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# Haier

**Haier Smart Home Co., Ltd.\***

**海爾智家股份有限公司**

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

**Stock Code: 6690**

## **2023 THIRD QUARTER REPORT**

This announcement is made by Haier Smart Home Co., Ltd. (the “**Company**”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial data of the Company for the third quarter of 2023 have been prepared in accordance with the China Accounting Standards for Business Enterprises and are unaudited. Net profit attributable to owners of the parent company and equity attributable to owners of the parent company in the consolidated financial statements are not different from those financial data prepared under the International Financial Reporting Standards.

## Important Notice:

The board of directors (the “Board”), the board of supervisors, directors, supervisors, and senior management of the Company hereby assure that the content set out in the quarterly report is true, accurate and complete, and free from any false record, misleading representation or material omission, and are individually and collectively responsible for the content set out therein.

The legal representative of the Company, chief financial officer of the Company and person in charge of accounting department hereby certify that the financial information set out in the quarterly report is true, accurate and complete.

Whether the third quarterly report has been audited or not

Yes  No

## I. Key Financial Information

### (I) Major accounting data and financial indicators

Unit and Currency: RMB

Items	During the Reporting Period	For the corresponding period of last year		Year-on-year increase/decrease during the Reporting Period (%)	From the beginning of the year to the end of the Reporting Period	For the corresponding period of last year		Year-on-year increase/decrease from the beginning of the year to the end of the Reporting Period (%)
		Before adjustment	After adjustment	After adjustment		Before adjustment	After adjustment	After adjustment
Operating revenue	67,030,721,048.16	62,891,243,547.88	63,165,662,381.11	6.12	198,657,302,554.72	184,748,766,010.10	184,805,729,760.46	7.50
Net profit attributable to shareholders of the listed Company	4,185,343,372.78	3,716,522,018.59	3,706,330,074.31	12.92	13,149,219,372.62	11,665,606,491.29	11,666,014,116.96	12.71
Net profit after deduction of non-recurring profit or loss attributable to shareholders of the listed Company	4,116,766,925.02	3,730,558,477.25	3,730,558,477.25	10.35	12,720,744,689.60	11,221,252,182.63	11,221,252,182.63	13.36
Net cash flow from operating activities	N/A	N/A	N/A	N/A	13,203,115,800.79	11,205,073,837.77	11,251,205,835.72	17.35
Basic earnings per share (RMB per share)	0.44	0.40	0.40	10.00	1.41	1.25	1.25	12.80
Diluted earnings per share (RMB per share)	0.45	0.39	0.39	15.38	1.41	1.24	1.24	13.71
Weighted average return on net assets (%)	4.16	3.91	3.91	increased 0.25 percentage point	13.32	13.15	13.14	increased 0.18 percentage point

	At the end of the Reporting Period	At the end of last year		Increase/decrease at the end of the Reporting Period compared to the end of last year (%)
		Before adjustment	After adjustment	After adjustment
Total assets	245,891,519,568.64	235,842,254,826.77	235,938,042,474.57	4.22
Owner equity attributable to shareholders of the listed Company	100,316,122,311.76	93,422,647,664.43	93,454,454,213.67	7.34

Note: “Reporting Period” refers to the three-month period commencing from the beginning of this quarter to the end of this quarter.

Reasons for retrospective adjustment or restatement:

In the first quarter of 2023, the Company completed the acquisition of the equity in Shanghai Haier Smart Technology Co., Limited (上海海爾智能科技有限公司). The transaction was accounted for as a business combination under common control in accordance with relevant accounting standards in the consolidated financial statements and accordingly, the comparative figures for the corresponding period were adjusted and restated.

During the reporting period, the Company leveraged its diverse range of brands to capitalize on growth opportunities across various market segments. It gained market share in overseas markets through its high-end brand strategy and the expansion of distribution networks. The Company prioritized end-to-end digitalization to enhance operational efficiency. During the reporting period, the Company’s revenue steadily increased, and profitability continued to improve.

## Key Performance Indicators

### I. Revenue and profit

In the first three quarters of 2023, the Company achieved revenue of RMB 198.657 billion, net profit attributable to the owners of the parent company of RMB 13.149 billion, and net profit attributable to owners of the parent company after deduction of non-recurring profit or loss of RMB 12.721 billion, representing growth of 7.5%, 12.7% and 13.4% respectively as compared to the corresponding period of 2022.

In the third quarter alone, the Company realized revenue of RMB 67.030 billion, net profit attributable to the owners of the parent company of RMB 4.185 billion, and net profit attributable to owners of the parent company after deduction of non-recurring profit or loss of RMB 4.117 billion, representing an increase of 6.1%, 12.9% and 10.4% respectively as compared to the corresponding period of 2022.

#### (I) Smart Home Business in China

In the third quarter, the Company continues to grow market share in refrigerators, washing machines and water heater & purifier, while maintaining solid performance in air conditioners, smart buildings, and kitchen appliances.

**The refrigerator business** led the industry in the integration of home appliance with furnishing by launching F+ and 550L series of flat built-in refrigerators, along with the seamless 603 built-in series, all of which helped grow high-end sales revenue. **The washing machine business** accelerated retail transformation to boost operation efficiency. Casarte's Zhongzi (中子) F2 washer-dryer combo and Gemini T5 (T5 双子分区洗) washer were introduced to create innovative laundry experience with flat built-in designs. **Water heater and purifier business** developed leading product platform with cutting-edge technologies such as electric crystal tanks, hybrid gas heating, and zinc-strontium mineral water purification. It also implemented digital management across the entire product life cycle to increase the output of individual model.

**The kitchen appliance business** launched Nebula (星雲) and Tranquility (致境) set to enhance Casarte's product lineup. It also developed partnerships from cabinet and home improvement industries, and accelerated e-commerce revenue growth by expanding offerings online. **The residential air conditioning business** underwent transformations in R&D, distribution network, retail capability, supply chain cost management and organizational efficiency to improve users' and distributors' recognition and realized solid growth. Leveraging advantages in Heating Ventilation and Air Conditioning (HVAC) industry, **the smart building business** developed growth opportunities in heat pump and smart building management. In order to develop its one-stop low-carbon energy solutions business, the Company completed the acquisition of Tongfang Energy Technology Development Company in September 2023, whose technical expertise and experience in heat supply solutions could enhance the Company's integrated heating and cooling services, clean energy and waste heat recovery solutions.

SAN YI NIAO focused on improving its design and delivery capabilities. By providing online design tools for home appliance product suites and introducing "Delivery on Wings" scenario delivery tool, it improved user experience during transaction, interaction, design, and delivery process, which drove the sales of home appliance product suites with enhanced user value.

## **(II) Overseas home appliances and smart home businesses**

During the reporting period, the Company strengthened its high-end brand strategy and achieved steady growth through enhancing brand images, launching best-selling products, and pursuing opportunities in new categories.

In the **North American region**, the Company continues to expand its innovation leadership by launching new, high-end products such as a multi-door refrigerator with an internal water dispenser and the next-generation stainless steel dishwasher with Microban® Antimicrobial Technology and Smart Assist features. The Company also introduced ClearView™ Smart Ultra Quiet window air conditioner, RV air conditioner, ducted units, and a variety of commercial air conditioners, expanding the AIR and Water unit to unlock new business opportunities. At the same time, cross-functional teams continue to collaborate and aspire to be best in class on order-to-cash processes and operation efficiencies, which in return could better serve our customers and consumers. The company's innovative vitality earned it a spot in Fortune Magazine's "Best Places to Work in Manufacturing and Production" and Fast Company's "Best Places to Work for Innovators" during the reporting period.

In the **European market**, the Company continued to pursue brand premiumization: Haier brand launched new range of high-end built-in products and raise its price index to 115. The Company also unveiled New Candy series at IFA Berlin in September 2023. This lineup featured high-end products including Fresco smart refrigerator and Rapidò dishwasher, both with class A energy efficiency grade, along with a new range of smart ovens. The Company also made efforts to raise its profile by becoming the official partner of the prestigious Roland-Garros Tournament and the ATP (Association of Tennis Professionals) Tour.

## **II. Gross Profit Margin**

The gross profit margin in the first three quarters of 2023 reached 30.7%, up 0.2 percentage points compared to the same period in 2022. Of which, the domestic market recorded a year-on-year increase in gross profit margin, driven by lower commodity prices, digitalization in procurement and R&D, a digitalized production and sales coordination system, and an increased proportion of in-house manufacturing. In overseas markets, while ongoing product mix optimization and increased production capacity utilization had positive impacts on gross margins, they were offset by intensified competition in major regional markets. Overseas gross profit margin in the first three quarters declined year-on-year as

a result, but as high-cost inventory was being cleared, the gross profit margin for the third quarter has shown a year-on-year increase.

### **III. Operating Expenses Ratio**

1. The selling expense ratio in the first three quarters of 2023 was 14.7%, an improvement of 0.2 percentage points compared to the same period in 2022. In the domestic market, the implementation of digitalization improved efficiency in marketing resource allocation, logistics distribution, and warehousing operations, resulting in a year-on-year improvement in the selling expense ratio. On the other hand, overseas markets experienced intensified competition, which demanded increased spending on expanding retail channels, promoting new product launches, and enhancing store appearance, resulting in a higher selling expense ratio year-on-year.

2. The administrative expense ratio in the first three quarters of 2023 was 4.1%, representing an improvement of 0.1 percentage points compared to the same period in 2022. In particular, the domestic market reduced the expense ratio year-on-year through adopting digital tools to streamline business processes and enhance organizational efficiency, whereas the overseas market increased investment in information technology, leading to a rise in its expense ratio year-on-year.

3. The research and development expense ratio in the first three quarters of 2023 was 4.1%, largely unchanged compared to the same period in 2022. The research and development expense was primarily dedicated for strengthening the Company's core capabilities in smart home technologies, driving product innovation across various industries, and advancing the digital platforms of the SAN YI NIAO scenario brand.

4. The financial expense ratio in the first three quarters of 2023 was -0.1% ("+" as expenses, "-" as income), representing a deterioration of 0.3 percentage points compared to the same period in 2022. The deterioration was mainly due to the additional interest expenses incurred overseas as a result of interest rate hikes, which offset the Company's higher interest income achieved through improved capital management efficiency.

### **IV. Working Capital**

#### **1. Trade and bill receivable turnover days**

The trade and bill receivable turnover days for the first three quarters of 2023 was 40 days, a decrease of 0.1 days compared to the end of 2022, hence remained largely unchanged.

#### **2. Inventory turnover days**

The inventory turnover for the first three quarters of 2023 was 84.2 days, a decrease of 4.6 days compared to the end of 2022. The improvement was mainly due to effective inventory management and optimized stock levels.

#### **3. Trade and bill payable turnover days**

The trade and bill payable turnover days for the first three quarters of 2023 was 142 days, a decrease of 3 days compared to the end of 2022.

## V. Cash Flow Analysis

1. Net cash inflow from operating activities in the first three quarters of 2023 amounted to RMB 13.203 billion, an increase of RMB 1.952 billion compared to the corresponding period in 2022. The growth was mainly driven by increased operating profit and enhanced operational efficiency in the current period.

2. Net cash outflow from investing activities in the first three quarters of 2023 amounted to RMB 8.820 billion, an increase of RMB 1.558 billion compared to the corresponding period in 2022. This was mainly due to an increase in cash payments for the purchase of long-term fixed deposits, acquisition of fixed assets, intangible assets, and other long-term assets during the current period.

3. Net cash outflow from financing activities in the first three quarters of 2023 amounted to RMB 6.778 billion, an increase of RMB 3.582 billion compared to the corresponding period in 2022. This was mainly due to the decrease in net new borrowings and the increase in cash payments for dividend distribution, profits, or interest payments during the current period.

## VI. Capital Expenditure

The Company assesses its capital expenditure and investments in each segment in China and overseas from time to time. The capital expenditure in the first three quarters of 2023 amounted to RMB 6.077 billion, of which RMB 2.773 billion and RMB 3.304 billion were used in China and overseas respectively, primarily for plants and equipment construction and digital infrastructure.

## VII. Asset-liability Ratio

At the end of the third quarter in 2023, the Company's asset-liability ratio was 58.7%, down 1.1 percentage points compared to the end of 2022, which was mainly due to the growth in net profits which increased total assets.

### (II) Non-recurring profit or loss items and amounts

Unit and Currency: RMB

Items	Amounts in the Reporting Period	Amounts from the beginning of the year to the end of the Reporting Period
Profit or loss from disposal of non-current assets	-37,360,907.54	-59,247,886.50
Government grants included in current profit or loss, except that closely related to the normal operating business, complied with requirements of the national policies, continued to be granted with the amount and quantity determined under certain standards	101,958,624.64	511,822,015.11
Profit or loss on the changes in fair value generated from financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and the investment income received from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investment, other than the effective hedging business relating to the ordinary operating business of the Company	12,856,545.75	44,128,108.10
Other non-operating income and expenses other than the above items	3,124,957.85	33,786,152.11
Less: amount of effect on income tax	8,638,212.18	86,301,377.20

Amount of effect on minority interests (after tax)	3,364,560.76	15,712,328.60
Total	68,576,447.76	428,474,683.02

Description on categorizing the non-recurring profit or loss items listed in the Interpretative Announcement No. 1 of the Information Disclosure of the Companies Public Offering Securities — Non-recurring Profit or Loss (公開發行證券的公司信息披露解釋性公告第 1 號—非經常性損益) as recurring profit or loss item

Applicable Not Applicable

(III) Changes in major accounting data and financial indicators and reasons

Applicable Not Applicable

## VIII. PARTICULARS OF SHAREHOLDERS

(I) Total number of ordinary shareholders and the number of preferential shareholders with restored voting rights and the shareholdings of the top 10 shareholders

Unit: share

Total number of ordinary shareholders as of the end of the Reporting Period	137,875	Total number of preferential shareholders with restored voting rights as of the end of the Reporting Period (if any)	N/A			
Shareholdings of the top 10 shareholders						
Name of shareholders	Nature of shareholders	Number of shares held	Percentage of shareholdings (%)	Number of shares held subject to trading moratorium	Pledged, marked or frozen	
					Status	Number
HKSCC NOMINEES LIMITED (Note)	Unknown	2,230,824,134	23.64		Unknown	
Haier COSMO Co., Ltd.	Domestic non-state-owned legal entity	1,258,684,824	13.34		Nil	
Haier Group Corporation	Domestic non-state-owned legal entity	1,072,610,764	11.36		Nil	
Hong Kong Securities Clearing Company Limited	Unknown	643,247,192	6.82		Nil	
HCH (HK) INVESTMENT MANAGEMENT CO., LIMITED	Foreign legal entity	538,560,000	5.71		Nil	
China Securities Finance Corporation Limited	Unknown	182,592,654	1.93		Nil	
Qingdao Haier Venture & Investment Information Co., Ltd.	Domestic non-state-owned legal entity	172,252,560	1.83		Nil	
Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership)	Domestic non-state-owned legal entity	133,791,058	1.42		Nil	
ALIBABA INVESTMENT LIMITED	Unknown	83,823,993	0.89		Unknown	
National Social Security Fund Portfolio 113	Unknown	61,298,139	0.65		Nil	

Shareholdings of the top 10 shareholders not subject to trading moratorium			
Name of shareholders	Number of listed shares not subject to trading moratorium held	Class and number of shares	
		Class	Number
HKSCC NOMINEES LIMITED	2,230,824,134	Overseas listed foreign shares	2,230,824,134
Haier COSMO Co., Ltd.	1,258,684,824	RMB ordinary shares	1,258,684,824
Haier Group Corporation	1,072,610,764	RMB ordinary shares	1,072,610,764
Hong Kong Securities Clearing Company Limited	643,247,192	RMB ordinary shares	643,247,192
HCH (HK) INVESTMENT MANAGEMENT CO., LIMITED	538,560,000	Overseas listed foreign shares	538,560,000
China Securities Finance Corporation Limited	182,592,654	RMB ordinary shares	182,592,654
Qingdao Haier Venture & Investment Information Co., Ltd.	172,252,560	RMB ordinary shares	172,252,560
Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership)	133,791,058	RMB ordinary shares	133,791,058
ALIBABA INVESTMENT LIMITED	83,823,993	Overseas listed foreign shares	83,823,993
National Social Security Fund Portfolio 113	61,298,139	RMB ordinary shares	61,298,139
Explanation of associations or actions in concert among the above shareholders	(1) Haier COSMO Co., Ltd. is a holding subsidiary of Haier Group Corporation. Haier Group Corporation holds 51.20% of its equity. Each of Qingdao Haier Venture & Investment Information Co., Ltd., HCH (HK) INVESTMENT MANAGEMENT CO., LIMITED and Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership) is a party acting in concert with Haier Group Corporation; (2) The Company is not aware of the existence of any associations of other shareholders.		
Explanation of the top 10 shareholders and the top 10 shareholders not subject to trading moratorium engaging in the margin trading and short selling and refinancing business (if any)	None		

**Note:** (1) HKSCC NOMINEES LIMITED is the collective nominee account for the shareholders of H shares of the Company, which is the original data provided by China Hong Kong securities registration agency to the Company after consolidation of figures according to local market practices and technical settings, not representing the ultimate shareholder; (2) As of the end of the reporting period, the Company's repurchase account held a total of 102,298,195 shares.

## IX. Miscellaneous

Other significant information regarding the Company's operations during the Reporting Period should be brought to the attention of investors

√ Applicable    □ Not Applicable

- (1) **External guarantees:** As at the end of the Reporting Period, the external guarantees provided by the Company and its subsidiaries were guarantees between the Company and its subsidiaries, the total balance of which amounted to RMB13.427 billion, accounting for 13.4% of the Company's latest net assets and 5.5% of the latest total assets.
- (2) **Foreign exchange derivative:** As at the end of the Reporting Period, the aggregate balance of the Company's foreign exchange derivative transaction amounted to approximately US\$1.363 billion.
- (3) **Entrusted wealth management:** As at the end of the Reporting Period, the balance of the Company's entrusted wealth management amounted to RMB1.429 billion, including two parts: ① Temporary-idle funds wealth



management by certain subsidiaries of the Company: Under the premise of ensuring sufficient capital for the principal operating activities and daily operations, some subsidiaries of the Company purchased some short-term principal-guaranteed wealth management products and structured deposits from major commercial banks to improve the yield of temporarily-idle funds and the return for shareholders within the authority of the general manager's office meeting and under the condition of ensuring fund safety. As at the end of the Reporting Period, the balance of the entrusted wealth management amounted to RMB1.414 billion; ② Idle funds in the asset management account of the Employee Stock Ownership Plans: the asset management institution purchased cash products such as money funds according to the liquidity of the products with some idle funds in the asset management accounts of the Employee Stock Ownership Plans of the Company. The balance of cash assets amounted to RMB15 million.

#### **(4) Employee Stock Ownership Plans and Share Option Incentive Scheme:**

##### **A. Progress of Employee Stock Ownership Plans:**

① **Completion of shares pool building of the A-share and H-share Employee Stock Ownership Plans (2023):** The Company introduced the H-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. for year 2023 (Draft) ("2023 H-share ESOP"), A-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. for year 2023 (Draft) ("2023 A-share ESOP") upon the approval by the 2022 Annual General Meeting convened on 26 June 2023. During the Reporting Period, the Company completed opening of accounts, and shares pool building and other related work of the A-share and H-share ESOPs for year 2023. For details, please refer to the Announcement of Haier Smart Home Co., Ltd. on the Completion of the Non-trading Transfer of Shares for the 2023 A-share Core Employee Stock Ownership Plan and Announcement of Haier Smart Home Co., Ltd. on the Completion of Share Purchase under the 2023 H-share Core Employee Stock Ownership Plan disclosed on 19 July 2023 and 26 July 2023 respectively.

② **Vesting of the 2021/2022 A-share/H-share ESOPs:** According to relevant arrangement of the 2021 Plan under the A-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (2021-2025) (Draft) ("2021 A-share ESOP"), the 2021 Plan under the H-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (2021-2025) (Draft) ("2021 H-share ESOP"), 2022 A-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (Draft) And Its Summary ("2022 A-share ESOP") and 2022 H-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (Draft) And Its Summary ("2022 H-share ESOP"), during the Reporting Period, the Company has completed relevant vesting of interests in the abovementioned Employee Stock Ownership Plans:

1) 1,417 participants under the **2021 A-share ESOP** vested 8,572,937 shares (and the dividends received in respect of corresponding shares) in accordance with the 2022 annual results and the results of their individual appraisals. The Company has processed the transfer of the relevant shares at the China Securities Depository and Clearing Corporation Limited Shanghai Branch on 28 July 2023 in accordance with the abovementioned resolution; and 27 participants under the **2021 H-share ESOP** vested 834,283 shares in accordance with the 2022 annual results and the results of their individual appraisals. The Industrial Securities Asset Management Co., Ltd., the asset management authority, will dispose of H shares held by the Industrial Securities Asset

Management Xinzhong Haier Smart Home No. 6 Employee Stock Ownership Single Asset Management Plan in due course based on the aforesaid resolution, and allocate cash to the participants after taking into account the dividends received in respect of H-share Stock Ownership Plan.

2) 2,122 participants under the **2022 A-share ESOP** vested 6,281,446 shares (and the dividends received in respect of corresponding shares) in accordance with the 2022 annual results and the results of their individual appraisals. The Company has processed the transfer of the relevant shares at the China Securities Depository and Clearing Corporation Limited Shanghai Branch on 28 July 2023 in accordance with the resolution; and 31 participants under the **2022 H-share ESOP** vested 635,116 shares in accordance with the 2022 annual results and the results of their individual appraisals. The Industrial Securities Asset Management Co., Ltd., the asset management authority, will dispose of H shares held by the Industrial Securities Asset Management Xinzhong Haier Smart Home No. 8 Employee Stock Ownership Single Asset Management Plan in due course based on the aforesaid resolution, and allocate cash to the participants after taking into account the dividends received in respect of 2022 H-share ESOP.

Please refer to the announcement on Vesting of Interests in Core Employee Stock Ownership Plans of Haier Smart Home Co., Ltd. disclosed by the Company on 1 August 2023 for details.

**B. Progress of Share Option Incentive Scheme:** During the Reporting Period, since there was no suitable exercise window period during the exercise period, the Company cancelled the 9,047,052 share options granted but not yet exercised for the First Exercise Period of the 2021 A Share Option Incentive Scheme. For details, please refer to the announcement on Cancellation of Certain Share Options Granted under The First Grant of the 2021 A Share Option Incentive Scheme of Haier Smart Home Co., Ltd. disclosed by the Company on 31 August 2023.

(5) **A-share repurchases:** On 27 April 2023, the Company convened the 5th meeting of the 11th session of the Board, which considered and approved the Resolution in Relation to the Repurchase Plan of a Portion of Public A Shares of Haier Smart Home Co., Ltd. It allowed the Company to use its own funds to repurchase a portion of A shares of the Company by way of centralised bidding. The repurchase price is no more than RMB32 per share and the proposed total repurchase amount is no more than RMB3.0 billion and no less than RMB1.5 billion. The period of this repurchase is within 12 months from the date the Board considered and approved the resolution of repurchase of shares. As at the end of the Reporting Period, the Company had repurchased a total of 40,409,552 shares cumulatively. The highest price purchased was RMB 24.50 per share and the lowest price was RMB 21.20 per share, and the amount paid was RMB 921,834,098.71. For details, please refer to the relevant announcements on monthly progress.

## X. Quarterly Financial Statements

(I) Type of Audit Opinion

Applicable Not Applicable

## (II) Financial Statements

**CONSOLIDATED BALANCE SHEET**

30 September 2023

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	30 September 2023	31 December 2022
<b>Current assets:</b>		
Cash at bank and on hand	52,149,043,095.58	54,161,702,227.39
Provision of settlement fund		
Funds lent		
Financial assets held for trading	655,399,475.14	519,912,880.91
Derivative financial assets	118,921,442.40	183,185,160.51
Bills receivable	9,872,653,157.83	9,624,191,838.15
Accounts receivable	20,988,684,344.66	15,886,628,623.99
Financing receivables		
Prepayments	1,356,608,238.79	1,109,114,343.41
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	2,692,399,503.20	2,401,113,902.55
Including: Interest receivable	703,024,332.29	513,320,376.79
Dividend receivable		
Financial assets purchased under resale agreements		
Inventories	39,848,256,203.85	41,587,786,307.53
Contract assets	383,331,581.77	309,930,359.25
Assets held for sale		
Non-current assets due in one year		
Other current assets	3,983,623,386.99	4,692,946,083.94
Total current assets	132,048,920,430.21	130,476,511,727.63
<b>Non-current assets:</b>		
Loans and advances granted		
Debt investments	5,392,907,777.79	1,034,222,222.22
Other debt investments		
Long-term receivables	296,049,530.76	305,070,001.45
Long-term equity investments	25,573,733,032.02	24,527,800,290.84
Investments in other equity instruments	5,895,406,084.84	5,851,882,930.20
Other non-current financial assets		
Investment properties	25,072,877.49	25,678,492.57
Fixed assets	27,187,829,964.57	27,158,348,424.28
Construction in progress	5,328,977,842.97	4,094,684,500.49

Biological assets for production		
Oil and gas assets		
Right-of-use assets	4,186,902,136.31	3,795,225,353.89
Intangible assets	10,425,557,357.92	10,505,881,377.21
Development cost	323,254,440.21	154,480,515.67
Goodwill	24,411,547,397.16	23,643,595,643.87
Long-term prepaid expenses	816,573,998.81	759,883,174.20
Deferred income tax assets	1,348,605,293.51	1,724,040,928.42
Other non-current assets	2,630,181,404.07	1,880,736,891.63
Total non-current assets	113,842,599,138.43	105,461,530,746.94
Total assets	245,891,519,568.64	235,938,042,474.57
<b>Current liabilities:</b>		
Short-term borrowings	10,763,160,153.28	9,672,223,522.36
Borrowings from central bank		
Due to banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities	241,973,628.07	104,594,040.66
Bills payable	21,858,644,885.79	25,098,557,730.06
Accounts payable	48,467,998,901.31	41,878,607,182.94
Receipts in advance		
Contract liabilities	5,631,230,489.75	9,352,719,895.49
Disposal of repurchased financial assets		
Absorbing deposit and deposit in inter-bank market		
Customer deposits for trading in securities		
Amounts due to issuer for securities underwriting		
Payables for staff's remuneration	3,951,282,865.27	4,050,464,754.37
Taxes payable	3,399,449,039.45	2,876,221,892.91
Other payables	18,555,303,917.91	17,517,838,565.99
Including: Interest payable		
Dividend payable	2,570,182.19	1,246,573.35
Fees and commissions payable		
Reinsurance Accounts payables		
Liabilities held for sale		
Non-current liabilities due within one year	5,186,064,220.46	6,294,750,667.08
Other current liabilities	1,334,441,892.79	1,850,426,115.79
Total current liabilities	119,389,549,994.08	118,696,404,367.65
<b>Non-current liabilities:</b>		
Deposits for insurance contracts		
Long-term borrowings	15,749,290,256.53	13,590,866,873.43
Bonds payable		
Including: Preference shares		
Perpetual bonds		

Lease liabilities	3,149,065,414.34	2,824,477,670.61
Long-term payables	42,943,227.98	44,240,087.94
Long-term payables for staff's remuneration	1,077,284,824.01	1,010,547,202.34
Estimated liabilities	1,726,118,732.86	1,611,029,220.17
Deferred income	996,528,379.72	948,935,134.05
Deferred income tax liabilities	2,035,893,506.32	2,358,860,559.19
Other non-current liabilities	75,575,357.70	107,332,101.07
Total non-current liabilities	24,852,699,699.46	22,496,288,848.80
Total liabilities	144,242,249,693.54	141,192,693,216.45
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	9,438,114,893.00	9,446,598,493.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	23,562,143,231.66	23,877,037,324.76
Less: treasury stock	4,553,720,965.58	3,857,807,196.38
Other comprehensive income	1,951,545,285.98	1,990,683,498.45
Special reserve		
Surplus reserve	4,014,190,623.24	4,014,190,623.24
General risk provisions		
Undistributed profits	65,903,849,243.46	57,983,751,470.60
Total equity attributable to owners (or shareholders) of the Parent Company	100,316,122,311.76	93,454,454,213.67
Minority shareholders' interests	1,333,147,563.34	1,290,895,044.45
Total owners' equity (or shareholders' equity)	101,649,269,875.10	94,745,349,258.12
Total liabilities and owners' equity (or shareholders' equity)	245,891,519,568.64	235,938,042,474.57

Person in charge of the Company: Li Huagang  
Person in charge of accounting function: Gong Wei  
Person in charge of accounting department: Ying Ke

## CONSOLIDATED PROFIT STATEMENT

January-September 2023

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	2023 First Three Quarters (January-September)	2022 First Three Quarters (January-September)
I . Total operating revenue	198,657,302,554.72	184,805,729,760.46
Including: Operating revenue	198,657,302,554.72	184,805,729,760.46
Interest income		
Insurance premiums earned		
Fee and commission income		
II . Total cost of operations	183,707,103,344.05	171,114,261,138.74
Including: Operating cost	137,641,968,047.96	128,460,970,570.71
Interest expenses		
Fee and commission expenses		
Insurance withdrawal payment		
Net payment from indemnity		
Net provisions withdrew for insurance liability		
Insurance policy dividend paid		
Reinsurance cost		
Taxes and surcharges	790,994,726.49	586,687,120.75
Selling expenses	29,162,157,971.23	27,496,582,667.90
Administrative expenses	8,173,689,854.92	7,737,134,814.56
R&D expenses	8,045,226,490.59	7,457,643,453.87
Financial expenses	-106,933,747.14	-624,757,489.05
Including: Interest expenses	1,299,143,491.19	611,534,472.31
Interest income	1,016,337,422.83	585,980,598.72
Add: other income	957,495,102.11	774,183,800.84
Investment income (losses are represented by “-”)	1,509,697,795.34	1,510,411,067.36
Including: Investment income of associates and joint ventures	1,454,801,107.61	1,243,888,650.43
Income generated from the derecognition of financial assets measured at amortized cost		
Exchange gain (losses are represented by “-”)		
Gains on net exposure hedges (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	44,128,108.10	-272,599,270.19
Loss on credit impairment (losses are represented by “-”)	-234,856,312.60	-328,043,205.17
Loss on assets impairment (losses are represented by “-”)	-992,791,090.99	-916,823,397.27
Gain from disposal of assets (losses are represented by “-”)	-23,918,221.44	36,559,385.16
III . Operating profit (losses are represented by “-”)	16,209,954,591.19	14,495,157,002.45
Add: non-operating income	94,519,677.46	104,517,017.41
Less: non-operating expenses	70,149,764.67	97,149,423.40
IV . Total profit (total losses are represented by “-”)	16,234,324,503.98	14,502,524,596.46

Less: income tax expense	2,969,531,548.87	2,788,552,313.47
V. Net profit (net losses are represented by “-”)	13,264,792,955.11	11,713,972,282.99
(I) Classification by continuous operation		
1. Net profit from continuous operation (net losses are represented by “-”)	13,264,792,955.11	11,713,972,282.99
2. Net profit from discontinued operation (net losses are represented by “-”)		
(II) Classification by ownership of the equity		
1. Net profit attributable to shareholders of the Parent Company (net losses are represented by “-”)	13,149,219,372.62	11,666,014,116.96
2. Profit or loss attributable to minority shareholders (net losses are represented by “-”)	115,573,582.49	47,958,166.03
VI. Other comprehensive income, net of tax	-56,511,839.48	4,664,174,077.37
(I) Other comprehensive income attributable to shareholders of the Parent Company, net of tax	-39,138,212.47	4,665,280,503.20
1. Other comprehensive income that cannot be reclassified into the profit or loss	32,540,115.16	-115,981,350.82
(1) Changes arising from re-measurement of defined benefit plans	29,881,992.24	9,178,508.68
(2) Other comprehensive income that cannot be transferred into profit or loss under equity method		
(3) Changes in fair value of investments in other equity instruments	2,658,122.92	-125,159,859.50
(4) Changes in fair value of credit risks of the enterprise		
2. Other comprehensive income to be reclassified into the profit or loss	-71,678,327.63	4,781,261,854.02
(1) Other comprehensive income that can be transferred into profit or loss under equity method	37,530,301.28	254,600,418.32
(2) Changes in fair value of other debt investments		
(3) Reclassified financial assets that are credited to other comprehensive income		
(4) Credit impairment provision for other debt investments		
(5) Reserve for cash flow hedging	-86,059,409.93	17,514,162.27
(6) Exchange differences on translation of financial statements denominated in foreign currencies	-23,149,218.98	4,509,147,273.43
(7) Others		
(II) Other comprehensive income attributable to minority shareholders, net of tax	-17,373,627.01	-1,106,425.83
VII. Total comprehensive income	13,208,281,115.63	16,378,146,360.36
(I) Total comprehensive income attributable to the owners of Parent Company	13,110,081,160.15	16,331,294,620.16
(II) Total comprehensive income attributable to the minority shareholders	98,199,955.48	46,851,740.20
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	1.41	1.25
(II) Diluted earnings per share (RMB/share)	1.41	1.24

For the business combinations under common control in the Period, the net profit of the parties consolidated before consolidation was: RMB0 and the net profit of the parties consolidated in the Previous Period was: RMB2,513,646.83.

Person in charge of the Company: Li Huagang  
Person in charge of accounting function: Gong Wei  
Person in charge of accounting department: Ying Ke

## CONSOLIDATED CASH FLOW STATEMENT

January-September 2023

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	2023 First Three Quarters (January-September)	2022 First Three Quarters (January-September)
<b>I. Cash flow from operating activities:</b>		
Cash received from the sale of goods and rendering services	203,111,682,434.09	193,114,786,705.82
Net increase in customer and inter-bank deposits		
Net increase in borrowing from the central bank		
Net cash increase in borrowing from other financial institutes		
Cash received from premiums under original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Cash received from interest, fee and commissions		
Net increase in placement from banks and other financial institutions		
Net increase in cash received from repurchase operation		
Net cash received from customer deposits for trading in securities		
Refunds of taxes	1,592,712,720.25	1,659,533,532.74
Cash received from other related operating activities	1,947,260,415.66	1,894,756,160.51
Sub-total of cash inflows from operating activities	206,651,655,570.00	196,669,076,399.07
Cash paid on purchase of goods and services	139,220,961,509.89	137,907,042,315.68
Net increase in loans and advances of customers		
Net increase in deposits in the PBOC and inter-bank		
Cash paid for compensation payments under original insurance contract		
Net increase in cash lent		
Cash paid for interest, bank charges and commissions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	22,058,533,655.36	20,344,467,172.76
Cash paid for all types of taxes	11,353,547,783.40	7,943,334,456.21
Cash paid to other operation related activities	20,815,496,820.56	19,223,026,618.70
Sub-total of cash outflows from operating activities	193,448,539,769.21	185,417,870,563.35
Net cash flow from operating activities	13,203,115,800.79	11,251,205,835.72
<b>II. Cash flow from investing activities:</b>		
Cash received from recovery of investments	7,466,623,875.73	8,170,465,135.63
Cash received from return on investments	544,680,041.95	483,988,185.56
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	138,419,460.35	224,933,210.37
Net cash received from disposal of subsidiaries and other operating entities	2,000,000.00	
Other cash received from investment activities	15,367,464.03	
Sub-total of cash inflows from investing activities	8,167,090,842.06	8,879,386,531.56
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	6,077,149,145.91	5,638,070,348.20



Cash paid for investments	10,902,579,532.66	10,460,443,361.49
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities		42,709,125.00
Other cash paid on investment activities	6,922,378.31	
Sub-total of cash outflows from investing activities	16,986,651,056.88	16,141,222,834.69
Net cash flow from investing activities	-8,819,560,214.82	-7,261,836,303.13
<b>III. Cash flow from financing activities:</b>		
Cash received from capital contributions	60,000.00	988,339,004.94
Including: Cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	15,259,427,874.40	10,855,224,965.32
Other cash received from financing activities		1,027,793.89
Sub-total of cash inflows from financing activities	15,259,487,874.40	11,844,591,764.15
Cash paid on repayment of loans	13,273,710,393.09	7,596,630,273.11
Cash paid on distribution of dividends, profits or repayment of interest expenses	6,639,753,139.84	4,922,724,682.05
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Other cash paid to financing activities	2,123,612,826.13	2,521,143,250.83
Sub-total of cash outflows from financing activities	22,037,076,359.06	15,040,498,205.99
Net cash flow from financing activities	-6,777,588,484.66	-3,195,906,441.84
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>	586,947,530.02	587,737,106.90
<b>V. Net increase in cash and cash equivalents</b>	-1,807,085,368.67	1,381,200,197.65
Add: balance of cash and cash equivalents at the beginning of the period	53,391,699,929.49	45,204,217,909.49
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	51,584,614,560.82	46,585,418,107.14

Person in charge of the Company: Li Huagang  
Person in charge of accounting function: Gong Wei  
Person in charge of accounting department: Ying Ke

**BALANCE SHEET OF THE PARENT COMPANY**

30 September 2023

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	30 September 2023	31 December 2022
<b>Current Assets:</b>		
Monetary funds	10,580,713,772.20	5,747,356,591.19
Financial assets held for trading		
Derivative financial assets		
Bills receivable		
Accounts receivable	1,464,066,232.59	913,643,071.06
Financing receivables		
Prepayments	3,179,066.46	3,116,793.21
Other receivables	17,900,235,359.53	14,387,031,657.57
Including: Interests receivable	85,714,881.19	29,783,516.95
Dividends receivable	1,044,013,185.59	1,015,840,000.00
Inventories	2,319,281.56	9,245,507.97
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,258,146,843.33	1,642,423,149.85
Total current assets	31,208,660,555.67	22,702,816,770.85
<b>Non-current assets:</b>		
Debt investments	1,366,113,888.90	1,034,222,222.22
Other debt investments		
Long-term receivables		
Long-term equity investments	54,772,801,837.83	52,744,139,527.87
Investments in other equity instruments	1,618,513,056.48	1,618,513,056.48
Other non-current financial assets		
Investment properties		
Fixed assets	148,315,852.82	167,043,774.16
Construction in progress	11,766,433.97	2,667,680.62
Biological assets for production		
Oil and gas assets		
Right-of-use assets		357,996.03
Intangible assets	43,040,533.79	48,239,513.12
Development cost		
Goodwill		
Long-term prepaid expenses	3,098,974.93	3,910,065.39
Deferred income tax assets		
Other non-current assets	1,498,818,858.08	1,302,773,743.02
Total non-current assets	59,462,469,436.80	56,921,867,578.91

Total assets	90,671,129,992.47	79,624,684,349.76
<b>Current liabilities:</b>		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable		
Accounts payable	992,785,551.35	521,733,555.60
Receipts in advance		
Contract liabilities	12,597,148.63	13,084,442.85
Payables for staff's remuneration	4,351,311.00	9,696,654.18
Taxes payable	1,937,831.51	7,479,878.13
Other payables	47,588,193,578.27	32,659,845,830.05
Including: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	9,982,815.27	5,876,886.89
Total current liabilities	48,609,848,236.03	33,217,717,247.70
<b>Non-current liabilities:</b>		
Long-term borrowings	3,753,000,000.00	2,195,000,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payable		
Long-term payables for staff's remuneration		
Estimated liabilities		
Deferred income	13,798,300.00	12,355,000.00
Deferred income tax liabilities	420,805,600.57	420,805,600.57
Other non-current liabilities		
Total non-current liabilities	4,187,603,900.57	2,628,160,600.57
Total liabilities	52,797,452,136.60	35,845,877,848.27
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	9,438,114,893.00	9,446,598,493.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	27,033,341,878.39	27,300,899,019.76
Less: treasury stock	2,683,947,836.84	2,308,138,558.42
Other comprehensive income	624,427,389.73	602,091,349.74
Special reserve		
Surplus reserve	3,409,044,397.79	3,409,044,397.79

Undistributed profits	52,697,133.80	5,328,311,799.62
Total owners' equity (or shareholders' equity)	37,873,677,855.87	43,778,806,501.49
Total liabilities and owners' equity (or shareholders' equity)	90,671,129,992.47	79,624,684,349.76

Person in charge of the Company: Li Huagang

Person in charge of accounting function: Gong Wei

Person in charge of accounting department: Ying Ke

### PROFIT STATEMENT OF THE PARENT COMPANY

January-September 2023

Prepared by: Haier Smart Home Co Ltd

Unit and Currency: RMB Type of Audit: Unaudited

Items	2023 First Three Quarters (January-September)	2022 First Three Quarters (January-September)
I. Operating revenue	546,667,518.11	274,409,829.17
Less: operation cost	477,055,075.68	237,958,102.39
Taxes and surcharges	4,342,188.60	1,502,873.54
Selling expenses	7,738,804.47	8,343,662.82
Administration expenses	361,100,526.73	623,648,918.13
R&D expenses	11,595,713.67	9,536,280.96
Financial expenses	-131,322,585.09	-93,676,340.74
Including: Interest expenses	56,849,220.83	19,056,720.15
Interest income	201,787,158.84	107,726,590.75
Add: other income	1,361,535.00	29,030,565.58
Investment income (losses are represented by "-")	204,416,213.65	601,413,493.57
Including: Investment income of associates and joint ventures	138,039,116.54	158,290,422.99
Derecognition income on financial assets measured at amortized cost		
Gains on net exposure hedges (losses are represented by "-")		
Income from change in fair value (losses are represented by "-")		
Loss on credit impairment (losses are represented by "-")	47,441.31	116,780.20
Loss on assets impairment (losses are represented by "-")		
Gain from disposal of assets (losses are represented by "-")		35,074,022.45
II. Operating profit (losses are represented by "-")	21,982,984.01	152,731,193.87
Add: non-operating income	99,051.41	208,515.11
Less: non-operating expenses	78,702.83	28,698.02
III. Total profit (total losses are represented by "-")	22,003,332.59	152,911,010.96
Less: income tax expenses	1,205.40	
IV. Net profit (net losses are represented by "-")	22,002,127.19	152,911,010.96
(I) Net profit from continuous operation (net losses are represented by "-")	22,002,127.19	152,911,010.96
(II) Net profit from discontinued operation (net losses are represented by "-")		
V. Other comprehensive income net of tax	22,336,039.99	7,369,147.56
(I) Other comprehensive income that cannot be reclassified into the profit or loss		
1. Changes arising from re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be transferred into profit or loss under equity method		
3. Changes in fair value of investments in other equity instruments		

4. Changes in fair value of credit risks of the enterprise		
(II) Other comprehensive income to be reclassified into the profit or loss	22,336,039.99	7,369,147.56
1. Other comprehensive income that can be transferred into profit or loss under equity method	22,336,039.99	7,369,147.56
2. Changes in fair value of other debt investments		
3. Reclassified financial assets that are credited to other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Reserve for cash flow hedging		
6. Exchange differences on translation of financial statements denominated in foreign currencies		
7. Others		
VI. Total comprehensive income	44,338,167.18	160,280,158.52
VII. Earnings per share:		
(I) Basic earnings per share (RMB/share)		
(II) Diluted earnings per share (RMB/share)		

Person in charge of the Company: Li Huagang  
Person in charge of accounting function: Gong Wei  
Person in charge of accounting department: Ying Ke

### CASH FLOW STATEMENT OF THE PARENT COMPANY

January-September 2023

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	2023 First Three Quarters (January-September)	2022 First Three Quarters (January-September)
<b>I. Cash flow from operating activities:</b>		
Cash received from the sale of goods and rendering of services	70,907,378.37	364,344,810.90
Refunds of taxes		19,589,497.52
Other cash received from operating activities	121,672,343.93	235,437,891.28
Sub-total of cash inflows from operating activities	192,579,722.30	619,372,199.70
Cash paid on purchase of goods and services	35,574,640.73	189,272,450.16
Cash paid to and on behalf of employees	38,468,265.04	33,298,564.72
Cash paid for all types of taxes	21,126,840.06	-16,023,080.78
Other cash paid to operation activities	26,551,687.50	244,978,820.70
Sub-total of cash outflows from operating activities	121,721,433.33	451,526,754.80
Net cash flow from operating activities	70,858,288.97	167,845,444.90
<b>II. Cash flow from investing activities:</b>		
Cash received from recovery of investments	6,061,000,000.00	2,529,920,000.00
Cash received from return on investments	91,950,768.58	101,858,820.49
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		35,206,354.85
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received from investment activities	38,509,682.22	8,456,180.95
Sub-total of cash inflows from investing activities	6,191,460,450.80	2,675,441,356.29
Cash paid on purchase of fixed assets intangible assets and other long-term assets	5,176,513.10	23,441,195.66

Cash paid for investments	7,896,572,258.00	4,064,405,507.20
Net cash paid on acquisition of subsidiaries and other operating entities		
Other cash paid on investment activities	1,178,069,045.00	1,964,600,000.00
Sub-total of cash outflows from investing activities	9,079,817,816.10	6,052,446,702.86
Net cash flow from investing activities	-2,888,357,365.30	-3,377,005,346.57
<b>III. Cash flow from financing activities:</b>		
Cash received from capital contributions		940,041,004.94
Cash received from borrowings	1,770,000,000.00	2,100,000,000.00
Other cash received from financing activities	12,561,769,867.58	7,841,605,940.88
Sub-total of cash inflows from financing activities	14,331,769,867.58	10,881,646,945.82
Cash paid on repayment of borrowings	212,000,000.00	5,000,000.00
Cash paid on distribution of dividends, profits or interest expenses	5,352,599,524.98	4,330,409,094.41
Other cash paid on financing activities	1,123,171,217.08	1,604,643,065.80
Sub-total of cash outflows from financing activities	6,687,770,742.06	5,940,052,160.21
Net cash flow from financing activities	7,643,999,125.52	4,941,594,785.61
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>	6,857,131.82	15,258,635.69
<b>V. Net increase in cash and cash equivalents</b>	4,833,357,181.01	1,747,693,519.63
Add: balance of cash and cash equivalents at the beginning of the period	5,747,356,591.19	4,043,535,735.48
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	10,580,713,772.20	5,791,229,255.11

Person in charge of the Company: Li Huagang

Person in charge of accounting function: Gong Wei

Person in charge of accounting department: Ying Ke

The adjustments of the relevant items of the financial statements at the beginning of the year due to the first implementation of new accounting standards or interpretations to accounting standards since 2023

Applicable Not Applicable

The Board of Haier Smart Home Co., Ltd.  
30 October 2023

*This announcement is published in both Chinese and English. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.*

By order of the Board  
**Haier Smart Home Co., Ltd.\***  
**LI Huagang**  
*Chairman*

Qingdao, the PRC  
30 October 2023

*As at the date of this announcement, the executive directors of the Company are Mr. LI Huagang and Mr. GONG Wei; the non-executive directors are Mr. YU Hon To, David, Ms. Eva LI Kam Fun and Ms. SHAO Xinzhi; and the independent non-executive directors are Mr. CHIEN Da-Chun, Mr. WONG Hak Kun, Mr. LI Shipeng and Mr. WU Qi.*

\* *For identification purpose only*