

Haier Smart Home Co., Ltd. 2022 Third Quarter Report

The Board of Directors (the “Board”) and the Directors of Haier Smart Home Co., Ltd. (the “Company”) hereby assure that this announcement is free from any false record, misleading representation or material omission and are legally responsible for the trueness, accuracy and completeness of the content set out herein.

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

Haier Smart Home Co., Ltd. 2022 Third Quarter Report

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 to the end of the Reporting Period (%)
		Before adjustment	After adjustment	After adjustment		Before adjustment	After adjustment	After adjustment
Operating revenue	62,891,243,547.88	58,344,749,484.03	57,902,786,814.05	8.62	184,748,766,010.10	169,963,571,548.76	169,630,543,025.11	8.91
Net profit attributable to shareholders of the listed Company	3,716,522,018.59	3,082,339,695.41	3,089,857,630.90	20.28	11,665,606,491.29	9,934,611,508.38	9,948,760,485.45	17.26
Net profit after deduction of non-recurring profit or loss attributable to shareholders of the listed Company	3,730,558,477.25	2,785,809,654.46	2,785,809,654.46	33.91	11,221,252,182.63	9,055,716,061.18	9,055,716,061.18	23.91
Net cash flow from operating activities	N/A	N/A	N/A	N/A	11,205,073,837.77	13,359,284,075.18	13,431,006,331.74	-16.57
Basic earnings per share (RMB per share)	0.40	0.33	0.33	21.21	1.25	1.07	1.07	16.82
Diluted earnings per share (RMB per share)	0.39	0.33	0.33	18.18	1.24	1.06	1.06	16.98
Weighted average return on net assets (%)	3.91	4.00	3.98	Decrease of 0.07 percentage points	13.15	13.29	13.27	Decrease of 0.12 percentage points
	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	After adjustment		
Total assets	229,607,654,027.10	217,459,494,212.74			217,745,933,577.31	5.45		
Owner equity attributable to shareholders of the listed Company	91,701,820,532.75	79,810,927,325.55			79,988,404,863.61	14.64		

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:

During the Reporting Period, the Company had a business combination under common control (acquisition of the entire equity interest in Qingdao Haier Special Plastics R&D Co. Ltd.), and therefore certain financial information were adjusted retrospectively in accordance with the Accounting Standards for Business Enterprises.

During the Reporting Period, the Company seized the growth opportunity from product innovation and model innovation; leverage high-end brand and three-in-one market layout to grow global market share; accelerated digital transformation to enhance user experience and operational efficiency throughout the entire value chain; in order to achieve steady growth with improving profitability despite external uncertainties and challenges.

Key Performance Indicators

I. Revenue and profit

In the first three quarters of 2022, the Company recorded a revenue of RMB184.749 billion, net profit attributable to the owners of the Company of RMB11.666 billion, net profit after deduction of non-recurring profit and loss items attributable to the owners of the Company of RMB11.221 billion, representing an increase of 8.9%, 17.3% and 23.9% respectively, as compared to the corresponding period in 2021.

In the third quarter, the Company recorded a revenue of RMB62.891 billion, net profit attributable to the owners of the Company of RMB3.717 billion, net profit after deduction of non-recurring profit and loss items attributable to the owners of the Company of RMB3.731 billion, representing an increase of 8.6%, 20.3% and 33.9% respectively, as compared to the corresponding period in 2021.

(I) Smart Home Businesses in China

During the Reporting Period, the Company achieved solid results by enhancing user experience and improving operational efficiency.

Firstly, the Company upgraded the high-end brands and scenario solutions to maximize user value: Casarte brand has been enhancing comprehensive product sets and line-up of solution packages. The Company also strengthened presence in shopping malls and home building material channel to increase brand competitiveness, expanded network coverage of Three-Winged Bird scenario brand while establishing user reputation by improving 1+N service capabilities and smart home scenario experience. The Company also accelerated development in new categories with 89% year-on-year growth in tumble dryers, over 20% growth in dishwashers and 120% growth in robotic cleaners.

Secondly, the Company promoted efficient traffic-acquisition and conversion to improve users' loyalty with greater rate of repeated purchase and pressed ahead with integration of distribution network, sales network, logistics network and service network, while focusing on platform-based digital transformation to improve user experience and operational efficiency.

1. Household Food Freshness and Cooking Solutions (Internet of Food)

Refrigerator and Freezer business

According to CMM, the Company strengthened the leadership in refrigerators, with 43.8% retail sales market share offline in the first three quarters of 2022, up by 2.4 percentage points year-on-year, and with 39.1% retail sales market share online.

During the Reporting Period, the refrigerator segment continued technology innovations in preservation and home furnishing integration. Seamless built-in technology helped the sales of built-in refrigerators increase by 180% year-on-year in the third quarter. Based on the concept of complete integration with cabinet, the Company launched Casarte 505 series with 6 built-in designs that perfectly fit cabinets and cupboards, creating a new generation of kitchen design standards and contributing to high-end market share growth. According to CMM, Casarte's market share in refrigerators priced above RMB15,000 increased by 3.3 percentage points to 45% offline.

Kitchen Appliance Business

According to CMM, by retail revenues, the Company's market share in kitchen appliance was 8.3% offline in the first three quarters of 2022, up by 1.2 percentage points year-on-year, while Casarte's market share grew by 69% to 5.2% offline.

During the Reporting Period, the Company focused on strengthening the competitiveness of the high-end product set solutions. Casarte brand accelerated expansion in home improvement channels by establishing 274 new Three-Winged Bird smart kitchen stores to capture the growth opportunity from consumption upgrade. Haier brand focused on online channels, lower-tier e-commerce channels and rural channels by entering 1,900 stores in towns and villages, seizing the opportunities from kitchen appliances penetration increase and product replacement.

2. Household Laundry Solutions (Internet of Clothing)

According to CMM, the Company continued to lead the industry in the first three quarters of 2022: Haier's retail sales market share reached 46.3% offline, up by 2.7 percentage points year-on-year while market share reached 40.2% online; and high-end market share (units priced above RMB10,000) reached 76.8%. Market share of tumble dryers amounted to 39.3% offline and 29.6% online, up by 5.8 and 4.1 percentage points year-on-year, respectively.

During the period, the Company committed to product innovation focusing on user demand and rapidly expanded into new channels. The Company launched Essence washing machine equipped with a mixing chamber for optimal dispensing and mixing of detergent and water, this liquid is immediately sprayed to penetrate fabric fibres using high-pressure technology to achieve effective dirt removal, thus saves time, reduce water and electricity consumption, as well as wear& tear. Xinxianuo (新纤诺) dryer drove the Company's market share in tumble dryers priced above RMB10,000 to 47.2%. The Company concentrated on expanding into building materials channel, shopping malls, and new e-commerce platforms to capture growth opportunities.

3. Air Solutions

Residential air conditioning segment

According to CMM, in the first three quarters of 2022, the Company's share increased rapidly: with 19.9% retail sales share offline and 14.5% online, increase by 2.9 and 1.0 percentage points respectively; in particular, the Company's high-end market share (wall-mounted units priced above RMB4,000 and standing units priced above RMB10,000) recorded a significant increase of 4 percentage points reaching 24.8%.

During the period, the Company's residential air conditioners focused on whole-process transformation to enhance long-term competitiveness. In the domestic market, the Company improve users interaction by adding in-store product demonstrations, and actively expanded the network with the addition of more than 3,800 sales outlets to improve customer acquisition. In the overseas market, leveraging local user recognition, distribution network and tailored new products for the local demand, such as split air conditioners that are quick to disassemble and clean, and saddle inverter window air conditioners, the Company realized sales revenue growth of 38% in the first three quarters. Meanwhile, the Company has improved its research and development capabilities and cost competitiveness. In September, Casarte launched Yunding luxury air conditioner featuring the world's first water-oxygen air washing technology. This technology can remove 7 types of pollutants including PM2.5 using nano molecular water film while releasing negative oxygen ions, providing smart and healthy air solutions. The Company continued cost optimization through measures such as technological innovation and increasing proportion of modules manufactured in-house.

Commercial air conditioning segment

During the period, the Company provided customized air and energy solutions through continuous technological breakthroughs and product and service upgrades.

In September, the Company launched smart laminar wind built-in products, equipped with industry's first C-bionic deflectors that supply air at 10° angle creating comfortable surrounding without direct blow, it also meets demand for customized air solutions using four-sided air deflectors to separate air supply in different spaces.

The Company strengthened heat pump products to seize growth opportunities. During the first three quarters, heat pumps revenue grew by over 30%, with over 300% growth from overseas market. Within the domestic market, the Company launched water heaters designed for small and medium-sized venues, featuring easy installation, low noise level and 12% saving in energy consumption compared with previous models. In European market, the Company capitalized localized facilities to develop new products with enhancement in energy efficiency and connectivity, while expanding distribution network coverage with focus on heating products specialist channels to capture growth opportunity.

4. Household water solutions

According to CMM, in the first three quarters of 2022, the Company's share continued to lead the industry: electric water heater's retail sales market share amounted to 40% offline and 41.4% online, representing year-on-year growth of 1.7 and 2.7 percentage points, respectively; gas water heater's retail sales market share reached 22.5% offline and 24.1% online, representing year-on-year growth of 2.6 and 2.3 percentage points, respectively.

The Company's water heater business enhanced user experience through technological innovations and product structure upgrades: following the success of Casarte's Crystal Tank Galaxy series, a new series of

double-tank electric water heaters were launched to cater to user demand for small size, appealing design and large capacity; Haier's air-sourced heat pump water heater accelerated the development of products with high water temperature, disinfection, variable frequency and energy conservation realizing over 300% revenue growth overseas in the first three quarters. The zero cold water, air-sourced water heater LE1 heats up cold water using air, which could save up to 76% electricity, it became number one in market share of units priced above RMB 7,000 soon after launch. At the same time, the Company increased customer acquisition and explored growth potential with expansion into home improvement channels and service offerings in local communities.

(II) Overseas Home Appliance and Smart Home Business

In the first three quarters of 2022, the Company's overseas business grew by 8.7% year-on-year. The steady growth was attributable to the adherence to the "RenDanHeYi (人单合一)" Model; the efficient localized R&D, manufacturing and marketing operations; seizing the growth opportunities of energy-efficient products, heat pump and built-in products; brand premiumization to capture high-end market growth opportunities; and the acceleration of localized supply chain development unlocking global synergies while coping with high inflation and components shortage.

The American market: During the period, the Company continued to focus on high-end brands and high-end differentiated new products, revenue of the Company's high-end brands increased by over 40% in local currency. Rapid development of new segments has been driven through continuously expanding the Air & Water professional channel and competitive product mix. GEA was once again awarded Great Place to Work Certification and was successfully listed among the "20 Best Large Workplaces in Manufacturing and Production" by the Fortune Magazine.

The European market: During the period, the Company continued high-end transformation while seizing the opportunity of energy-saving product and accelerating the development of localized supply chain to realize high-end revenue growth of over 30% in local currency. During the period, the Company increased the price index by launching new products such as Haier905CD refrigerators, new ultra-thin Ipro7plus washing machines and 939 washing machines to meet demand for energy saving products, meanwhile the Company quickly responded to market demand leveraging facilities from dishwasher, tumble dryer and kitchen appliance factory in Turkey and the gradually ramped-up the refrigerator factories in Romania.

The Australian and New Zealand market: During the period, FPA focused on high-end transformation, its ultra-premium products grew by over 40% in local currency; Haier's high-end products grew over 55% in local currency.

The South Asian market: The Company remained number one in Pakistan market, accelerated retail transformation with increasing revenue contribution from mid-to-high-end products.

The Southeast Asian market: The Company adhered to its high-end brand strategy and accelerated Casarte's global expansion. In August, the first full-scenario smart home experience centre in the Southeast Asian market was set up at Central World in Bangkok, Thailand, displaying a full house high-end smart home scenario including smart kitchen, smart living room, smart bedroom, smart closet and smart bathroom.

The Japanese market: The Company continued high-end transformation with sales volume market share gains in refrigerators, freezers and washing machines among which the share of retail sales volume of both refrigerators and freezers became number one in the industry.

(III) Digital Transformation

During the period, the Company continued digital transformation to enhance user experience and operational efficiency.

The digital user operation platform facilitates user scenarios and demand profiling, to iterate scenario experience and improve recognition as well as rate of repeated purchase. In the first three quarters, 32.25 million new user members were added, representing year-on-year increase of 64%.

The lean manufacturing platform continuously improved efficiency in smart manufacturing, procurement, supply chain and logistics. The Company initiated the transformation to a technology-based digital procurement service platform and increased the proportion of components used on three or more SKUs; utilizing automated production scheduling, precise planning and end-to-end information integration to match vehicles, goods and materials, to achieve 30% improvement in efficiency level of logistics management in the Company's industrial parks.

The digital R&D platform promoted digital simulation design through the establishment of a global industrial design platform. Meanwhile, the acceleration of module iteration, application of new materials and new process has shortened new product design cycle by 30% globally with over 0.9% design cost optimization in the third quarter.

II. Gross Profit Margin

The gross profit margin in the first three quarters of 2022 reached 30.5%, representing an increase of 0.2 percentage points as compared with the same period in 2021. Increase in gross profit margin was mainly attributable to product mix upgrade with enhanced competitiveness, effective implementation of whole process cost management in the supply chain and streamline of SKUs through R&D and whole process collaboration in sales; improvement of management of tier 2 & 3 suppliers and increase of level of in-house produced components, all of which aimed at improving the Company's competitiveness of the entire value chain.

III. Operating Expenses Ratio

1. The selling expense ratio in the first three quarters of 2022 was 14.9%, representing an improvement of 0.5 percentage points as compared with the same period in 2021. The improvement in selling expense ratio was attributable to digitalization aiming at improving marketing precision and efficiency; integrating manufacturing, distribution & logistics to improve fulfilment efficiency; transforming from indirect delivery of service requirements by suppliers to system's direct matching of user request and maintenance personnel; accurate prediction of manufacturing and storage of spare parts & components using algorithm to reduce spare parts expense ratio.

2. The administrative expense ratio in the first three quarters of 2022 was 4.2%, representing an improvement of 0.3 percentage points as compared with the same period in 2021. The improvement in administrative expense ratio was attributable to the digital transformation of the Company and our business process redesign, which improved the efficiency of operation and personnel.

3. The research and development expense ratio in the first three quarters of 2022 was 4.0%, representing an increase of 0.4 percentage points as compared with the same period in 2021. The increase in the research and development expense ratio was mainly due to the strengthening of the core technology for the smart home segment and efforts in our core capabilities to promote the advanced technology layout and product innovation of various industries, and the construction of technical capabilities in the Three-Winged Bird scenario brand.

4. The financial expense ratio in the first three quarters of 2022 was -0.3% (“+” as expense, “-” as revenue), representing an improvement of 0.5 percentage points as compared with the same period in 2021. The improvement of the financial expense ratio was attributable to the increase in interest income resulting from the Company’s enhanced capital management efficiency and the increase in exchange gain resulting from optimized foreign exchange management strategies.

IV. Working Capital

1. Trade and bill receivable turnover days

The trade and bill receivable turnover days of the Company was 43 days in the first three quarters of 2022, representing a decrease of 3.6 days as compared to the end of 2021, which was attributable to the effective control over trade and bill receivables of the Company.

2. Inventory turnover days

The inventory turnover days of was 84.3 days in the first three quarters of 2022, representing an increase of 3.5 days as compared to the end of 2021, demonstrating a positive trend as compared to the first two quarters, which was mainly attributable to the increase in inventory costs in overseas markets due to the high cost of bulk raw materials, inflation and surge in freight costs, as well as the shortage of labour in major regions affecting port efficiency, and ports and warehouses affecting the speed of inventory turnover.

3. Trade and bill payable turnover days

In the first three quarters of 2022, trade and bill payable turnover days was 141.2 days, representing a decrease of 4.5 days as compared to the end of 2021, which was attributable to the change in payment cycle arising from the switch of procurement method.

V. Cash Flow Analysis

1. Net cash flow from operating activities for the first three quarters of 2022 amounted to RMB11.205 billion, representing a decrease of RMB2.226 billion as compared to the corresponding period of 2021; among which, the Company’s net cash flow from operating activities in the third quarter of 2022 amounted to RMB5.241 billion, representing an increase of 5.1% as compared to the corresponding period of 2021, achieving a quarter-on-quarter improvement. This was due to the optimization of inventory turnover in the Company’s domestic market through digital transformation and the sharing of channel inventory to improve order forecast accuracy and trunk line shipment efficiency.

2. Net cash outflow from investing activities for the first three quarters of 2022 amounted to RMB7.262 billion, representing an increase of RMB2.057 billion as compared to the corresponding period of 2021, which was due to the cash outflow from the purchase of wealth management products and increase in industrial

investments for the period and cash inflow from the redemption of wealth management products in the same period.

3. Net cash outflows from financing activities for the first three quarters of 2022 amounted to RMB3.148 billion, while net cash outflows in financing activities for the corresponding period of 2021 amounted to RMB13.101 billion, which was due to the cash inflow from the additional issuance of H Shares and new borrowings and the repayment of ultrashort-term facilities for the 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 2022 was RMB5.638 billion, of which RMB2.845 billion and RMB2.793 billion were used in China and overseas, respectively, primarily for plant and equipment construction, property rental, and digital infrastructure.

VII. Asset-liability Ratio

At the end of the third quarter in 2022, the Company's asset-liability ratio was 59.5%, representing a decrease of 3.2 percentage points as compared to the end of 2021, which was due to the increase in net profit and the increase in total asset as a results of foreign currency translation.

(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	5,366,706.46	39,174,199.85
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	167,361,833.42	602,192,298.85
Net profit or loss incurred by subsidiaries formed by the consolidation of entities under common control for the period from the beginning of the period to the date of consolidation	8,461,133.81	12,934,615.51
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	-154,715,497.95	-95,465,761.41
Other non-operating income and expenses other than the above items	-18,004,247.28	16,278,064.98
Less: amount of effect on income tax	13,077,224.68	111,128,082.03

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Amount of effect on minority interests (after tax)	9,429,162.44	19,631,027.09
Total	-14,036,458.66	444,354,308.660

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 (公开发行证券的公司信息披露解释性公告第 1 号—非经常性损益) as recurring profit or loss item

Applicable Not Applicable

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

Applicable Not Applicable

Items	Percentage of change (%)	Main reasons
Net profit after deduction of non-recurring profit or loss attributable to shareholders of the listed company for the Reporting Period	33.91	Mainly because of revenue growth and improved profitability of the Company

II. 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	138,374	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	2,241,389,565	23.72		Unknown	
Haier COSMO Co., Ltd.	Domestic non-state-owned legal entity	1,258,684,824	13.32		Nil	
Haier Group Corporation	Domestic non-state-owned legal entity	1,072,610,764	11.35		Nil	
Hong Kong Securities Clearing Company Limited	Unknown	649,492,574	6.87		Nil	
HCH (HK) INVESTMENT MANAGEMENT CO., LIMITED	Foreign legal entity	538,560,000	5.70		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	1.82		Nil	

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Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership)	Domestic non-state-owned legal entity	120,622,416	1.28		Nil	
Securities account for repurchase of Haier Smart Home Co., Ltd.	Others	85,342,743	0.90		Nil	
ALIBABA INVESTMENT LIMITED	Unknown	83,823,993	0.89		Unknown	
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	2,241,389,565	Overseas listed foreign shares	2,241,389,565			
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	649,492,574	RMB ordinary shares	649,492,574			
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)	120,622,416	RMB ordinary shares	120,622,416			
securities account for repurchase of Haier Smart Home Co., Ltd.	85,342,743	RMB ordinary shares	85,342,743			
ALIBABA INVESTMENT LIMITED	83,823,993	Overseas listed foreign shares	83,823,993			
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 connections 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: 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.

III. 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 RMB9.936 billion, accounting for 10.84% of the Company's latest net assets and 4.33% 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\$1.484 billion.
- (3) **Entrusted wealth management:** By the end of the Reporting Period, the balance of the Company's entrusted wealth management amounted to RMB3.750 billion, including two parts: ① temporarily-idle fundraising wealth management: at the end of December 2018, the Company's proceeds for the issuance of convertible corporate bonds were fully landed. To improve the yield of temporarily-idle funds, the Company intended to conduct cash management with the amounts not exceeding RMB0.5 billion after approved by the Board. By the end of the Reporting Period, the balance of the entrusted wealth management amounted to RMB175 million; ② Temporary-idle funds wealth management by the Company and certain subsidiaries of the Company: Under the premise of ensuring sufficient capital for the principal operating activities and daily operations, the Company and some subsidiaries of the Company purchased some low risk 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. By the end of the Reporting Period, the balance of the entrusted wealth management amounted to RMB3.575 billion.
- (4) **Progress of Employee Stock Ownership Plans and Share Option Incentive Scheme:**
Progress of Employee Stock Ownership Plans: ① **Completion of shares pool building of the A-share and H-share Employee Stock Ownership Plans (2022):** The Company introduced the H-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. for year 2022 (Draft) ("2022 H-share Employee Stock Ownership Plan"), A-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. for year 2022 (Draft) ("2022 A-share Employee Stock Ownership Plan") at the 28th meeting of the 10th session of the Board convened on 28 April 2022 upon the approval and authorization by the 2020 Annual General Meeting convened on 25 June 2021. 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 Employee Stock Ownership Plan for year 2022. 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 2022 A-share Core Employee Stock Ownership Plan and Announcement of Haier Smart Home Co., Ltd. on the Completion of Share Purchase under the 2022 H-share Core Employee Stock Ownership Plan disclosed on 22 July 2022 and 26 July 2022 respectively. ② **Vesting of the 2021 A-share and H-share Employee Stock Ownership Plans:** 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 Employee Stock Ownership Plan”) and the 2021 Plan under the H-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (2021-2025) (Draft) (“2021 H-share Employee Stock Ownership Plan”), during the Reporting Period, the Company has completed relevant vesting of interests in the 2021 A-share and H-share Employee Stock Ownership Plans: 1,500 participants under the 2021 A-share Employee Stock Ownership Plan vested 7,617,080 shares (and the dividends received in respect of corresponding Shares) in accordance with the 2021 annual results and the results of their individual appraisals; and 32 participants under the 2021 H-share Employee Stock Ownership Plan vested 1,292,349 shares in accordance with the 2021 annual results and the results of their individual appraisals. The asset management authority will dispose of H shares held under the asset management plan in due course and allocate cash to the participants after considering the dividends received in respect of H-share Stock Ownership Plan. For details, please refer to the announcement on Vesting of Interests in A-share and H-share Core Employee Stock Ownership Plans (2021) of Haier Smart Home Co., Ltd. disclosed by the Company on 27 July 2022.

Progress of Share Option Incentive Scheme: During the Reporting Period, there was no further progress on the existing share option incentive scheme.

- (5) **Progress of the A-share repurchases:** On 30 March 2022, the Company convened the 27th meeting of the 10th 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 approved 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 RMB35 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 58,105,239 shares. The highest price purchased was RMB 26.60 per share and the lowest price was RMB 23.50 per share, and the amount paid was RMB 1,468,222,587.93. For details, please refer to the announcement on the relevant progress disclosed by the Company monthly.
- (6) **Progress of the H-share repurchases:** The Company convened the 2021 Annual General Meeting and related Class Meetings on 28 June 2022, at which “Haier Smart Home Co., Ltd.’s Resolution on the General Meeting to Grant a General Mandate to the Board to Decide to Repurchase Not More Than 10% of the Total Number of H Shares of the Company in Issue” was passed after consideration and approval. According to the proposal, as

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at the end of the Reporting Period, the Company repurchased a total of 5,855,600 H shares, with the highest purchase price of HK\$27.80 per share and the lowest price of HK\$23.55 per share. The total amount (handling charges inclusive) was HK\$ 148,466,555.35. As at the end of the Reporting Period, 1,435,600 shares were cancelled. For details, please refer to the announcement on the relevant progress disclosed by the Company monthly.

IV. Quarterly Financial Statements

(I) Type of Audit Opinion

Applicable Not Applicable

(II) Financial Statements

Consolidated Balance Sheet 30 September 2022

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	30 September 2022	31 December 2021
Current assets:		
Cash at bank and on hand	47,248,210,131.55	46,097,333,903.45
Provision of settlement fund		
Funds lent		
Financial assets held for trading	2,430,357,646.19	2,786,075,529.09
Derivative financial assets	223,930,355.88	79,819,974.01
Bills receivable	11,864,254,740.46	13,354,791,068.29
Accounts receivable	18,127,157,925.72	14,625,260,856.04
Financing receivables		
Prepayments	945,347,513.93	863,748,085.06
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	2,137,642,231.21	1,965,924,388.85
Including: Interest receivable		
Dividend receivable		
Financial assets purchased under resale agreements		
Inventories	39,247,697,712.06	39,913,949,898.86
Contract assets	448,578,618.99	304,434,294.70
Assets held for sale		
Non-current assets due in one year		
Other current assets	4,636,788,558.50	3,920,750,476.57
Total current assets	127,309,965,434.49	123,912,088,474.92
Non-current assets:		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables	302,838,595.26	308,998,755.30

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Long-term equity investments	24,985,216,465.45	23,200,884,340.57
Investments in other equity instruments	4,856,952,963.09	4,856,684,944.63
Other non-current financial assets		
Investment properties	26,740,710.42	24,964,888.48
Fixed assets	24,514,888,907.20	22,308,014,224.98
Construction in progress	5,484,675,628.20	4,183,263,398.79
Biological assets for production		
Oil and gas assets		
Right-of-use assets	3,832,330,605.00	2,734,678,906.53
Intangible assets	9,825,054,563.68	9,550,384,743.90
Development cost	311,359,410.10	227,892,229.13
Goodwill	23,908,333,847.12	21,827,103,060.76
Long-term prepaid expenses	830,170,726.95	589,143,077.89
Deferred income tax assets	1,576,303,757.83	1,857,448,518.29
Other non-current assets	1,842,822,412.31	2,164,384,013.14
Total non-current assets	102,297,688,592.61	93,833,845,102.39
Total assets	229,607,654,027.10	217,745,933,577.31
Current liabilities:		
Short-term borrowings	14,122,160,966.11	11,226,212,134.39
Borrowings from central bank		
Due to banks and other financial institutions		
Financial liabilities held for trading	201,552,862.07	6,294,014.40
Derivative financial liabilities	123,011,278.66	80,212,433.24
Bills payable	26,870,409,222.95	25,023,238,406.72
Accounts payable	38,240,800,953.92	42,363,218,840.33
Receipts in advance		
Contract liabilities	6,137,137,399.15	10,027,091,593.60
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	3,282,617,260.03	4,119,425,287.60
Taxes payable	3,445,551,740.54	2,607,822,656.37
Other payables	19,257,476,634.31	17,570,339,925.76
Including: Interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance Accounts payables		
Liabilities held for sale		
Non-current liabilities due within one year	8,666,272,603.12	9,624,339,170.46
Other current liabilities	1,526,463,705.53	2,238,767,551.40
Total current liabilities	121,873,454,626.39	124,886,962,014.27
Non-current liabilities:		
Deposits for insurance contracts		
Long-term borrowings	5,535,539,882.98	3,038,573,824.53
Bonds payable		334,730,048.82
Including: Preference shares		
Perpetual bonds		
Lease liabilities	2,897,775,841.92	1,960,894,981.47
Long-term payables	50,404,024.41	99,602,707.76

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Long-term payables for staff's remuneration	1,229,249,288.57	1,173,151,761.64
Estimated liabilities	1,584,131,400.90	1,948,565,477.11
Deferred income	992,622,971.39	852,794,567.20
Deferred income tax liabilities	2,380,823,541.47	2,121,803,173.83
Other non-current liabilities	53,283,297.87	49,461,683.90
Total non-current liabilities	14,723,830,249.51	11,579,578,226.26
Total liabilities	136,597,284,875.90	136,466,540,240.53
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	9,448,979,251.00	9,398,704,530.00
Other equity instruments	61,522,911.21	118,017,507.59
Including: Preference shares		
Perpetual bonds		
Capital reserve	23,701,273,706.03	22,665,374,739.46
Less: treasury stock	3,933,963,675.76	2,424,038,819.70
Other comprehensive income	3,488,428,803.28	-1,176,851,699.92
Special reserve		
Surplus reserve	3,438,615,909.84	3,438,615,909.84
General risk provisions		
Undistributed profits	55,496,963,627.15	47,968,582,696.34
Total equity attributable to owners (or shareholders) of the Parent Company	91,701,820,532.75	79,988,404,863.61
Minority shareholders' interests	1,308,548,618.45	1,290,988,473.17
Total owners' equity (or shareholders' equity)	93,010,369,151.20	81,279,393,336.78
Total liabilities and owners' equity (or shareholders' equity)	229,607,654,027.10	217,745,933,577.31

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 2022

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	2022 First Three Quarters (January-September)	2021 First Three Quarters (January-September)
I . Total operating revenue	184,748,766,010.10	169,630,543,025.11
Including: Operating revenue	184,748,766,010.10	169,630,543,025.11
Interest income		
Insurance premiums earned		
Fee and commission income		
II . Total cost of operations	171,059,935,566.06	158,989,409,056.10
Including: Operating cost	128,420,660,940.15	118,237,307,500.10
Interest expenses		
Fee and commission expenses		
Insurance withdrawal payment		
Net payment from indemnity		
Net provisions withdrew for insurance liability		

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Insurance policy dividend paid		
Reinsurance cost		
Taxes and surcharges	586,645,797.49	563,493,265.16
Selling expenses	27,495,171,353.69	26,105,893,471.52
Administrative expenses	7,730,615,601.97	7,581,414,926.55
R&D expenses	7,454,325,650.86	6,204,376,866.04
Financial expenses	-627,483,778.10	296,923,026.73
Including: Interest expenses	608,790,686.91	542,545,167.05
Interest income	585,949,999.41	402,091,166.02
Add: other income	773,917,912.51	636,325,315.35
investment income (losses are represented by “-”)	1,510,411,067.36	1,663,997,957.58
Including: Investment income of associates and joint ventures		
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 “-”)	-272,599,270.19	39,767,883.33
Loss on credit impairment (losses are represented by “-”)	-328,043,205.17	-141,683,845.18
Loss on assets impairment (losses are represented by “-”)	-916,823,397.27	-728,421,071.61
Gain from disposal of assets (losses are represented by “-”)	36,559,385.16	207,581,603.71
III. Operating profit (losses are represented by “-”)	14,492,252,936.44	12,318,701,812.19
Add: non-operating income	104,463,851.85	148,079,082.27
Less: non-operating expenses	97,149,423.40	104,871,380.73
IV. Total profit (total losses are represented by “-”)	14,499,567,364.89	12,361,909,513.73
Less: income tax expense	2,788,108,728.73	2,281,611,404.20
V. Net profit (net losses are represented by “-”)	11,711,458,636.16	10,080,298,109.53
(I) Classification by continuous operation		
1. Net profit from continuous operation (net losses are represented by “-”)	11,711,458,636.16	10,080,298,109.53
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 “-”)	11,665,606,491.29	9,948,760,485.45
2. Profit or loss attributable to minority shareholders (net losses are represented by “-”)	45,852,144.87	131,537,624.08

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VI. Other comprehensive income, net of tax	4,664,174,077.37	768,015,269.00
(I) Other comprehensive income attributable to shareholders of the Parent Company, net of tax	4,665,280,503.20	776,465,493.58
1. Other comprehensive income that cannot be reclassified into the profit or loss	-115,981,350.82	1,180,689,883.33
(1) Changes arising from re-measurement of defined benefit plans	9,178,508.68	-355,977.81
(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	-125,159,859.50	1,181,045,861.14
(4) Changes in fair value of credit risks of the enterprise		
2. Other comprehensive income to be reclassified into the profit or loss	4,781,261,854.02	-404,224,389.75
(1) Other comprehensive income that can be transferred into profit or loss under equity method	254,600,418.32	37,327,753.73
(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	17,514,162.27	116,947,915.82
(6) Exchange differences on translation of financial statements denominated in foreign currencies	4,509,147,273.43	-558,500,059.30
(7) Others		
(II) Other comprehensive income attributable to minority shareholders, net of tax	-1,106,425.83	-8,450,224.58
VII. Total comprehensive income	16,375,632,713.53	10,848,313,378.53
(I) Total comprehensive income attributable to the owners of Parent Company	16,330,886,994.49	10,725,225,979.03
(II) Total comprehensive income attributable to the minority shareholders	44,745,719.04	123,087,399.50
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	1.25	1.07
(II) Diluted earnings per share (RMB/share)	1.24	1.06

For the business combinations under common control in the Period, the net profit of the parties consolidated before consolidation was: RMB12,934,615.51 and the net profit of the parties consolidated in the Previous Period was: RMB14,148,977.07.

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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 2022

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	2022 First Three Quarters (January-September)	2021 First Three Quarters (January-September)
I. Cash flow from operating activities:		
Cash received from the sale of goods and rendering services	193,014,949,639.46	173,785,216,616.87
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	1,659,267,644.41	1,376,835,032.38
Cash received from other related operating activities	1,877,509,284.85	1,626,620,923.35
Sub-total of cash inflows from operating activities	196,551,726,568.72	176,788,672,572.60
Cash paid on purchase of goods and services	137,882,924,979.87	118,834,422,942.06
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	20,337,615,411.35	18,927,171,597.36
Cash paid for all types of taxes	7,941,937,191.26	7,599,356,867.59
Cash paid to other operation related activities	19,184,175,148.47	17,996,714,833.85

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Sub-total of cash outflows from operating activities	185,346,652,730.95	163,357,666,240.86
Net cash flow from operating activities	11,205,073,837.77	13,431,006,331.74
II. Cash flow from investing activities:		
Cash received from recovery of investments	8,170,465,135.63	4,665,552,636.62
Cash received from return on investments	483,988,185.56	580,120,778.24
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	224,933,210.37	42,303,385.93
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received from investment activities		
Sub-total of cash inflows from investing activities	8,879,386,531.56	5,287,976,800.79
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	5,638,070,348.20	4,909,673,638.17
Cash paid for investments	10,460,343,361.49	5,582,993,847.32
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		250,000.00
Sub-total of cash outflows from investing activities	16,141,122,834.69	10,492,917,485.49
Net cash flow from investing activities	-7,261,736,303.13	-5,204,940,684.70
III. Cash flow from financing activities:		
Cash received from capital contributions	988,339,004.94	39,420,000.00
Including: Cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	10,842,224,965.32	7,143,577,184.22
Other cash received from financing activities	1,027,793.89	
Sub-total of cash inflows from financing activities	11,831,591,764.15	7,182,997,184.22
Cash paid on repayment of loans	7,537,727,848.91	12,788,537,940.13
Cash paid on distribution of dividends, profits or repayment of interest expenses	4,920,351,111.41	3,872,132,619.21
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Other cash paid to financing activities	2,521,143,250.83	3,622,853,443.72
Sub-total of cash outflows from financing activities	14,979,222,211.15	20,283,524,003.06
Net cash flow from financing activities	-3,147,630,447.00	-13,100,526,818.84
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	587,737,106.90	-19,753,211.46
V. Net increase in cash and cash equivalents	1,383,444,194.54	-4,894,214,383.26
Add: balance of cash and cash equivalents at the beginning of the period	45,197,664,411.15	45,790,589,785.11
VI. Balance of cash and cash equivalents at the end of the period	46,581,108,605.69	40,896,375,401.85

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

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BALANCE SHEET OF THE PARENT COMPANY

30 September 2022

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	30 September 2022	31 December 2021
Current Assets:		
Monetary funds	5,791,229,255.11	4,043,535,735.48
Financial assets held for trading		
Derivative financial assets		
Bills receivable		
Accounts receivable	780,498,930.45	546,532,442.90
Financing receivables		
Prepayments	3,615,344.36	275,052,864.92
Other receivables	17,069,176,344.85	16,245,280,168.41
Including: Interests receivable		
Dividends receivable		
Inventories	4,163,975.06	1,139,135.32
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,545,071,814.68	337,476,209.01
Total current assets	25,193,755,664.51	21,449,016,556.04
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	52,693,182,918.25	52,513,760,277.77
Investments in other equity instruments	1,615,450,032.92	1,615,450,032.92
Other non-current financial assets		
Investment properties		
Fixed assets	174,728,769.16	179,789,817.34
Construction in progress	8,671,974.80	17,569,516.17
Biological assets for production		
Oil and gas assets		
Right-of-use assets	572,793.64	1,217,186.49
Intangible assets	49,972,506.09	55,171,485.39
Development cost		
Goodwill		
Long-term prepaid expenses	4,125,658.11	3,781,398.54
Deferred income tax assets	159,338,211.77	159,338,211.77
Other non-current assets	1,294,805,641.19	803,323,404.28
Total non-current assets	56,000,848,505.93	55,349,401,330.67
Total assets	81,194,604,170.44	76,798,417,886.71
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable		
Accounts payable	400,898,107.13	183,690,889.86
Receipts in advance		
Contract liabilities	12,605,139.93	12,605,139.93
Payables for staff's remuneration	472,772.21	12,323,670.21

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Taxes payable	1,815,444.38	1,747,023.87
Other payables	40,258,012,985.69	34,484,355,762.60
Including: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	897,357.83	877,995.65
Other current liabilities	10,962,218.09	5,420,156.55
Total current liabilities	40,685,664,025.26	34,701,020,638.67
Non-current liabilities:		
Long-term borrowings	2,095,000,000.00	
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	35,174.64	
Long-term payable		
Long-term payables for staff's remuneration		
Estimated liabilities		
Deferred income	11,730,000.00	19,270,000.00
Deferred income tax liabilities	448,965,654.25	448,965,654.25
Other non-current liabilities		
Total non-current liabilities	2,555,730,828.89	468,235,654.25
Total liabilities	43,241,394,854.15	35,169,256,292.92
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	9,448,979,251.00	9,398,704,530.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	27,127,336,363.07	25,802,279,483.13
Less: treasury stock	2,384,298,464.51	1,495,170,675.08
Other comprehensive income	628,672,092.39	621,302,944.83
Special reserve		
Surplus reserve	2,833,469,684.39	2,833,469,684.39
Undistributed profits	299,050,389.95	4,468,575,626.52
Total owners' equity (or shareholders' equity)	37,953,209,316.29	41,629,161,593.79
Total liabilities and owners' equity (or shareholders' equity)	81,194,604,170.44	76,798,417,886.71

Person in charge of the Company: Li Huagang

Person in charge of accounting function: Gong Wei

Person in charge of accounting department: Ying Ke

INCOME STATEMENT OF THE PARENT COMPANY

January-September 2022

Prepared by: Haier Smart Home Co Ltd

Unit and Currency: RMB Type of Review: Unaudited

Items	2022 First Three Quarters (January-September)	2021 First Three Quarters (January-September)
I. Operating revenue	274,409,829.17	282,627,387.89
Less: operation cost	237,958,102.39	250,796,772.51

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Taxes and surcharges	1,502,873.54	1,351,608.50
Selling expenses	8,343,662.82	7,478,824.40
Administration expenses	623,648,918.13	146,787,481.58
R&D expenses	9,536,280.96	21,112,507.42
Financial expenses	-93,676,340.74	-35,035,017.13
Including: Interest expenses	19,056,720.15	7,418,669.79
Interest income	107,726,590.75	45,197,307.08
Add: other income	29,030,565.58	44,167,407.90
Investment income (losses are represented by “-”)	601,413,493.57	155,190,804.76
Including: Investment income of associates and joint ventures		
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 “-”)	116,780.20	-6,483,242.76
Loss on assets impairment (losses are represented by “-”)		
Gain from disposal of assets (losses are represented by “-”)	35,074,022.45	142,444,000.00
II. Operating profit (losses are represented by “-”)	152,731,193.87	225,454,180.51
Add: non-operating income	208,515.11	825,303.28
Less: non-operating expenses	28,698.02	50,687.25
III. Total profit (total losses are represented by “-”)	152,911,010.96	226,228,796.54
Less: income tax expenses		-12,574,040.98
IV. Net profit (net losses are represented by “-”)	152,911,010.96	238,802,837.52
(I) Net profit from continuous operation (net losses are represented by “-”) -	152,911,010.96	238,802,837.52
(II) Net profit from discontinued operation (net losses are represented by “-”)		
V. Other comprehensive income net of tax	7,369,147.56	623,136,686.70
(I) Other comprehensive income that cannot be reclassified into the profit or loss		602,410,858.54
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		602,410,858.54
4. Changes in fair value of credit risks of the enterprise		

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(II) Other comprehensive income to be reclassified into the profit or loss	7,369,147.56	20,725,828.16
1. Other comprehensive income that can be transferred into profit or loss under equity method	7,369,147.56	20,725,828.16
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	160,280,158.52	861,939,524.22
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 2022

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

Items	2022 First Three Quarters (January-September)	2021 First Three Quarters (January-September)
I. Cash flow from operating activities:		
Cash received from the sale of goods and rendering of services	364,344,810.90	5,212,025,027.75
Refunds of taxes	19,589,497.52	43,690,364.62
Other cash received from operating activities	235,437,891.28	223,792,006.86
Sub-total of cash inflows from operating activities	619,372,199.70	5,479,507,399.23
Cash paid on purchase of goods and services	189,272,450.16	82,561,899.07
Cash paid to and on behalf of employees	33,298,564.72	149,711,180.55
Cash paid for all types of taxes	-16,023,080.78	38,215,278.27
Other cash paid to operation activities	244,978,820.70	118,400,474.19
Sub-total of cash outflows from operating activities	451,526,754.80	388,888,832.08
Net cash flow from operating activities	167,845,444.90	5,090,618,567.15
II. Cash flow from investing activities:		
Cash received from recovery of investments	2,529,920,000.00	429,100,000.00
Cash received from return on investments	101,858,820.49	181,712,675.53

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Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	35,206,354.85	6,626,677.00
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received from investment activities	8,456,180.95	
Sub-total of cash inflows from investing activities	2,675,441,356.29	617,439,352.53
Cash paid on purchase of fixed assets intangible assets and other long-term assets	23,441,195.66	35,030,633.27
Cash paid for investments	4,064,405,507.20	356,500,000.00
Net cash paid on acquisition of subsidiaries and other operating entities		
Other cash paid on investment activities	1,964,600,000.00	110,618,996.43
Sub-total of cash outflows from investing activities	6,052,446,702.86	502,149,629.70
Net cash flow from investing activities	-3,377,005,346.57	115,289,722.83
III. Cash flow from financing activities:		
Cash received from capital contributions	940,041,004.94	
Cash received from borrowings	2,100,000,000.00	
Other cash received from financing activities	7,841,605,940.88	274,916,813.36
Sub-total of cash inflows from financing activities	10,881,646,945.82	274,916,813.36
Cash paid on repayment of borrowings	5,000,000.00	5,520,000,000.00
Cash paid on distribution of dividends, profits or interest expenses	4,330,409,094.41	3,446,302,068.48
Other cash paid on financing activities	1,604,643,065.80	3,085,941,189.00
Sub-total of cash outflows from financing activities	5,940,052,160.21	12,052,243,257.48
Net cash flow from financing activities	4,941,594,785.61	-11,777,326,444.12
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	15,258,635.69	-91,028.42
V. Net increase in cash and cash equivalents	1,747,693,519.63	-6,571,509,182.56
Add: balance of cash and cash equivalents at the beginning of the period	4,043,535,735.48	8,286,549,909.64
VI. Balance of cash and cash equivalents at the end of the period	5,791,229,255.11	1,715,040,727.08

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 2022

Applicable Not Applicable

The Board of Haier Smart Home Co., Ltd.
 28 October 2022