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HISENSE HOME APPLIANCES GROUP CO., LTD.

海信家電集團股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00921)

2023 THIRD QUARTERLY REPORT

This announcement is made by Hisense Home Appliances Group Co., Ltd. (the “**Company**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

I. IMPORTANT NOTICE

1. The board of directors (the “**Board**”), the supervisory committee, the directors (the “**Directors**”), the supervisors and the senior management of the Company warrant that there are no false representation or misleading statements contained in, or material omissions from, this quarterly report; and jointly and severally accept legal responsibility for the truthfulness, accuracy and completeness of the information contained herein.
2. Mr. Dai Hui Zhong, the person in charge of the Company, Ms. Gao Yu Ling, the person in charge of the accounting department, and Ms. Li Jia, the accounting officer, warrant the truthfulness, accuracy and completeness of the contents of the financial statements in this quarterly report.
3. All Directors attended the Board meeting for considering and approving the 2023 third quarterly report.
4. The financial statements of the Company for the third quarter of 2023 have not been audited by accountants.
5. The full text of the Company’s balance sheet, income statement and cash flow statement are published on the website as designated by the Shenzhen Stock Exchange for release of information: <http://www.cninfo.com.cn>.

II. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

1. Major accounting data and financial indicators

Did the Company need to make retrospective adjustment to or restatement of the accounting data of prior periods?

Yes No

Items	For the three months ended 30 September 2023 (the “Reporting Period”)	Increase or decrease as compared to the three months ended 30 September 2022 (%)	For the nine months ended 30 September 2023	Increase or decrease as compared to the nine months ended 30 September 2022 (%)
Operating revenue (RMB)	21,955,657,812.97	17.29	64,899,633,432.35	13.81
Net profits attributable to shareholders of the Company (RMB)	928,442,073.02	106.49	2,426,004,797.61	126.76
Net profits after deducting non-recurring profit and loss attributable to shareholders of the Company (RMB)	799,315,978.16	130.12	2,062,543,345.31	165.99
Net cash flow from operating activities (RMB)	-	-	8,700,882,100.65	111.56
Basic earnings per share (RMB/share)	0.69	109.09	1.78	125.32
Diluted earnings per share (RMB/share)	0.69	109.09	1.78	125.32
Weighted average rate of return on net assets (%)	7.31	Increase 3.20 percentage points	19.57	Increase 9.64 percentage points
Items	At the end of the Reporting Period	At the end of 2022	Increase or decrease as compared to last year (%)	
Total assets (RMB)	64,442,317,561.80	55,375,550,868.66	16.37	
Shareholders’ equity attributable to shareholders of the Company (RMB)	13,203,090,534.64	11,518,257,281.54	14.63	

2. Extraordinary profit and loss items and amounts

Applicable Not applicable

Unit: RMB

Item	Amount for the Reporting Period	Amount for the nine months ended 30 September 2023	Description
Profits or losses from disposal of non-current assets (including the part written off for provision for impairment on assets)	-1,362,796.79	3,450,648.69	-
Government grants recognised in the profits or losses (excluding government grants which are closely related to the Company’s normal business, are in accordance with national policies and are	60,363,555.90	148,799,185.81	-

received with fixed amounts or with fixed percentage based on unified standards)			
Profits and losses from assets which entrust others to invest or manage	103,721,925.41	208,126,861.31	-
Except for effective hedging operations related to the Company's normal business operations, gain or loss from changes in fair values of transactional financial assets and transactional financial liabilities and investment gain from the disposal of transactional financial assets, transactional financial liabilities and available-for-sale financial assets	4,252,912.33	52,621,771.47	-
Other non-operating income and expenses other than the aforementioned items	17,554,201.82	149,279,826.79	-
Less: Effect of income tax	33,463,314.10	120,746,488.45	
Effect of minority interests (after tax)	21,940,389.71	78,070,353.32	-
Total	129,126,094.86	363,461,452.30	-

3. Details of and reasons for significant changes of the principal accounting data and financial indicators during the Reporting Period

√ Applicable □ Not applicable

Unit: RMB

Balance sheet items	Closing balance as at 30 September 2023	Opening balance as at 1 January 2023	Change (%)	Reasons of change
Financial assets held for trading	13,676,129,804.88	6,758,233,998.86	102.36	Mainly due to the increase in outstanding financial management products at the end of the Reporting Period
Notes receivable	209,172,054.66	144,188,330.26	45.07	Mainly due to the growth of the Company's scale during the Reporting Period
Factoring of accounts receivables	7,428,930,693.64	5,072,959,470.76	46.44	Mainly due to the growth of the Company's scale during the Reporting Period
Other current assets	1,082,053,105.62	1,702,738,189.99	-36.45	Mainly due to the change in the structure of time deposits and the decrease in time deposits within one year
Short-term borrowings	2,883,481,343.54	1,462,253,713.24	97.19	Mainly due to the replacement from internal borrowings to bank borrowings by subsidiaries at the end of the Reporting Period
Notes payable	14,937,347,253.75	11,322,271,209.54	31.93	Mainly due to the growth of the Company's scale during the Reporting Period
Other current liabilities	7,527,458,781.78	5,643,445,390.50	33.38	Mainly due to the growth of the Company's scale during the Reporting Period
Long-term borrowings	33,388,624.05	19,808,239.84	68.56	Mainly due to the increase in bank borrowings of subsidiaries at the end

				of the Reporting Period
Other comprehensive income	161,584,976.90	121,267,445.50	33.25	Mainly due to the increase of translation gain from foreign currency statement given the exchange rate change
Income Statement Items	Amount for the nine months ended 30 September 2023	Amount for the nine months ended 30 September 2022	Change (%)	Reasons of change
Financial expenses	-308,975,837.38	-95,385,405.64	N/A	Mainly due to the increase in foreign exchange gains on foreign currency valuation
Investment income	563,730,701.76	427,460,084.89	31.88	Mainly due to the increase in income from long-term equity investments accounted for under the equity method and investment income from wealth management products
Gains from changes in fair value	-120,813,024.74	15,057,989.87	N/A	Mainly due to the increase in loss on valuation of forward exchange lock business
Impairment losses on credit	-19,935,871.82	-1,454,371.12	N/A	Mainly due to the increase in bad debt losses of other receivables
Income tax expenses	710,058,922.56	544,619,478.94	30.38	Mainly due to the increased profits
Cash Flow Statement Items	Amount for the nine months ended 30 September 2023	Amount for the nine months ended 30 September 2022	Change (%)	Reasons of change
Cash received from investment income	397,695,562.15	145,424,642.74	173.47	Mainly due to the increase in dividends received and investment income from wealth management products during the period
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	8,337,390.27	93,779,500.93	-91.11	Mainly due to the decrease in disposal of assets during the period
Cash received from borrowings	2,092,541,721.50	1,043,026,866.50	100.62	Mainly due to the increase in borrowings of subsidiaries during the Reporting Period
Cash paid for repayment of borrowings	538,116,274.40	2,400,521,731.85	-77.58	Mainly due to the decrease in repayment of bank borrowings by subsidiaries
Cash paid relating to other financing activities	1,528,803,970.58	441,380,466.17	246.37	Mainly due to repayment of borrowings of subsidiaries and repurchase of shares

III. TABLE SHOWING TOTAL NUMBER OF SHAREHOLDERS AND THE SHAREHOLDING OF THE TOP TEN HOLDERS OF ORDINARY SHARES AT THE END OF THE REPORTING PERIOD

Unit: shares

Total number of shareholders of ordinary shares at the end of the Reporting Period	19,337	Total number of preferred shareholders which the right of vote is restored at the end of the Reporting Period	0			
The shareholding of the top ten holders of ordinary shares						
Name of Shareholder	Nature of Shareholder	Percentage to the total issued share capital of the Company	No. of shares held	No. of shares held subject to selling restrictions	Situation of pledged or frozen shares	
					Share status	Quantity
Qingdao Hisense Air-conditioning Company Limited	Domestic non-state-owned legal person	37.23%	516,758,670	0		
HKSCC Nominees Limited ^{Note 1}	Foreign legal person	33.02%	458,398,567	0		
The Hong Kong Securities Clearing Company Limited (“HKSCC”) ^{Note 2}	Foreign legal person	5.21%	72,263,696	0		
China Merchants Bank Co., Ltd – Zhong Ou Alpha Hybrid Securities Investment Fund*(招商銀行股份有限公司－中歐阿爾法混合型證券投資基金)	Other	0.86%	11,909,108	0		
Hisense Home Appliances Group Co., Ltd. – the 2022 A Share Employee Stock Ownership Plan*(海信家電集團股份有限公司－2022年A股員工持股計劃)	Other	0.78%	10,810,000	0		
National Social Security Fund 101 Portfolio*(全國社保基金一零一組合)	Other	0.61%	8,519,532	0		
Zhang Shao Wu	Domestic natural person	0.52%	7,200,000	0		
Industrial and Commercial Bank of China - Fullgoal Research Selection Flexible Allocation Hybrid Securities Investment Fund*(中國工商銀行股份有限公司－富國研究精選靈活配置混合型證券投資基金)	Other	0.47%	6,561,500	0		
Industrial Securities Co., Ltd. – Purekind Xinrui Core Selection Hybrid Securities Investment Fund*(興業證券股份有限公司－淳厚信睿核心精選混合型證券投資基金)	Other	0.45%	6,256,517	0		
Industrial and Commercial Bank of China - Fullgoal Tianhui Selection Growth Hybrid Securities Investment Fund(LOF)*(中國工商銀行股份有限公司－富國天惠精選成長混合型證券投資基金(LOF))	Other	0.38%	5,206,486	0		
The shareholding of the top ten holders of ordinary shares not subject to selling restrictions						

Name of Shareholder	Number of shares held not subject to restrictions	Class of shares	
		Class of shares	Quantity
Qingdao Hisense Air-conditioning Company Limited	516,758,670	RMB ordinary shares	516,758,670
HKSCC Nominees Limited <i>Note 1</i>	458,398,567	Overseas listed foreign shares	458,398,567
HKSCC <i>Note 2</i>	72,263,696	RMB ordinary shares	72,263,696
China Merchants Bank Co., Ltd – Zhong Ou Alpha Hybrid Securities Investment Fund*(招商銀行股份有限公司－中歐阿爾法混合型證券投資基金)	11,909,108	RMB ordinary shares	11,909,108
Hisense Home Appliances Group Co., Ltd. – the 2022 A Share Employee Stock Ownership Plan*(海信家電集團股份有限公司－2022年A股員工持股計劃)	10,810,000	RMB ordinary shares	10,810,000
National Social Security Fund 101 Portfolio*(全國社保基金一零一組合)	8,519,532	RMB ordinary shares	8,519,532
Zhang Shao Wu	7,200,000	RMB ordinary shares	7,200,000
Industrial and Commercial Bank of China – Fullgoal Research Selection Flexible Allocation Hybrid Securities Investment Fund*(中國工商銀行股份有限公司－富國研究精選靈活配置混合型證券投資基金)	6,561,500	RMB ordinary shares	6,561,500
Industrial Securities Co., Ltd. – Purekind Xinrui Core Selection Hybrid Securities Investment Fund*(興業證券股份有限公司－淳厚信睿核心精選混合型證券投資基金)	6,256,517	RMB ordinary shares	6,256,517
Industrial and Commercial Bank of China - Fullgoal Tianhui Selection Growth Hybrid Securities Investment Fund(LOF)*(中國工商銀行股份有限公司－富國天惠精選成長混合型證券投資基金(LOF))	5,206,486	RMB ordinary shares	5,206,486
Description of the above shareholders' affiliation or concerted action	Qingdao Hisense Air-conditioning Company Limited and Hisense (Hong Kong) Company Limited are connected with each other and they are not connected with other shareholders, nor are they a party acting in concert with any of the other shareholders within the meaning of Administrative Measures for the Takeover of Listed Companies (《上市公司收購管理辦法》). The managers of Industrial and Commercial Bank of China – Fullgoal Research Selection Flexible Allocation Hybrid Securities Investment Fund*(中國工商銀行股份有限公司－富國研究精選靈活配置混合型證券投資基金) and Industrial and Commercial Bank of China - Fullgoal Tianhui Selection Growth Hybrid Securities Investment Fund(LOF)*(中國工商銀行股份有限公司－富國天惠精選成長混合型證券投資基金(LOF)) are Fullgoal Fund Management Company Limited. Save as disclosed above, the Company is not aware of any shareholders being connected with each other or any of them being a party acting in concert with any of the other within the meaning of Administrative Measures for the Takeover of Listed Companies (《上市公司收購管理辦法》).		

Description of the top 10 shareholders' participation in the financing business (if any)	No
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Note 1: HKSCC Nominees Limited is the nominee holder of the shares held by non-registered H shareholders of the Company. The shares held by HKSCC Nominees Limited are held on behalf of a number of its account participants, including Hisense (Hong Kong) Company Limited, a party acting in concert with the controlling shareholder of the Company, which held a total number of 124,452,000 H shares as of the end of the Reporting Period, representing 8.97% of the total number of the issued shares of the Company.

Note 2: HKSCC is the nominee holder of the shares held by non-registered A shareholders of the Company through Shenzhen-Hong Kong Stock Connect. The shares held by HKSCC are held on behalf of a number of its account participants.

Note 3: "" is for identification purposes only.*

IV. OTHER SIGNIFICANT MATTERS

Applicable Not applicable

This quarterly report is prepared in Chinese and English respectively. In case of inconsistency, the Chinese text of this quarterly report shall prevail over its English text.

By order of the Board of
Hisense Home Appliances Group Co., Ltd.
Dai Hui Zhong
Chairman

Foshan City, Guangdong, the PRC, 30 October 2023

As at the date of this announcement, the Company's executive Directors are Mr. Dai Hui Zhong, Mr. Jia Shao Qian, Mr. Yu Zhi Tao, Mr. Hu Jian Yong, Mr. Xia Zhang Zhua and Ms. Gao Yu Ling; and the Company's independent non-executive Directors are Mr. Zhong Geng Shen, Mr. Cheung Sai Kit and Mr. Li Zhi Gang.