrual of bad debt reserves

Bad debt reserves	Phase I	Phase II	Phase III	Total
	Expected Credit Losses in the Next 12 Months	Expected Credit Loss for the Entire Duration (no Credit Impairment Occurred)	Expected Credit Loss for the Entire Duration (Credit Impairment Occurred)	
Beginning Balance	9,557,649.90		7,008,076.46	16,565,726.36
Accrual in the current period	19,619,188.70		4,680,093.74	24,299,282.44

Bad debt reserves	Phase I	Phase II	Phase III	Total
	Expected Credit Losses in the Next 12 Months	Expected Credit Loss for the Entire Duration (no Credit Impairment Occurred)	Expected Credit Loss for the Entire Duration (Credit Impairment Occurred)	
Ending Balance	29,176,838.60		11,688,170.20	40,865,008.80

5) Other receivables written off in the current period

None.

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

The total amount of other receivables of the top 5 debtors in terms of ending balance collected by debtors is CNY9,091,732,885.47, accounting for 88.78% of the total balance of ending balance of other receivables, and the amount of bad debt reserves is CNY27,376,757.86.

7) Other receivables due to centralized fund management

None.

3. Long-term equity investments

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserve	Book Value	Book Balance	Impairment Reserve	Book Value
Investments to subsidiaries	27,122,807,455.57	2,844,547,150.91	24,278,260,304.66	26,797,640,354.59		26,797,640,354.59
Investments to associates and joint ventures	2,767,637,625.11	1,940,009.35	2,765,697,615.76	2,949,788,729.34	1,940,009.35	2,947,848,719.99
Total	29,890,445,080.68	2,846,487,160.26	27,043,957,920.42	29,747,429,083.93	1,940,009.35	29,745,489,074.58

(1) Investments to subsidiaries

Investee	Beginning Balance		Increase/Decrease in the Current Period				Ending Balance	
	Original Value	Impairment Reserve	Additional Investment	Decreased Investment	Accrual of Impairment Reserves	Others	Original Value	Impairment Reserve
Gree (Chongqing) Electric Appliances Co., Ltd.	231,564,328.08					1,115,098.12	232,679,426.20	
Zhuhai Landa Compressor Co., Ltd.	994,974,800.71					2,892,411.56	997,867,212.27	
Zhuhai Gree Electrical Co., Ltd.	1,691,150,140.13					179,140.31	1,691,329,280.44	
Zhuhai Gree Xinyuan Electronics Co., Ltd.	159,243,423.75					290,851.41	159,534,275.16	
Zhuhai Kaibang Motor Manufacturing Co., Ltd.	93,023,993.10					855,445.31	93,879,438.41	
Gree (Hefei) Electric Appliances Co., Ltd.	511,497,592.85					678,317.81	512,175,910.66	
Gree (Zhongshan) Small Home Appliances Co., Ltd.	33,256,625.16					36,230.62	33,292,855.78	
Zhuhai Gree Group Finance Company Limited	4,440,647,651.94					72,461.25	4,440,720,113.19	
Gree (Brazil) Electric Appliances Co., Ltd.	661,729,033.65					169,076.25	661,898,109.90	
Gree Hong Kong Electric Appliances Sales Co., Ltd.	472,879.08						472,879.08	

Investee	Beginning Balance		Increase/Decrease in the Current Period				Ending Balance	
	Original Value	Impairment Reserve	Additional Investment	Decreased Investment	Accrual of Impairment Reserves	Others	Original Value	Impairment Reserve
Shanghai Gree Air Conditioners Sales Co., Ltd.	1,800,000.00						1,800,000.00	
Zhuhai Gree Daikin Precision Mold Co., Ltd.	203,077,184.19					233,486.25	203,310,670.44	
Zhuhai Gree Daikin Device Co., Ltd.	283,607,005.72					120,768.75	283,727,774.47	
Zhuhai Gree Green Refrigeration Technology Research Center Co., Ltd.	676,040,000.00						676,040,000.00	
Gree (Zhengzhou) Electric Appliances Co., Ltd.	727,396,742.44					868,774.16	728,265,516.60	
Gree (Wuhan) Electric Appliances Co., Ltd.	605,958,058.69					723,030.43	606,681,089.12	
Zhengzhou Gree Green Resources Recycling Co., Ltd.	50,012,929.37						50,012,929.37	
Hunan Green Resources Recycling Co., Ltd.	50,122,273.98					8,051.25	50,130,325.23	
Wuhu Green Resources Recycling Co., Ltd.	50,297,048.02					48,307.50	50,345,355.52	
Gree (Shijiazhuang) Small Home Appliances Co., Ltd.	12,382,351.47					173,101.88	12,555,453.35	
Gree (Wuhan) Electric Appliances Co., Ltd.	24,955,302.26					372,370.31	25,327,672.57	
Shijiazhuang Green Resources Recycling Co., Ltd.	50,012,929.37						50,012,929.37	
Gree (Shijiazhuang) Electric Appliances Co., Ltd.	107,006,318.71					974,201.25	107,980,519.96	
Tianjin Green Renewable Resources Utilization Co., Ltd.	50,000,000.00						50,000,000.00	
Zhuhai Gree HVAC and Refrigeration Equipment Co., Ltd.	100,000,000.00						100,000,000.00	
Zhuhai Gree TOSOT Home Appliances Co., Ltd.	30,000,000.00						30,000,000.00	
Zhuhai EWPE Information Technology Inc.	100,000,000.00						100,000,000.00	

Investee	Beginning Balance		Increase/Decrease in the Current Period				Ending Balance	
	Original Value	Impairment Reserve	Additional Investment	Decreased Investment	Accrual of Impairment Reserves	Others	Original Value	Impairment Reserve
Gree (Changsha) HVAC Equipment Co., Ltd.	56,107,558.76					677,311.41	56,784,870.17	
Gree TOSOT (Suqian) Home Appliances Co., Ltd.	142,052,626.25					181,153.12	142,233,779.37	
Wuhu Gree Precision Manufacturing Co., Ltd.	31,102,635.52					144,922.50	31,247,558.02	
Zhuhai Gree Intelligent Equipment Co., Ltd.	110,951,373.30					1,047,668.91	111,999,042.21	
Zhuhai Hengqin Gree Business Factoring Co., Ltd.	100,375,230.63					92,589.38	100,467,820.01	
Zhuhai Gree Precision Mold Co., Ltd.	124,475,867.64					3,028,107.33	127,503,974.97	
Gree HVAC and Refrigeration Equipment (Wuhan) Co., Ltd.	100,410,577.46					144,922.50	100,555,499.96	
Zhuhai Gree Intelligent Equipment Technology Institute Co., Ltd.	50,617,948.42					142,909.69	50,760,858.11	
Gree Altairnano New Energy Inc.	2,844,386,125.91				2,844,547,150.91	161,025.00	2,844,547,150.91	2,844,547,150.91
Zhuhai Gree New Material Co., Ltd.	33,261,251.95					570,632.34	33,831,884.29	
Gree (Wuhan) Precision Mold Co., Ltd.	101,713,591.43					181,153.13	101,894,744.56	
Zhuhai Gree Energy Environment Technology Co., Ltd.	203,840,102.44					201,281.25	204,041,383.69	
Gree (Hangzhou) Electric Appliances Co., Ltd.	551,266,639.41					84,538.12	551,351,177.53	
Gree Information Technology Co., Ltd. of Zhuhai	510,000.00						510,000.00	
Gree (Wu'an) Precision Equipment Manufacturing Co., Ltd.	210,588,437.96					56,358.75	210,644,796.71	
Zhuhai Gree Transportation Co., Ltd.	51,507,944.94					173,101.88	51,681,046.82	
Gree (Nanjing) Electric Appliances Co., Ltd.	701,572,643.25					197,255.62	701,769,898.87	
Gree (Luoyang) Electric Appliances Co., Ltd.	51,910,237.23					156,999.37	52,067,236.60	

Investee	Beginning Balance		Increase/Decrease in the Current Period				Ending Balance	
	Original Value	Impairment Reserve	Additional Investment	Decreased Investment	Accrual of Impairment Reserves	Others	Original Value	Impairment Reserve
Zhuhai Edgeless Integrated Circuit Co., Ltd.	50,000,000.00						50,000,000.00	
Zhuhai Lianyun Technology Co., Ltd.	51,992,089.46					402,562.50	52,394,651.96	
Gree (Chengdu) Electric Appliances Co., Ltd.	400,555,834.95					16,102.50	400,571,937.45	
Gree Material Supply Co., Ltd. of Zhuhai	150,000,000.00						150,000,000.00	
Zhuhai Gree Green Control Technology Co., Ltd.	550,000,000.00						550,000,000.00	
Hefei Kinghome Electrical Co., Ltd.	1,250,066,296.07					253,614.38	1,250,319,910.45	
Zhuhai Gree Mechanical and Electrical Engineering Co., Ltd.	153,089,029.68					725,618.91	153,814,648.59	
Gree Electric Appliances (Luoyang) Washing Machine Co., Ltd.	50,000,000.00						50,000,000.00	
Guochuang Energy Internet Innovation Center (Guangdong) Co., Ltd.	75,000,000.00						75,000,000.00	
Gree (Anji) Precision Mold Co., Ltd.	116,200,000.00		6,800,000.00				123,000,000.00	
Zhuhai Gree Green Resources Recycling Co., Ltd.	101,791,318.03					54,345.94	101,845,663.97	
Gree E-commerce Co., Ltd.	101,819,150.95					329,094.84	102,148,245.79	
Zhuhai Gejian Health Medical Technology Co., Ltd.	20,024,835.89						20,024,835.89	
Gree (Zhuhai Jinwan) Electric Appliances Co., Ltd.	1,003,421,574.59					513,267.19	1,003,934,841.78	
Gree Chengdu Xinhui Medical Equipment Co., Ltd.	76,303,850.65					309,973.12	76,613,823.77	
SL Group Co., Ltd.	230,223,945.05						230,223,945.05	
Gree (Ganzhou) Electric Appliances Co., Ltd.	100,731,158.37					122,781.56	100,853,939.93	

Investee	Beginning Balance		Increase/Decrease in the Current Period				Ending Balance	
	Original Value	Impairment Reserve	Additional Investment	Decreased Investment	Accrual of Impairment Reserves	Others	Original Value	Impairment Reserve
Gree (Linyi) Electric Appliances Co., Ltd.	404,446,928.15		196,180,000.00			110,704.69	600,737,632.84	
Gree (Zhuhai Hengqin) Development Co., Ltd.	1,000,000,000.00						1,000,000,000.00	
Changsha Kinghome Electric Appliances Co., Ltd.	50,424,173.75					104,666.25	50,528,840.00	
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.	101,533,335.29					376,395.94	101,909,731.23	
Zhuhai Gree Digital Technology Co., Ltd.	51,142,006.25					281,793.75	51,423,800.00	
Zhuhai Gree Prefabricated Vegetable Equipment Technology Development Co., Ltd.	30,000,000.00		1,533,124.69				31,533,124.69	
Zhuhai Hengqin Gree Materials Supply Co., Ltd.			100,000,000.00				100,000,000.00	
Total	26,797,640,354.59		304,513,124.69		2,844,547,150.91	20,653,976.29	27,122,807,455.57	2,844,547,150.91

[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 Reserve	Additional Investment/Disinvestment	Profits and Losses on Investment Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profits	Others	Original Value	Impairment Reserve
Gree (Vietnam) Electric Appliances, Inc.	1,940,009.35	1,940,009.35							1,940,009.35	1,940,009.35
Outlook All Media Co., Ltd.	35,987,610.46			- 7,056,245.72					28,931,364.74	
Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd.	15,390,790.44			345,925.26					15,736,715.70	
Coresing Semiconductor Technology Co., Ltd.	21,291,586.95			292,445.47			851,343.60		20,732,688.82	
Zhuhai Ronglin Equity Investment Partnership (Limited Partnership)	2,821,794,849.12			- 1,042,751.57	- 173,479,038.52				2,647,273,059.03	
Henan Yuze Finance Leasing Co., Ltd.	52,575,995.19			1,858,410.38			1,410,618.10		53,023,787.47	
Zhuhai Jiayao Food Technology Co., Ltd.	807,887.83		-630,124.69	-177,763.14						
Total	2,949,788,729.34	1,940,009.35	-630,124.69	- 5,779,979.32	- 173,479,038.52		2,261,961.70		2,767,637,625.11	1,940,009.35

4. Operating revenues and costs

Item	Amount Incurred in the Current Period		Amount Incurred in the Previous Period	
	Revenue	Cost	Revenue	Cost
Main business	120,955,394,069.62	81,167,248,844.88	129,423,899,406.84	85,352,146,156.24
Other business	4,703,383,716.27	4,436,721,904.30	5,229,739,158.04	4,854,534,375.52
Total	125,658,777,785.89	85,603,970,749.18	134,653,638,564.88	90,206,680,531.76

5. Income from investment

Item	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
Dividend shares recognized for long-term equity investment measured in the cost method	2,573,612,709.98	3,818,312,481.64
Investment income obtained from trading financial assets	453,971,214.49	280,583,705.07
Investment income from derivative financial instruments	200,042,366.84	135,154,303.55
Long-term equity investment income measured by the equity method	-5,779,979.32	-6,685,965.10
Others	-82,849,572.57	50,600,218.28
Total	3,138,996,739.42	4,277,964,743.44

XVII. Supplementary

1. Detailed statement of non-recurring profits and losses in the current period

Item	Amount
Profits and losses from disposal of non-current assets (including the write-off of accrued asset impairment reserves)	-96,493,268.06
Governmental subsidies included in the current profits and losses (but excluding the governmental subsidies closely relating to the normal business operations of the Company, conforming to national policies and regulations, and enjoyed by a fixed quota or a fixed amount according to applicable standards)	1,921,209,083.93
Profits and losses from changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises, and profits and losses from disposal of financial assets and financial liabilities, except for the effective hedging business related to the Company's normal business operations	465,704,232.40
Reversal of impairment reserves for the receivables under independent impairment test	151,629,418.16
Non-operating revenues and expenditures other than the above items	19,359,525.22
Other profit and loss items conforming to the definition of non-recurring profits and losses	69,040,924.47
Subtotal	2,530,449,916.12
Less: Amount affecting income tax	368,577,572.53

Item	Amount
Amount affecting minority equity (after tax)	77,062,354.30
Total	2,084,809,989.29

[Note] The "+" for the non-recurring profit and loss item means income or gain, and "-" means loss or expenditure. The recognition of the Company's non-recurring profit and loss items is implemented in accordance with the provisions of the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public — Non-recurring Profit and Loss* (Revised in 2023) (CSRC Announcement [2023] No. 65).

2. Return on equity and earnings per share

Profits for the Reporting Period	Weighted Average Return on Equity (%)	Earnings Per Share	
		Basic Earnings Per Share	Diluted Earnings Per Share
Net profit attributable to common shareholders of the Company	25.42	5.83	5.83
Net profit deducting non-recurring profits and losses attributable to common shareholders	23.78	5.45	5.45

Gree Electric Appliances, Inc. of Zhuhai

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