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Haier

Haier Smart Home Co., Ltd.*

海爾智家股份有限公司

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

Stock Code: 6690

2024 FIRST QUARTER REPORT

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

The financial data of the Company for the first quarter of 2024 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) 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 (%)
		Before adjustment	After adjustment	After adjustment
Operating revenue	68,977,513,890.10	65,066,477,648.79	65,067,820,534.08	6.01
Net profit attributable to shareholders of the listed Company	4,772,967,900.81	3,971,103,084.94	3,972,048,160.93	20.16
Net profit after deduction of non-recurring profit or loss attributable to shareholders of the listed Company	4,639,880,144.13	3,699,833,649.61	3,699,833,649.61	25.41
Net cash flow from operating activities	1,724,758,959.43	1,354,792,344.20	1,354,792,344.20	27.31
Basic earnings per share (RMB per share)	0.52	0.43	0.43	20.93
Diluted earnings per share (RMB per share)	0.51	0.42	0.42	21.43
Weighted average return on net assets (%)	4.53	4.17	4.17	0.36
	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	257,857,863,289.79	253,379,859,977.97	253,379,859,977.97	1.77
Owner equity attributable to shareholders of the listed Company	107,282,793,895.35	103,514,153,535.04	103,514,153,535.04	3.64

Reasons for retrospective adjustment or restatement

In December 2023, the Company completed the acquisition of the equity in Zhengzhou Haiyong New Corporate Management Co., Ltd (郑州海永新企业管理有限公司). 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 2024, the Company achieved revenue of RMB68.978 billion, net profit attributable to shareholders of the listed company of RMB4.773 billion, and net profit attributable to shareholders of the listed company after deduction of non-recurring profit and loss of RMB4.640 billion, representing an increase of 6.01%, 20.16%, and 25.41% respectively as compared to the corresponding period in 2023.

(I) Performance in the Chinese Market

During the reporting period, the Company's revenue grew by 8.1% in China. Refrigerators, washing machines, water heaters and purifiers enhanced competitiveness and solidified leading positions through innovative scenario-based solutions. Refrigerator and washing machine businesses maintained steady growth, and water heater and purifier business achieved double-digit growth. Revenue of residential air conditioners, kitchen appliances, and smart building solutions grew by more than 10%, driven by developing consumer insights, R&D system, supply chain integration and expansion into professional sales channels.

Digital transformation continued to improve operational efficiency in R&D, procurement, manufacturing, logistics, marketing and services, contributing to over 30% growth in operating profit from Chinese market.

Leveraging original technologies that enhance user experience and strengthen product portfolio, the Company spearheaded the industry in healthy and comfortable living by integrating home appliances and home improvement, energy efficiency, and product solutions, which resulted in mix upgrade and high-end share gains. The Company's continued to expand built-in refrigerator lineup to gain premium share. In the first quarter of 2024, the Company's retail sales share in units priced above RMB 10,000 increased 2.2 percentage points reaching 53.2%. Sales revenue of Casarte grew by 14% driven by increasing user base, enhancing product sets offerings, expanding into shopping malls, creating high quality online content, and upgrading membership management.

During the reporting period, the Company enhanced omnichannel presence and accelerated digital marketing transformation to improve traffic acquisition and conversion. We established strategic partnerships with Douyin, Kuaishou, Xiaohongshu, and Bilibili to enhance traffic acquisition precision through creating high-quality content and optimizing efficiency. San Yi Niao brand accelerated the development of scenario-based solutions, cabinet and appliance integration design and installation, as well as smart interaction features, to provide better smart home solutions. During the reporting period, San Yi Niao's retail sales grew 30% year-on-year and combined revenue contribution of air conditioners, water heaters and kitchen appliances increased by 8 percentage points reaching 38%.

In response to the government's trade-in policy for home appliances, the Company launched smart and innovative appliances, integrated online and offline marketing strategies, and implemented a comprehensive recycling program of collecting, sorting, processing and reuse of old appliances, while initiating our appliance trade-in program to lead the industry in promoting appliance products that are green, smart, and health-conscious.

(II) Overseas Performance

Despite declining demand in Europe and North America, the Company achieved sustained growth and improved profitability through introducing leading products tailored to local consumer needs, strengthening local supply chain and sales network while leveraging global synergies in R&D, procurement, supply chain, and logistics. In the first quarter of 2024, the Company's overseas revenue grew by 4%, with a double-digit increase in operating profit.

In North America, the Company continued to gain share across all core home appliance categories through product innovation and user experience enhancements. The Company's newly launched GE Profile™ smart indoor smoker, featuring active smoke filtration, became the only indoor smoking appliance in the market, providing consumers with a novel and convenient smoked cooking experience. The Combo --- heat pump washer-dryer combo was honoured the 2024 CES Innovation Award in the Home Appliances category for its outstanding performance and innovative design. The Company also actively expanded into air and water solutions. At the 2024 AHR Expo in the U.S., the Company introduced the new RealMAX gas water heater and a brand-new commercial HVAC system, further enhancing our product portfolio.

In Europe, the Company implemented dual-brand strategy of Haier and New Candy and achieved steady share growth through product innovation and revitalization of Candy brand. According to GfK, from January to February 2024, the Company's sales volume share in the European market increased by 0.9 percentage points to 9.0%. Candy underwent rebranding to cultivate a more youthful and fashionable image in order to improve market recognition and price index.

II. Gross Profit Margin

The gross profit margin in the first quarter of 2024 reached 29.0%, up 0.3 percentage points compared to the same period in 2023. In particular, benefiting from digital changes in procurement and R&D, the construction of digital production and marketing synergy system, and the improvement of product mix, gross margin from domestic market has increased year-on-year. The year-on-year increase of gross margin from overseas market was driven by our continuous optimization of product mix and enhancement of capacity utilization rate.

III. Operating Expenses Ratio

1. The selling expense ratio in the first quarter of 2024 was 13.1%, representing an improvement of 0.5 percentage points as compared to the same period in 2023. The improvement of domestic and overseas selling expense ratio was a result of the enhanced efficiency in marketing resource allocation, logistics and delivery as well as warehouses operations after the Company's digital reform.

2. The administrative expense ratio in the first quarter of 2024 was 3.2%, representing an improvement of 0.3 percentage points as compared to the same period in 2023. The improvement in domestic and overseas administrative expense ratio was attributable to digital tool applications, optimized business processes and improved organizational efficiency.

3. The research and development expense ratio in the first quarter of 2024 was 4.3%, representing an increase of 0.1 percentage points as compared to the same period in 2023. The increase in research and development expense ratio was mainly due to the strengthening of the Company's core capabilities in smart home technologies, which has enhanced our pre-emptive technological development and product innovation in various industries.

4. The financial expense ratio in the first quarter of 2024 was 0.3% ("+" as expense, "-" as income), remaining basically flat as compared to the same period in 2023.

IV. Working Capital

1. Trade and bill receivable turnover days

Trade and bill receivable turnover days were 41.7 days in the first quarter of 2024, representing an increase of 3.7 days as compared to the end of 2023, mainly attributable to the increase in bills received during the current period.

2. Inventory turnover days

Inventory turnover days were 81.2 days in the first quarter of 2024, representing a decrease of 1.5 days as compared to the end of 2023, mainly attributable to the effective control and optimization of the inventory.

3. Trade and bill payable turnover days

Trade and bill payable turnover days were 144.6 days in the first quarter of 2024, representing an increase of 5.7 days as compared to the end of 2023, mainly attributable to optimization of cost during the current period.

V. Cash Flow Analysis

1. Net cash flow from operating activities for the first quarter of 2024 amounted to RMB1.725 billion, representing an increase of RMB370 million as compared to the corresponding period of 2023, which was mainly due to the increase in operating profit and enhanced operational efficiency for the current period.

2. Net cash outflow from investing activities for the first quarter of 2024 amounted to RMB2.212 billion, representing an increase of net cash outflow of RMB756 million as compared to the corresponding period of 2023, which was mainly due to an increase in cash payments for the purchase of long-term fixed deposits, acquisition of fixed assets, intangible assets, and other long-term assets during the current period.

3. Net cash outflow from financing activities for the first quarter of 2024 amounted to RMB341 million, as compared to a net cash inflow of RMB1.358 billion for the corresponding period of 2023, which was mainly due to the repayment of borrowings, repurchase of shares and the increase in interest expense overseas due to interest rate hikes for the current period.

VI. Capital Expenditure

The Company assesses its capital expenditure and investments in each segment from time to time. The capital expenditure in the first quarter of 2024 was RMB2.031 billion, of which RMB1.145 billion and RMB886 million were used in China and overseas, respectively, primarily for plant and equipment construction, property rental, and digital infrastructure.

VII. Gearing Ratio

The Company's gearing ratio was 57.3% as at the end of the first quarter of 2024, representing a decrease of 0.9 percentage points as compared to the end of 2023, which was mainly due to the increase in net profit.

Non-recurring profit or loss items and amounts

Applicable Not Applicable

Unit and Currency: RMB

Non-recurring profit and loss items	Amounts in the Current Period
Profit or loss from disposal of non-current assets, including the write-off of provision for asset impairment	8,337,989.57
Government subsidies included in current profit or loss, except for government subsidies that are closely related to the Company's normal business operations, conformed to requirements of state policies and granted according to specific criteria, and have a sustained impact on the Company's profit or loss	158,504,067.04
Profit or loss arising from changes in fair value of financial assets and financial liabilities held by non-financial entities, and profit or loss arising from disposal of financial assets and financial liabilities, except for effective hedging activities related to the Company's normal business operations	29,432,396.92
Other non-operating income and expenses other than the above items	-30,449,272.63
Less: amount of effect on income tax	30,207,626.05
Amount of effect on minority interests (after tax)	2,529,798.17
Total	133,087,756.68

For the Company's recognition of items that are not listed in the "Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 — 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 non-recurring profit or loss items and the amount of which is significant, and for non-recurring profit or loss items as illustrated in the "Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 — 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》) designated as recurring profit or loss items, reasons shall be specified.

Applicable Not Applicable

(II) Changes in major 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		128,742	Total number of preferential shareholders with restored voting rights as of the end of the Reporting Period (if any)		/	
Shareholdings of the top 10 shareholders (excluding the lending of shares under refinancing)						
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	2,314,641,421	24.52		Nil	
Haier COSMO Co., Ltd.	Domestic non-state-owned legal entity	1,258,684,824	13.34		Nil	
Haier Group Corporation	Domestic non-state-owned legal entity	1,072,610,764	11.36		Nil	
Hong Kong Securities Clearing Company Limited	Unknown	585,136,680	6.20		Nil	
HCH (HK) INVESTMENT MANAGEMENT CO., LIMITED	Foreign legal entity	538,560,000	5.71		Nil	
China Securities Finance Corporation Limited	Unknown	182,592,654	1.93		Nil	
Qingdao Haier Venture & Investment Information Co., Ltd.	Domestic non-state-owned legal entity	172,252,560	1.83		Nil	
Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership)	Domestic non-state-owned legal entity	133,791,058	1.42		Nil	
Industrial and Commercial Bank of China -SSE 50 Exchange Traded Index Securities Investment Open-ended Fund	Unknown	63,379,758	0.67		Nil	
National Social Security Fund Portfolio 113	Unknown	59,622,539	0.63		Nil	
Shareholdings of the top 10 shareholders not subject to trading moratorium						
Name of shareholders	Number of listed shares not subject to trading moratorium held	Class and number of shares				
		Class	Number			
HKSCC NOMINEES LIMITED	2,314,641,421	Overseas listed foreign shares	2,314,641,421			
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	585,136,680	RMB ordinary shares	585,136,680			

HCH (HK) INVESTMENT MANAGEMENT CO., LIMITED	538,560,000	Overseas listed foreign shares	538,560,000
China Securities Finance Corporation Limited	182,592,654	RMB ordinary shares	182,592,654
Qingdao Haier Venture & Investment Information Co., Ltd.	172,252,560	RMB ordinary shares	172,252,560
Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership)	133,791,058	RMB ordinary shares	133,791,058
Industrial and Commercial Bank of China -SSE 50 Exchange Traded Index Securities Investment Open-ended Fund	63,379,758	RMB ordinary shares	63,379,758
National Social Security Fund Portfolio 113	59,622,539	RMB ordinary shares	59,622,539
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: (1) HKSCC NOMINEES LIMITED is the collective nominee account for the shareholders of H shares of the Company, which is the original data provided by China Hong Kong securities registration agency to the Company after consolidation of figures according to local market practices and technical settings, not representing the ultimate shareholder; (2) As of the end of the reporting period, the Company's repurchase account held a total of 145,238,037 shares.

Shareholders holding more than 5% of shares, top 10 shareholders and top 10 holders of non-restricted outstanding shares who participated in lending of shares under the refinancing business

Applicable Not Applicable

Unit: share

Shareholders holding more than 5% of shares, top 10 shareholders and top 10 holders of non-restricted outstanding shares who participated in lending of shares under the refinancing business								
Name of shareholders (full name)	Shareholdings in ordinary account and credit account at the beginning of the period		Outstanding shares lent through refinancing at the beginning of the period		Shareholdings in ordinary account and credit account at the end of the period		Outstanding shares lent through refinancing at the end of the period	
	Total number	Percentage (%)	Total number	Percentage (%)	Total number	Percentage (%)	Total number	Percentage (%)
Industrial and Commercial Bank of China – SSE 50 Trading Index Securities Investment Open-ended Fund	46,136,358	0.49	328,400	0.003	63,379,758	0.67	0	0

Change of top 10 shareholders and top 10 holders of non-restricted outstanding shares as compared to the previous period due to lending/returning of shares under refinancing

Applicable Not Applicable

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 RMB12.720 billion, accounting for 12.3% of the Company's latest audited net assets and 4.9% 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\$1.347 billion.
- (3) **Entrusted wealth management:** As at the end of the Reporting Period, the balance of the Company's entrusted wealth management amounted to RMB1.852 billion, including two parts: ① Temporary-idle funds wealth management by certain subsidiaries of the Company: Under the premise of ensuring sufficient capital for the principal operating activities and daily operations, some subsidiaries of the Company purchased some short-term principal-guaranteed wealth management products and structured deposits from major commercial banks to improve the yield of temporarily-idle funds and the return for shareholders within the authority of the general manager's office meeting and under the condition of ensuring fund safety. As at the end of the Reporting Period, the balance of the entrusted wealth management amounted to RMB1.834 billion; ② Idle funds in the asset management account of the Employee Stock Ownership Plans: the asset management institution purchased cash products such as money funds according to the liquidity of the products with some idle funds in the asset management accounts of the Employee Stock Ownership Plans of the Company. The balance of cash assets amounted to RMB18 million.
- (4) **A-share repurchases:** On 27 April 2023, the Company convened the 5th meeting of the 11th session of the Board, which considered and approved the Resolution in Relation to the Repurchase Plan of a Portion of Public A Shares of Haier Smart Home Co., Ltd. It allowed the Company to use its own funds to repurchase a portion of A shares of the Company by way of centralised bidding. The repurchase price is no more than RMB32 per share and the proposed total repurchase amount is no more than RMB3.0 billion and no less than RMB1.5 billion. The period of this repurchase is within 12 months from the date the Board considered and approved the resolution of repurchase of shares. As at the end of the Reporting Period, the Company had repurchased a total of 83,349,394 shares. The highest price purchased was RMB24.96 per share and the lowest price was RMB20.15 per share, and the amount paid was RMB1,879,718,741.02. For details, please refer to the relevant announcements on monthly progress.

IV. Quarterly Financial Statements

(I) Type of Audit Opinion

Applicable Not Applicable

(II) Financial Statements

Consolidated Balance Sheet
31 March 2024

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	31 March 2024	31 December 2023
Current assets:		
Cash at bank and on hand	53,620,535,430.53	54,486,452,841.14
Provision of settlement fund		
Funds lent		
Financial assets held for trading	839,350,237.71	953,963,543.83
Derivative financial assets	51,453,932.66	67,565,829.44
Bills receivable	10,053,393,958.10	8,621,434,831.39
Accounts receivable	21,669,309,573.41	20,268,099,436.43
Financing receivables		
Prepayments	1,444,465,256.20	1,238,294,930.51
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	3,118,163,474.05	2,649,558,985.05
Including: Interest receivable	963,946,976.47	748,496,020.24
Dividend receivable		
Financial assets purchased under resale agreements		
Inventories	41,280,854,550.91	39,524,006,616.33
Among which: Data resource		
Contract assets	217,606,436.67	260,939,408.73
Assets held for sale	131,091.59	
Non-current assets due in one year		
Other current assets	4,602,600,777.65	4,550,167,668.68
Total current assets	136,897,864,719.48	132,620,484,091.53
Non-current assets:		
Loans and advances granted		
Debt investments	9,440,589,481.12	8,841,233,078.66
Other debt investments		
Long-term receivables	329,880,665.44	350,409,496.85
Long-term equity investments	25,633,127,344.88	25,546,793,450.20
Investments in other equity instruments	6,406,230,978.59	6,403,694,954.77
Other non-current financial assets		
Investment properties	97,473,162.36	98,631,080.77
Fixed assets	29,607,651,821.65	29,603,936,822.78
Construction in progress	5,028,773,893.91	5,403,469,596.76

Biological assets for production		
Oil and gas assets		
Right-of-use assets	4,755,960,266.48	4,367,081,679.74
Intangible assets	10,688,627,157.16	11,006,230,700.93
Among which: Data resource		
Development cost	403,686,774.26	266,490,235.10
Among which: Data resource		
Goodwill	24,250,096,011.24	24,289,726,694.80
Long-term prepaid expenses	679,772,144.28	741,745,517.64
Deferred income tax assets	1,516,080,255.22	1,805,945,632.16
Other non-current assets	2,122,048,613.72	2,033,986,945.28
Total non-current assets	120,959,998,570.31	120,759,375,886.44
Total assets	257,857,863,289.79	253,379,859,977.97
Current liabilities:		
Short-term borrowings	10,054,859,989.82	10,318,351,841.88
Borrowings from central bank		
Due to banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities	123,808,608.81	168,625,004.97
Bills payable	22,423,743,538.57	22,215,726,721.62
Accounts payable	52,227,846,292.47	47,061,789,173.62
Receipts in advance		
Contract liabilities	3,935,938,913.59	7,731,916,491.54
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	4,033,549,716.04	5,077,517,828.50
Taxes payable	3,555,274,829.90	2,841,215,524.73
Other payables	18,286,990,532.39	19,181,569,184.83
Including: Interest payable	29,125,932.03	
Dividend payable	1,991,436.35	1,880,719.69
Fees and commissions payable		
Reinsurance Accounts payables		
Liabilities held for sale		
Non-current liabilities due within one year	3,772,387,996.03	3,732,550,549.23

Other current liabilities	1,183,229,266.28	1,651,239,151.52
Total current liabilities	119,597,629,683.90	119,980,501,472.44
Non-current liabilities:		
Deposits for insurance contracts		
Long-term borrowings	18,380,860,174.97	17,936,302,925.77
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	3,672,352,804.24	3,286,801,426.17
Long-term payables	56,834,622.96	57,113,422.78
Long-term payables for staff's remuneration	1,014,424,778.30	1,085,454,839.18
Estimated liabilities	1,955,875,781.49	1,935,014,042.24
Deferred income	1,039,770,698.09	1,050,319,606.44
Deferred income tax liabilities	2,038,466,103.71	2,028,390,554.20
Other non-current liabilities	90,497,663.12	108,218,339.24
Total non-current liabilities	28,249,082,626.88	27,487,615,156.02
Total liabilities	147,846,712,310.78	147,468,116,628.46
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	9,438,114,893.00	9,438,114,893.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	23,994,556,861.19	23,762,354,684.05
Less: treasury stock	5,500,665,317.85	5,034,065,107.42
Other comprehensive income	1,273,185,821.24	1,969,724,027.01
Special reserve		
Surplus reserve	4,842,338,543.80	4,842,338,543.80
General risk provisions		
Undistributed profits	73,235,263,093.97	68,535,686,494.60
Total equity attributable to owners (or shareholders) of the Parent Company	107,282,793,895.35	103,514,153,535.04
Minority shareholders' interests	2,728,357,083.66	2,397,589,814.47
Total owners' equity (or shareholders' equity)	110,011,150,979.01	105,911,743,349.51
Total liabilities and owners' equity (or shareholders' equity)	257,857,863,289.79	253,379,859,977.97

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 2024

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	2024 First Quarter	2023 First Quarter
I. Total operating revenue	68,977,513,890.10	65,067,820,534.08
Including: Operating revenue	68,977,513,890.10	65,067,820,534.08
Interest income		
Insurance premiums earned		
Fee and commission income		
II. Total cost of operations	63,687,207,985.69	60,740,895,022.42
Including: Operating cost	49,005,364,108.42	46,393,952,094.57
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	283,226,904.64	250,560,194.65
Selling expenses	9,028,320,178.83	8,836,864,367.39
Administrative expenses	2,220,724,560.27	2,315,168,574.13
R&D expenses	2,942,378,189.55	2,739,021,316.21
Financial expenses	207,194,043.98	205,328,475.47
Including: Interest expenses	600,815,370.11	393,628,228.48
Interest income	456,081,221.35	281,052,088.50
Add: other income	218,089,273.90	336,756,036.72
Investment income (losses are represented by "-")	479,085,973.08	531,481,644.59
Including: Investment income of associates and joint ventures	471,190,067.91	497,800,746.35
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 "-")	29,432,396.92	38,826,036.69
Loss on credit impairment (losses are represented by "-")	-39,621,437.26	-106,767,606.87
Loss on assets impairment (losses are represented by "-")	-208,413,802.17	-294,520,249.75
Gain from disposal of assets (losses are represented by "-")	16,724,080.33	-690,226.02
III. Operating profit (losses are represented by "-")	5,785,602,389.21	4,832,011,147.02
Add: non-operating income	28,480,914.35	28,791,407.08

Less: non-operating expenses	61,978,372.74	16,674,831.03
IV. Total profit (total losses are represented by “-”)	5,752,104,930.82	4,844,127,723.07
Less: income tax expense	897,903,370.54	814,536,516.95
V. Net profit (net losses are represented by “-”)	4,854,201,560.28	4,029,591,206.12
(I) Classification by continuous operation		
1. Net profit from continuous operation (net losses are represented by “-”)	4,854,201,560.28	4,029,591,206.12
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 “-”)	4,772,967,900.81	3,972,048,160.93
2. Profit or loss attributable to minority shareholders (net losses are represented by “-”)	81,233,659.47	57,543,045.19
VI. Other comprehensive income, net of tax	-697,874,608.40	-772,659,795.98
(I) Other comprehensive income attributable to shareholders of the Parent Company, net of tax	-697,380,805.93	-752,224,384.23
1. Other comprehensive income that cannot be reclassified into the profit or loss	-15,624.72	33,832,338.59
(1) Changes arising from re-measurement of defined benefit plans	-1,824,681.01	26,210,043.83
(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	1,809,056.29	7,622,294.76
(4) Changes in fair value of credit risks of the enterprise		
2. Other comprehensive income to be reclassified into the profit or loss	-697,365,181.21	-786,056,722.82
(1) Other comprehensive income that can be transferred into profit or loss under equity method	-58,801,054.61	-86,187,382.21
(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	-49,088,528.53	-10,706,641.77
(6) Exchange differences on translation of financial statements denominated in foreign currencies	-589,475,598.07	-689,162,698.84
(7) Others		
(II) Other comprehensive income attributable to minority shareholders, net of tax	-493,802.47	-20,435,411.75
VII. Total comprehensive income	4,156,326,951.88	3,256,931,410.14
(I) Total comprehensive income attributable to the owners of Parent Company	4,075,587,094.88	3,219,823,776.70
(II) Total comprehensive income attributable to the minority shareholders	80,739,857.00	37,107,633.44
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.52	0.43
(II) Diluted earnings per share (RMB/share)	0.51	0.42

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 2024

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	2024 First Quarter	2023 First Quarter
I. Cash flow from operating activities:		
Cash received from the sale of goods and rendering services	70,437,233,371.40	63,100,240,082.36
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	569,453,812.34	589,447,199.85
Cash received from other related operating activities	565,020,254.34	479,544,730.11
Sub-total of cash inflows from operating activities	71,571,707,438.08	64,169,232,012.32
Cash paid on purchase of goods and services	49,799,305,856.91	43,093,270,497.16
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	8,452,566,222.34	8,154,764,481.51
Cash paid for all types of taxes	3,376,897,903.32	3,599,653,547.65
Cash paid to other operation related activities	8,218,178,496.08	7,966,751,141.80
Sub-total of cash outflows from operating activities	69,846,948,478.65	62,814,439,668.12
Net cash flow from operating activities	1,724,758,959.43	1,354,792,344.20
II. Cash flow from investing activities:		
Cash received from recovery of investments	1,850,393,171.06	2,925,837,623.76
Cash received from return on investments	327,188,343.89	313,081,596.89
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	7,389,744.75	2,663,610.98
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received from investment activities		15,362,098.03
Sub-total of cash inflows from investing activities	2,184,971,259.70	3,256,944,929.66

Cash paid on purchase of fixed assets, intangible assets and other long-term assets	2,031,381,649.03	1,781,958,509.40
Cash paid for investments	2,357,459,225.79	2,930,379,384.00
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities		
Other cash paid on investment activities	7,636,368.39	
Sub-total of cash outflows from investing activities	4,396,477,243.21	4,712,337,893.40
Net cash flow from investing activities	-2,211,505,983.51	-1,455,392,963.74
III. Cash flow from financing activities:		
Cash received from capital contributions	252,227,131.22	914,000.00
Including: Cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	2,689,290,524.07	3,201,279,929.98
Other cash received from financing activities	378,132.60	
Sub-total of cash inflows from financing activities	2,941,895,787.89	3,202,193,929.98
Cash paid on repayment of loans	2,133,941,240.05	1,338,320,951.31
Cash paid on distribution of dividends, profits or repayment of interest expenses	515,804,208.17	342,819,790.26
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Other cash paid to financing activities	633,304,419.88	163,507,387.92
Sub-total of cash outflows from financing activities	3,283,049,868.10	1,844,648,129.49
Net cash flow from financing activities	-341,154,080.21	1,357,545,800.49
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-62,111,334.66	-110,542,604.87
V. Net increase in cash and cash equivalents	-890,012,438.95	1,146,402,576.08
Add: balance of cash and cash equivalents at the beginning of the period	53,977,310,651.03	53,391,699,929.49
VI. Balance of cash and cash equivalents at the end of the period	53,087,298,212.08	54,538,102,505.57

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

BALANCE SHEET OF THE PARENT COMPANY

31 March 2024

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	31 March 2024	31 December 2023
Current Assets:		
Monetary funds	15,441,109,098.83	7,579,640,524.79
Financial assets held for trading		
Derivative financial assets		
Bills receivable		

Accounts receivable	1,721,961,694.45	1,625,777,099.03
Financing receivables	3,216,331.83	3,212,938.83
Prepayments	22,832,104,310.08	23,649,977,816.57
Other receivables		
Including: Interests receivable	146,151,626.71	117,439,655.79
Dividends receivable	870,000,000.00	570,000,000.00
Inventories	4,326,609.75	5,400,498.27
Among which: Data resource		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,533,121,829.36	1,530,274,566.66
Total current assets	41,535,839,874.30	34,394,283,444.15
Non-current assets:		
Debt investments	3,212,027,069.89	2,884,204,032.25
Other debt investments		
Long-term receivables		
Long-term equity investments	55,922,787,366.64	55,828,696,006.06
Investments in other equity instruments	1,619,260,874.04	1,619,260,874.04
Other non-current financial assets		
Investment properties		
Fixed assets	147,679,245.45	154,588,551.47
Construction in progress	2,534,623.94	6,054.40
Biological assets for production		
Oil and gas assets		
Right-of-use assets		
Intangible assets	39,784,335.55	41,307,540.86
Among which: Data resource		
Development cost		
Among which: Data resource		
Goodwill		
Long-term prepaid expenses	3,958,444.03	3,777,722.63
Deferred income tax assets		
Other non-current assets	1,498,818,858.08	1,501,734,455.48
Total non-current assets	62,446,850,817.62	62,033,575,237.19
Total assets	103,982,690,691.92	96,427,858,681.34
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable		
Accounts payable	1,203,625,278.64	1,120,671,258.40

Receipts in advance		
Contract liabilities	22,457,563.80	22,930,469.11
Payables for staff's remuneration	18,473,999.00	28,602,784.57
Taxes payable	1,582,790.50	5,590,668.41
Other payables	52,475,278,421.75	45,012,683,942.96
Including: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	134,000,000.00	134,000,000.00
Other current liabilities	15,467,610.32	12,486,915.31
Total current liabilities	53,870,885,664.01	46,336,966,038.76
Non-current liabilities:		
Long-term borrowings	3,772,500,000.00	3,779,500,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	58,624.38	
Long-term payable		
Long-term payables for staff's remuneration		
Estimated liabilities		
Deferred income	12,973,300.00	12,973,300.00
Deferred income tax liabilities	420,053,312.58	420,053,312.58
Other non-current liabilities		
Total non-current liabilities	4,205,585,236.96	4,212,526,612.58
Total liabilities	58,076,470,900.97	50,549,492,651.34
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	9,438,114,893.00	9,438,114,893.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	27,490,873,377.30	27,263,651,777.44
Less: treasury stock	3,641,894,152.79	3,175,293,942.36
Other comprehensive income	649,616,172.33	630,674,691.95
Special reserve		
Surplus reserve	4,237,192,318.35	4,237,192,318.35
Undistributed profits	7,732,317,182.76	7,484,026,291.62
Total owners' equity (or shareholders' equity)	45,906,219,790.95	45,878,366,030.00
Total liabilities and owners' equity (or shareholders' equity)	103,982,690,691.92	96,427,858,681.34

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

PROFIT STATEMENT OF THE PARENT COMPANY

January-March 2024

Prepared by: Haier Smart Home Co Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	2024 First Quarter	2023 First Quarter
I. Operating revenue	106,178,155.25	142,018,772.80
Less: operation cost	94,563,000.63	123,626,781.61
Taxes and surcharges	406,641.94	2,205,943.13
Selling expenses	2,327,210.37	13,913,249.96
Administration expenses	235,369,142.21	295,830,087.91
R&D expenses	3,836,325.20	2,282,302.54
Financial expenses	-89,607,397.39	-38,276,088.76
Including: Interest expenses	24,879,450.07	14,767,316.31
Interest income	115,935,583.47	50,795,326.95
Add: other income	3,559,526.35	1,361,535.00
Investment income (losses are represented by "-")	385,525,387.15	92,756,960.39
Including: Investment income of associates and joint ventures	75,149,880.20	63,095,203.30
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 "-")	-77.28	75,168.57
Loss on assets impairment (losses are represented by "-")		
Gain from disposal of assets (losses are represented by "-")		
II. Operating profit (losses are represented by "-")	248,368,068.51	-163,369,839.63
Add: non-operating income		97,218.97
Less: non-operating expenses	77,177.37	66,642.24
III. Total profit (total losses are represented by "-")	248,290,891.14	-163,339,262.90
Less: income tax expenses		1,205.40
IV. Net profit (net losses are represented by "-")	248,290,891.14	-163,340,468.30
(I) Net profit from continuous operation (net losses are represented by "-") -	248,290,891.14	-163,340,468.30
(II) Net profit from discontinued operation (net losses are represented by "-")		
V. Other comprehensive income net of tax	18,941,480.38	
(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	18,941,480.38	
1. Other comprehensive income that can be transferred into profit or loss under equity method	18,941,480.38	
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	267,232,371.52	-163,340,468.30
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 2024

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Audit: Unaudited

Items	2024 First Quarter	2023 First Quarter
I. Cash flow from operating activities:		
Cash received from the sale of goods and rendering of services	114,113,926.20	18,663,841.05
Refunds of taxes	38,214.96	1,443,300.00
Other cash received from operating activities	75,964,873.71	37,716,780.67
Sub-total of cash inflows from operating activities	190,117,014.87	57,823,921.72
Cash paid on purchase of goods and services		1,101,520.58
Cash paid to and on behalf of employees	17,119,015.44	17,176,311.79
Cash paid for all types of taxes	6,861,209.19	13,412,178.57
Other cash paid to operation activities	27,370,037.46	86,209,219.16
Sub-total of cash outflows from operating activities	51,350,262.09	117,899,230.10
Net cash flow from operating activities	138,766,752.78	-60,075,308.38
II. Cash flow from investing activities:		
Cash received from recovery of investments	1,322,000,000.00	2,925,000,000.00
Cash received from return on investments	18,419,623.50	21,701,758.62
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		
Other cash received from investment activities		
Sub-total of cash inflows from investing activities	1,340,419,623.50	2,946,701,758.62
Cash paid on purchase of fixed assets intangible assets and other long-term assets	1,259,098.25	2,819,229.79
Cash paid for investments	1,634,000,000.00	3,573,660,158.00
Net cash paid on acquisition of subsidiaries and other operating entities		
Other cash paid on investment activities		5,269,765.00
Sub-total of cash outflows from investing activities	1,635,259,098.25	3,581,749,152.79
Net cash flow from investing activities	-294,839,474.75	-635,047,394.17
III. Cash flow from financing activities:		
Cash received from capital contributions		
Cash received from borrowings		560,000,000.00
Other cash received from financing activities	8,515,019,172.34	2,739,010,301.07
Sub-total of cash inflows from financing activities	8,515,019,172.34	3,299,010,301.07
Cash paid on repayment of borrowings	7,000,000.00	5,000,000.00
Cash paid on distribution of dividends, profits or interest expenses	23,762,967.35	14,704,375.00
Other cash paid on financing activities	466,600,210.43	18,786,742.95
Sub-total of cash outflows from financing activities	497,363,177.78	38,491,117.95
Net cash flow from financing activities	8,017,655,994.56	3,260,519,183.12
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-114,698.55	1,262,349.58
V. Net increase in cash and cash equivalents	7,861,468,574.04	2,566,658,830.15
Add: balance of cash and cash equivalents at the beginning of the period	7,579,640,524.79	5,747,356,591.19
VI. Balance of cash and cash equivalents at the end of the period	15,441,109,098.83	8,314,015,421.34

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 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 2024

Applicable Not Applicable

The Board of Haier Smart Home Co., Ltd.
29 April 2024

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
29 April 2024

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*