



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)

2023 FIRST QUARTER REPORT

The financial data of the Company for the first 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 first quarterly report has been audited or not

Yes No

I. Key Financial Information

(I) Key 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 (%)
		Before adjustment	After adjustment	After adjustment
Operating revenue	65,066,477,648.79	60,250,997,851.46	60,234,722,119.95	8.02
Net profit attributable to shareholders of the listed Company	3,971,103,084.94	3,517,044,899.45	3,526,836,008.82	12.60
Net profit after deduction of non-recurring profit or loss attributable to shareholders of the listed Company	3,699,833,649.61	3,190,978,313.06	3,190,978,313.06	15.95
Net cash flow from operating activities	1,354,792,344.20	1,154,796,354.40	1,146,182,999.38	18.20
Basic earnings per share (RMB per share)	0.43	0.38	0.38	13.16
Diluted earnings per share (RMB per share)	0.42	0.38	0.38	10.53

Weighted average return on net assets (%)	4.17	4.28	4.28	Decrease of 0.11 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
Total assets	238,079,563,208.39	235,842,254,826.77	235,952,463,610.62	0.90
Owner equity attributable to shareholders of the listed Company	96,836,028,540.09	93,422,647,664.43	93,454,454,213.67	3.62

Reasons of retroactive 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.

I. Revenue and profit

In the first quarter of 2023, the Company recorded sales revenue of RMB65.066 billion, net profit attributable to owners of the Company was RMB3.971 billion, net profit after deduction of non-recurring profit and loss items attributable to owners of the Company reached RMB3.70 billion, representing an increase of 8.0%, 12.6%, and 16.0% respectively, as compared to the corresponding period in 2022.

(I) Smart Home Businesses in China

In the first quarter of 2023, the revenue from major home appliances businesses in China increased by over 8%. According to CMM, in the first quarter of 2023, the Company's home appliance retail sales market share in China amounted to 28.1%, representing a year-on-year increase of 1.4 percentage points.

The Company led industry upgrade in terms of wellbeing awareness, appliances integration with interior design and energy efficiency enhancement & carbon reduction via accelerating technological development. During the reporting period, revenue of built-in refrigerators grew 190% driven by introducing new products at all price points including F+ series priced at RMB 30,000 and elegant beige colour Guangnian (光年白) series priced at RMB15,000.

Amid diversifying user traffic, the Company enhanced omni-channel presence and improve traffic conversion by adding 300 sales outlets in home improvement channels offline and established 50 new sales outlets on livestreaming platforms including Douyin, Kuaishou, and Xiaohongshu. Meanwhile, the Company also improve scenario-based services in order to grow average users' revenue contribution. Three-Winged Bird stores focused on demonstrating scenario-based solutions using tools online to improve design and delivery standard. During the reporting period, Casarte's revenue contribution in Three-Winged Bird stores increased by 2 percentage points, and revenue from air-conditioners, kitchen appliance and water heaters & purifiers grew by 3 percentage points.

The Company also remained committed to improving supply chain efficiency and enhancing lean manufacturing capabilities by accelerating vertical integration via increasing in-house production of parts and components, the new circuit board factory in Zhengzhou started production in March this year and JV compressor factory began

construction in April; on the other hand, the Company increased cost competitiveness utilizing digital management models to optimize supplier database while improving the management of tier two & tier three suppliers.

(II) Overseas Home Appliance and Smart Home Business

In the first quarter of 2023, revenue from the Company's overseas business grew by 11.3%.

During the reporting period, the Company expedited the high-end transformation. Several new products have been launched including 905CD refrigerator, the 90 inch wide T-door series 7 refrigerator, and H2O platform-based dishwasher, contributing to 42% high-end revenue growth in Europe where Haier brand's price index also rose to 124.

The Company also made dedicated efforts to explore new growth opportunities. In North America, specialized teams were set up to accelerate the development in RV air conditioning and duct air conditioning and MRV air conditioners; at 2023 AHR, the Company also showcased new products in duct air conditioners, DFS & VRF units as well as gas water heaters which were well received by professional channel partners.

Meanwhile, the Company also established supply chain facilities in OBOR countries. In March 2023, the Company committed a total of US\$160 million investment for the industrial park in Egypt, which is designed to have total annual capacity of over one million units in air conditioners, washing machines, refrigerators and freezers, serving consumers in Egypt, North Africa and middle East, thus accelerating business development in the local markets.

II. Gross Profit Margin

The gross profit margin in the first quarter of 2023 reached 28.7%, representing an increase of 0.1 percentage points as compared with the same period in 2022. Domestic gross margin expansion was driven by product mix upgrade, globalized R&D, digitalization in procurement and product development, as well as lower commodities prices; a temporary gross margin contraction in the overseas market was attributable to intensified competitions in key markets and higher cost of products sold, which is expected to narrow sequentially.

III. Operating Expenses Ratio

1. The selling expense ratio in the first quarter of 2023 was 13.6%, representing a reduction of 0.4 percentage points as compared with the same period in 2022. The optimization in selling expense ratio was attributable to efficiency enhancement from digitalized marketing, logistics and warehouses.
2. The administrative expense ratio in the first quarter of 2023 was 3.6%, representing a reduction of 0.1 percentage points as compared with the same period in 2022. The improvement in administrative expense ratio was attributable to digitally enhanced operations and more efficient organizational management.
3. The research and development expense ratio in the first quarter of 2023 was 4.2%, representing an increase of 0.1 percentage points as compared with the same period in 2022. The increase was mainly due to the strengthening of core capabilities in smart home technologies, product innovation in various industries, and technological development in Three-Winged Bird scenario brand.
4. The financial expense ratio in the first quarter of 2023 was 0.3% (“+” as expense, “-” as income), representing an increase of 0.1 percentage points as compared with the same period in 2022. The increase was attributable to higher interest expense as a result of interest rate hike overseas.

IV. Working Capital

1. Trade and bill receivable turnover days

The trade and bill receivable turnover was 38.7 days in the first quarter of 2023, representing a decrease of 1.4 days as compared to the end of 2022, attributable to the effective management of trade and bill receivables.

2. Inventory turnover days

The inventory turnover of was 87.8 days in the first quarter of 2023, representing a decrease of 1.1 days as compared to the end of 2022, mainly attributable to the optimized inventory management.

3. Trade and bill payable turnover days

In the first quarter of 2023, trade and bill payable turnover days remained flat to the end of 2022 at 145.9 days.

V. Cash Flow Analysis

1. Net cash flow from operating activities for the first quarter of 2023 amounted to RMB1.354 billion, representing an increase of RMB209 million as compared to the corresponding period of 2022, which was mainly due to the increase in operating profit, however efficiency enhancement for the period was partially offset by a reduction in notes due for the period.

2. Net cash outflow from investing activities for the first quarter of 2023 amounted to RMB1.455 billion, representing a decrease of RMB1.019 billion as compared to the corresponding period of 2022, which was mainly due to the decrease in cash outflow from the purchase of wealth management products as compared to the corresponding period.

3. Net cash inflow from financing activities for the first quarter of 2023 amounted to RMB1.358 billion, while net cash inflow from financing activities for the corresponding period of 2022 amounted to RMB1.693 billion, which was mainly due to the increase in interest expense overseas due to interest rate hikes 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 quarter of 2023 was RMB1.782 billion, of which RMB804 million and RMB978 million 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 first quarter in 2023, the Company's asset-liability ratio was 58.8%, representing a decrease of 1.0 percentage points as compared to the end of 2022, which was mainly due to the increase in net profit.

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

Unit and Currency: RMB

Items	Amounts in the reporting period
Profit and loss from disposal of non-current assets	-1,476,211.94
Government subsidies included in current profit or loss, except for government subsidies that are closely related to the Company's normal business operations, comply with national policies and regulations, and continue to be enjoyed in a fixed amount or fixed quantity according to certain standards	275,119,700.48
Profit and loss from change in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and investment gains from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities, and other equity investment, other than effective hedging business relating to the normal operations of the Company	38,826,036.69
Other non-operating income and expenses other than the above	12,902,561.69
Less: effect on income tax	50,222,584.02
Effect on minority interests (after tax)	3,880,067.57
Total	271,269,435.33

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 key accounting data and financial indicators and reasons

Applicable Not Applicable

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	181,856	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	Foreign legal entity	2,239,836,072	23.71		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	Foreign legal entity	686,715,405	7.27		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	
Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership)	Domestic non-state-owned legal entity	120,622,416	1.28		Nil	
ALIBABA INVESTMENT LIMITED	Foreign legal entity	83,823,993	0.89		Unknown	
China Merchants Bank Co., Ltd. – Xingquan Herun Hybrid Securities Investment Fund	Unknown	60,843,184	0.64		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 (Notes)	2,239,836,072	Overseas listed foreign shares			2,239,836,072	
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 Co., Ltd.	686,715,405	RMB ordinary shares			686,715,405	
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	
ALIBABA INVESTMENT LIMITED	83,823,993	Overseas listed foreign shares			83,823,993	
Agricultural Bank of China Limited- E Fund Consumer Industry Equity Securities Investment Fund	60,843,184	RMB ordinary shares			60,843,184	
Explanation of associations or actions in concert among the above shareholders	<p>(1) Haier COSMO Co., Ltd. is a holding subsidiary of Haier Group Corporation, which holds 51.20% of its shares. Qingdao Haier Venture & Investment Information Co., Ltd. (青島海爾創業投資諮詢有限公司), HCH (HK) INVESTMENT MANAGEMENT CO., LIMITED, and Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership) are parties acting in concert with Haier Group Corporation;</p> <p>(2) The Company is not aware of the existence of any connections of other shareholders.</p>					
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)	Nil					

Note: (1) HKSCC NOMINEES LIMITED is the collective account for the Shareholders of H shares. The above figure is the data provided by the Hong Kong securities registration agency in China to the Company after consolidation of figures according to local market practices and technical settings. This does not represent the ultimate shareholders; (2) As of the end of the reporting period, the Company's repurchase account held a total of 87,005,643 shares.

III. OTHER REMINDERS

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 of 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 RMB12.848 billion, accounting for 13.3% of the Company's latest audited net assets and 5.4% of the latest total assets.
- (2) **Foreign exchange derivative:** As of the end of the reporting period, the aggregate balance of the Company's foreign exchange derivative transactions amounted to approximately USD1.779 billion.
- (3) **Entrusted wealth management:** By the end of the reporting period, the balance of the Company's entrusted wealth management amounted to RMB1.694 billion, including three parts: ① **temporary-idle funds wealth management applied by the Company and certain of its subsidiaries:** Under the premise of ensuring sufficient capital required by the principal operating activities and daily operations, the Company and some of its subsidiaries purchased some short-term 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 president'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 RMB1.509 billion; ② **wealth management products for temporarily idle fund raised previously:** at the end of December 2018, the Company's proceeds for the issuance of convertible corporate bonds were fully received. In order to improve the yield of temporarily-idle funds, the Company intended to carry out 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 RMB0.17 billion; ③ **employee shareholding scheme asset management account idle funds:** there was a certain amount of idle funds in the asset management account of the Company's employee shareholding scheme, and the asset management institution purchases cash-type products such as money funds based on the liquidity of the products, and the balance of cash-type assets amounted to RMB15 million.

IV. Quarterly Financial Statements

- (I) Type of Audit Opinion

Applicable Not Applicable

(II) Financial Statements

Consolidated Balance Sheet

31 March 2023

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

Items	31 March 2023	31 December 2022
Current assets:		
Monetary fund	55,278,084,878.84	54,161,702,227.39
Provision of settlement fund		
Funds lent		
Financial assets held for trading	849,716,363.84	519,912,880.91
Derivative financial assets	162,735,088.30	183,185,160.51
Bills receivable	7,172,801,966.55	9,624,191,838.15
Accounts receivable	20,036,439,030.14	15,886,628,623.99
Financing receivables		
Prepayments	1,171,237,123.03	1,109,114,343.41
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	2,703,010,435.40	2,401,113,902.55
Including: Interest receivable	638,967,204.23	513,320,376.79
Dividend receivable		
Financial assets purchased under resale agreements		
Inventories	40,506,398,738.04	41,587,786,307.53
Contract assets	338,460,676.79	309,930,359.25
Assets held for sale		
Non-current assets due in one year		
Other current assets	4,495,122,900.05	4,707,367,219.99
Total current assets	132,714,007,200.98	130,490,932,863.68
Non-current assets:		
Loans and advances granted		
Debt investments	1,343,747,222.22	1,034,222,222.22
Other debt investments		
Long-term receivables	294,657,636.34	305,070,001.45
Long-term equity investments	24,642,288,312.74	24,527,800,290.84
Investments in other equity instruments	5,826,583,319.25	5,851,882,930.20
Other non-current financial assets		
Investment properties	24,984,572.42	25,678,492.57
Fixed assets	26,979,606,450.78	27,158,348,424.28
Construction in progress	4,345,250,205.29	4,094,684,500.49
Biological assets for production		

Oil and gas assets		
Right-of-use assets	3,961,811,237.96	3,795,225,353.89
Intangible assets	10,383,901,237.25	10,505,881,377.21
Development cost	322,987,331.53	154,480,515.67
Goodwill	23,376,070,828.05	23,643,595,643.87
Long-term prepaid expenses	791,770,876.32	759,883,174.20
Deferred income tax assets	1,210,242,441.78	1,724,040,928.42
Other non-current assets	1,861,654,335.48	1,880,736,891.63
Total non-current assets	105,365,556,007.41	105,461,530,746.94
Total assets	238,079,563,208.39	235,952,463,610.62
Current liabilities:		
Short-term borrowings	10,167,127,736.83	9,672,223,522.36
Borrowings from central bank		
Due to banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities	92,871,900.99	104,594,040.66
Bills payable	24,640,052,801.34	25,098,557,730.06
Accounts payable	44,774,579,600.35	41,878,607,182.94
Receipts in advance		
Contract liabilities	6,199,571,988.27	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	2,946,331,356.12	4,050,464,754.37
Taxes payable	2,517,315,807.75	2,890,643,028.96
Other payables	17,491,051,323.87	17,517,838,565.99
Including: Interest payable		
Dividend payable	1,880,719.69	1,246,573.35
Fees and commissions payable		
Reinsurance accounts payables		
Liabilities held for sale		
Non-current liabilities due within one year	3,800,896,677.75	6,294,750,667.08
Other current liabilities	1,419,318,294.93	1,850,426,115.79
Total current liabilities	114,049,117,488.20	118,710,825,503.70
Non-current liabilities:		
Deposits for insurance contracts		
Long-term borrowings	17,090,550,577.20	13,590,866,873.43
Bonds payable		
Including: Preference shares		
Perpetual bonds		

Lease liabilities	2,995,290,482.93	2,824,477,670.61
Long-term payables	43,076,183.93	44,240,087.94
Long-term payables for staff's remuneration	995,889,071.43	1,010,547,202.34
Estimated liabilities	1,603,317,036.96	1,611,029,220.17
Deferred income	907,204,594.29	948,935,134.05
Deferred income tax liabilities	2,136,622,881.32	2,358,860,559.19
Other non-current liabilities	113,979,429.02	107,332,101.07
Total non-current liabilities	25,885,930,257.08	22,496,288,848.80
Total liabilities	139,935,047,745.28	141,207,114,352.50
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	9,446,598,493.00	9,446,598,493.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	24,090,198,258.21	23,877,037,324.76
Less: treasury stock	3,876,593,939.33	3,857,807,196.38
Other comprehensive income	1,238,459,114.22	1,990,683,498.45
Special reserve		
Surplus reserve	4,014,190,623.24	4,014,190,623.24
General risk provisions		
Undistributed profits	61,923,175,990.75	57,983,751,470.60
Total equity attributable to owners (or shareholders) of the Parent Company	96,836,028,540.09	93,454,454,213.67
Minority shareholders' interests	1,308,486,923.02	1,290,895,044.45
Total owners' equity (or shareholders' equity)	98,144,515,463.11	94,745,349,258.12
Total liabilities and owners' equity (or shareholders' equity)	238,079,563,208.39	235,952,463,610.62

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-March 2023

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Total operating revenue	65,066,477,648.79	60,234,722,119.95
Including: Operating revenue	65,066,477,648.79	60,234,722,119.95
Interest income		
Insurance premiums earned		
Fee and commission income		
II. Total cost of operations	60,740,490,486.44	56,367,962,597.67

Including: Operating cost	46,393,628,989.93	42,975,418,035.10
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	250,478,785.18	142,862,910.57
Selling expenses	8,836,864,367.39	8,437,018,398.18
Administrative expenses	2,315,168,574.13	2,191,076,032.35
R&D expenses	2,739,021,316.21	2,484,205,885.15
Financial expenses	205,328,453.60	137,381,336.32
Including: Interest expenses	393,628,228.48	153,261,396.84
Interest income	281,052,082.07	178,861,414.09
Add: other income	336,749,310.32	273,466,796.04
investment income (losses are represented by “-”)	531,481,644.59	514,886,151.52
Including: Investment income of associates and joint ventures	497,800,746.35	381,277,618.13
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 “-”)	38,826,036.69	7,355,216.91
Loss on credit impairment (losses are represented by “-”)	-106,767,606.87	-70,157,502.39
Loss on assets impairment (losses are represented by “-”)	-294,520,249.75	-278,727,796.15
Gain from disposal of assets (losses are represented by “-”)	-690,226.02	1,201,049.66
III. Operating profit (losses are represented by “-”)	4,831,066,071.31	4,314,783,437.87
Add: non-operating income	28,791,406.80	35,590,668.06
Less: non-operating expenses	16,674,831.03	18,824,000.23
IV. Total profit (total losses are represented by “-”)	4,843,182,647.08	4,331,550,105.70
Less: income tax expense	814,536,516.95	753,688,119.01
V. Net profit (net losses are represented by “-”)	4,028,646,130.13	3,577,861,986.69
(I) Classification by continuous operation		
1. Net profit from continuous operation (net losses are represented by “-”)	4,028,646,130.13	3,577,861,986.69
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 “-”)	3,971,103,084.94	3,526,836,008.82
2. Profit or loss attributable to minority shareholders (net losses are represented by “-”)	57,543,045.19	51,025,977.87
VI. Other comprehensive income, net of tax	-772,659,795.98	-475,680,420.93
(I) Other comprehensive income attributable to owners of the Parent Company, net of tax	-752,224,384.23	-475,390,103.62
1. Other comprehensive income that cannot be reclassified into the profit or loss	33,832,338.59	5,181,077.01
(1) Changes arising from re-measurement of defined benefit plans	26,210,043.83	1,384,989.40
(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	7,622,294.76	3,796,087.61
(4) Changes in fair value of credit risks of the enterprise		
2. Other comprehensive income to be reclassified into the profit or loss	-786,056,722.82	-480,571,180.63
(1) Other comprehensive income that can be transferred into profit or loss under equity method	-86,187,382.21	-45,340,301.17
(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	-10,706,641.77	11,830,091.92
(6) Exchange differences on translation of financial statements denominated in foreign currencies	-689,162,698.84	-447,060,971.38
(7) Others		
(II) Other comprehensive income attributable to minority shareholders, net of tax	-20,435,411.75	-290,317.31
VII. Total comprehensive income	3,255,986,334.15	3,102,181,565.76
(I) Total comprehensive income attributable to the owners of Parent Company	3,218,878,700.71	3,051,445,905.20
(II) Total comprehensive income attributable to the minority shareholders	37,107,633.44	50,735,660.56
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.43	0.38
(II) Diluted earnings per share (RMB/share)	0.42	0.38

In the case of business combination under common control in the reporting period, the net profit realized by the merged party before the merger was: RMB0, and the net profit realized by the merged party in the previous period was: RMB4,525,665.86.

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-March 2023

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Cash flow from operating activities:		
Cash received from the sale of goods and rendering services	63,100,240,082.36	60,175,800,438.88
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	589,447,199.85	849,963,247.47
Cash received from other related operating activities	479,544,730.11	537,211,717.80
Sub-total of cash inflows from operating activities	64,169,232,012.32	61,562,975,404.15
Cash paid on purchase of goods and services	43,093,270,497.16	43,508,703,333.03
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	8,154,764,481.51	7,412,130,414.77
Cash paid for all types of taxes	3,599,653,547.65	2,389,129,384.00
Cash paid to other operation related activities	7,966,751,141.80	7,106,829,272.97
Sub-total of cash outflows from operating activities	62,814,439,668.12	60,416,792,404.77
Net cash flow from operating activities	1,354,792,344.20	1,146,182,999.38
II. Cash flow from investing activities:		
Cash received from recovery of investments	2,925,837,623.76	2,220,934,479.69
Cash received from return on investments	313,081,596.89	276,944,289.60

Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	2,663,610.98	38,803,953.58
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received from investment activities	15,362,098.03	831,333.24
Sub-total of cash inflows from investing activities	3,256,944,929.66	2,537,514,056.11
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	1,781,958,509.40	1,738,003,478.18
Cash paid for investments	2,930,379,384.00	3,272,731,117.77
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities		
Other cash paid on investment activities		1,166,771.75
Sub-total of cash outflows from investing activities	4,712,337,893.40	5,011,901,367.70
Net cash flow from investing activities	-1,455,392,963.74	-2,474,387,311.59
III. Cash flow from financing activities:		
Cash received from capital contributions	914,000.00	984,641,004.94
Including: Cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	3,201,279,929.98	3,238,140,935.86
Other cash received from financing activities		1,657,684.48
Sub-total of cash inflows from financing activities	3,202,193,929.98	4,224,439,625.28
Cash paid on repayment of loans	1,338,320,951.31	2,255,613,764.13
Cash paid on distribution of dividends, profits or repayment of interest expenses	342,819,790.26	113,334,526.58
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Other cash paid to financing activities	163,507,387.92	162,675,833.14
Sub-total of cash outflows from financing activities	1,844,648,129.49	2,531,624,123.85
Net cash flow from financing activities	1,357,545,800.49	1,692,815,501.43
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-110,542,604.87	45,004,359.83
V. Net increase in cash and cash equivalents	1,146,402,576.08	409,615,549.05
Add: balance of cash and cash equivalents at the beginning of the period	53,391,699,929.49	45,203,823,001.08
VI. Balance of cash and cash equivalents at the end of the period	54,538,102,505.57	45,613,438,550.13

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

31 March 2023

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

Items	31 March 2023	31 December 2022
Current Assets:		
Monetary capital	8,314,015,421.34	5,747,356,591.19
Trading financial assets		
Derivative financial assets		
Bills receivable		
Accounts receivable	1,048,346,645.33	913,643,071.06
Financing receivables		
Prepayments	3,115,793.21	3,116,793.21
Other receivables	15,800,707,378.47	14,387,031,657.57
Including: interests receivable	44,971,269.73	29,783,516.95
dividends receivable	1,027,840,000.00	1,015,840,000.00
Inventories	13,303,582.39	9,245,507.97
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,415,915,035.25	1,642,423,149.85
Total current assets	26,595,403,855.99	22,702,816,770.85
Non-current assets:		
Debt investments	1,343,747,222.22	1,034,222,222.22
Other debt investments		
Long-term receivables		
Long-term equity investments	53,387,342,337.51	52,744,139,527.87
Other equity instruments investments	1,618,513,056.48	1,618,513,056.48
Other non-current financial assets		
Investment properties		
Fixed assets	159,778,417.88	167,043,774.16
Construction in progress	11,076,401.91	2,667,680.62
Biological assets for production		
Oil and gas assets		
Right-of-use assets	143,198.41	357,996.03
Intangible assets	46,506,519.93	48,239,513.12
Development expenses		
Goodwill		
Long-term prepaid expenses	3,267,993.58	3,910,065.39
Deferred income tax assets		
Other non-current assets	1,294,805,641.19	1,302,773,743.02
Total non-current assets	57,865,180,789.11	56,921,867,578.91

Total assets	84,460,584,645.10	79,624,684,349.76
Current liabilities:		
Short-term borrowings		
Trading financial liabilities		
Derivative financial liabilities		
Bills payable		
Accounts payable	643,975,568.72	521,733,555.60
Receipts in advance		
Contract liabilities	13,913,238.38	13,084,442.85
Staff remuneration payable	271,311.00	9,696,654.18
Taxes payable	704,884.17	7,479,878.13
Other payables	36,731,562,320.03	32,659,845,830.05
Including: interests payable		
dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	6,058,938.04	5,876,886.89
Total current liabilities	37,396,486,260.34	33,217,717,247.70
Non-current liabilities:		
Long-term borrowings	2,750,000,000.00	2,195,000,000.00
Debentures payable		
Including: preference shares		
perpetual bonds		
Leasing liabilities		
Long-term payable		
Long-term staff remuneration payable		
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	3,184,603,900.57	2,628,160,600.57
Total liabilities	40,581,090,160.91	35,845,877,848.27
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	9,446,598,493.00	9,446,598,493.00
Other equity instruments		
Including: preference shares		
perpetual bonds		
Capital reserve	27,583,714,213.71	27,300,899,019.76
Less: treasury stock	2,326,925,301.37	2,308,138,558.42
Other comprehensive income	602,091,349.74	602,091,349.74
Special reserve		

Surplus reserve	3,409,044,397.79	3,409,044,397.79
Undistributed profits	5,164,971,331.32	5,328,311,799.62
Total owners' equity (or shareholders' equity)	43,879,494,484.19	43,778,806,501.49
Total liabilities and owners' equity (or shareholders' equity)	84,460,584,645.10	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

INCOME STATEMENT OF THE PARENT COMPANY
January-March 2023

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Operating revenue	142,018,772.80	46,352,876.13
Less: Operation cost	123,626,781.61	39,046,583.44
Taxes and surcharges	2,205,943.13	16,000.30
Selling expenses	13,913,249.96	1,650,889.52
Administrative expenses	295,830,087.91	168,001,040.17
R&D expenses	2,282,302.54	5,929,371.96
Financial expenses	-38,276,088.76	-17,851,602.97
Including: interest expenses	14,767,316.31	68,831.34
Interest income	50,795,326.95	22,868,491.32
Add: Other incomes	1,361,535.00	11,848,865.58
Investment income (losses are represented by "-")	92,756,960.39	60,057,927.78
Including: investment income of associates and joint ventures	63,095,203.30	57,916,804.95
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 "-")	75,168.57	-18.91
Loss on assets impairment (losses are represented by "-")		
Gain from disposal of assets (losses are represented by "-")		
II. Operating profit (losses are represented by "-")	-163,369,839.63	-78,532,631.84
Add: non-operating income	97,218.97	79,663.78
Less: non-operating expenses	66,642.24	
III. Total profit (total losses are represented by "-")	-163,339,262.90	-78,452,968.06
Less: income tax expense	1,205.40	
IV. Net profit (net losses are represented by "-")	-163,340,468.30	-78,452,968.06

(I) Net profit from continuous operation (net losses are represented by “-”)	-163,340,468.30	-78,452,968.06
(II) Net profit from discontinuous operation (net losses are represented by “-”)		
V. Other comprehensive income, net of tax		-2,481,306.25
(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		-2,481,306.25
1. Other comprehensive income that can be transferred into profit or loss under equity method		-2,481,306.25
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	-163,340,468.30	-80,934,274.31
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-March 2023

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	18,663,841.05	296,929,697.10
Refunds of taxes received	1,443,300.00	2,407,797.52
Cash received from other related operating activities	37,716,780.67	26,475,467.77
Sub-total of cash inflows from operating activities	57,823,921.72	325,812,962.39

Cash paid on purchase of goods and services	1,101,520.58	189,195,396.29
Cash paid to and on behalf of employees	17,176,311.79	16,895,340.98
Cash paid for all types of taxes	13,412,178.57	383,525.90
Cash paid to other operation related activities	86,209,219.16	50,064,542.18
Sub-total of cash outflows from operating activities	117,899,230.10	256,538,805.35
Net cash flows from operating activities	-60,075,308.38	69,274,157.04
II. Cash flows from investing activities:		
Cash received from disposal of investments	2,925,000,000.00	125,000,000.00
Cash received from return on investments	21,701,758.62	19,188,786.85
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Cash received from other investment related activities		
Sub-total of cash inflows from investing activities	2,946,701,758.62	144,188,786.85
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	2,819,229.79	6,136,238.36
Cash paid for investments	3,573,660,158.00	1,073,545,507.20
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid on other investment related activities	5,269,765.00	11,000,000.00
Sub-total of cash outflows from investing activities	3,581,749,152.79	1,090,681,745.56
Net cash flows from investing activities	-635,047,394.17	-946,492,958.71
III. Cash flows from financing activities:		
Cash received from capital contributions		940,041,004.94
Cash received from borrowings	560,000,000.00	
Cash received from other financing related activities	2,739,010,301.07	
Sub-total of cash inflows from financing activities	3,299,010,301.07	940,041,004.94
Cash paid on repayment of borrowings	5,000,000.00	
Cash paid on distribution of dividends, profits or interest expenses	14,704,375.00	
Cash paid on other financing related activities	18,786,742.95	1,276,378,351.21
Sub-total of cash outflows from financing activities	38,491,117.95	1,276,378,351.21
Net cash flows from financing activities	3,260,519,183.12	-336,337,346.27
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	1,262,349.58	-3,465,214.53
V. Net increase in cash and cash equivalents	2,566,658,830.15	-1,217,021,362.47
Add: balance of cash and cash equivalents at the beginning of the period	5,747,356,591.19	4,043,535,735.48
VI. Balance of cash and cash equivalents at the end of the period	8,314,015,421.34	2,826,514,373.01

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

(III) The adjustments made to the financial statements at the beginning of the year due to the first implementation of new accounting standards or interpretation of standards since 2023

Applicable Not Applicable

Hereby announced.

By order of the Board
Haier Smart Home Co., Ltd.*
27 April 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
27 April 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*