

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

Stock Code: 600690

Short Name: Haier Smart Home

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

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

Important Notice

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

The legal representative of the Company, chief financial officer of the Company and person in charge of accounting department hereby certify that the financial statement 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 | 60,250,997,851.46 | 54,773,701,753.64 | 54,772,592,531.47 | 10.00 |
| Net profit attributable to shareholders of the listed Company | 3,517,044,899.45 | 3,053,933,589.63 | 3,055,155,689.55 | 15.12 |
| Net profit after deduction of non-recurring profit or loss attributable to shareholders of the listed Company | 3,190,978,313.06 | 2,823,027,182.06 | 2,823,027,182.06 | 13.03 |
| Net cash flow from operating activities | 1,154,796,354.40 | 2,863,386,935.66 | 2,868,305,560.21 | -59.74 |
| Basic earnings per share (RMB per share) | 0.38 | 0.33 | 0.33 | 15.15 |
| Diluted earnings per share (RMB per share) | 0.38 | 0.33 | 0.33 | 15.15 |

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| Weighted average return on net assets (%) | 4.28 | 4.38 | 4.38 | decrease by 0.10 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 | 215,409,453,493.38 | 217,459,494,212.74 | 217,459,494,212.74 | -0.94 |
| Owner equity attributable to shareholders of the listed Company | 84,082,609,436.94 | 79,810,927,325.55 | 79,810,927,325.55 | 5.35 |

Reasons for retroactive adjustments or restatement

In the fourth quarter of 2021, the Company completed the relevant matters in respect of the acquisition of Qingdao Haier Quality Testing Co., Ltd. (For details of the acquisition matters, please refer to the “Announcement on the Acquisition of Equity Interest in a Subsidiary from Haier Group Corporation by Haier Smart Home Co., Ltd. and Connected Transaction” disclosed on 30 October 2021 by the Company and relevant announcements) The transaction is a business combination under common control and the Company has subsequently restated the comparative statements for the corresponding period in accordance with relevant accounting standards.

During the Reporting Period, in light of the challenges arising from weak market demand, consistently high price of bulk raw materials and resurgence of COVID-19, the Company adhered to the strategic goal of becoming a smart home ecosystem brand in the Internet of Things era, continued to strengthen its high-end brand advantage through product upgrade and innovation, and implemented whole-process digital transformation to achieve cost reduction and efficiency improvement. We explored weak network business in domestic market while continuing our high-end brand building strategy in the overseas market, expanded the advantages in our core home appliances and tapped into new business areas to achieve sustainable and steady business development.

Performance of Key Indicators

I. Revenue and profit

In the first quarter of 2022, the Company realized revenue of RMB 60.251 billion and net profit attributable to the owners of the parent company of RMB3.517 billion, representing an increase of 10.0% and 15.1% as compared to the corresponding period of 2021.

1. Smart Home and other Businesses in China

The Company delivered solid results through enhancing operational efficiency and improving user experience. On one hand, business operational efficiency and cost competitiveness were enhanced through digitalization, innovative operational model and establishment of whole process and full staff cost system. On the other hand, retail sales were increased through integration of online and offline stores and establishment of end-to-end digital platform, which optimized the resource input with better performance and reduced the proportion of underperforming regions, thus facilitating customer acquisition and boosting

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the conversion efficiency. Furthermore, we accelerated expansion in home improvement channels by opening 120 new Three-Winged Bird 001 stores to capture increasing consumer demand for comprehensive built-in appliances packages.

In the first quarter of 2022, revenue from the smart home and other businesses in China increased by 16.0% as compared to the corresponding period of 2021 while Casarte's sales revenue increased by 32.3% year-on-year from 2021.

(1) Household Food Storage and Cooking Solutions (Internet of Food) Refrigerator

According to CMM, by retail revenues, our leadership was strengthened with shares of online and offline refrigerator market were 38.6% and 42.8% respectively in the first quarter of 2022.

During the reporting period, the Company focused on product mix upgrades, digital efficiency enhancement and smart manufacturing. Boguan refrigerators boasting cell-level freshness preservation was launched to fully meet more sophisticated demand of preserving food ingredients, thus contributing to the increases of medium- and high-end products. We also developed dual-axis variable hinges and moved the cooling units to the bottom to further enhance the competitiveness of our built-in refrigerators. Through scenario solutions characterized by premium preservation and integrated design of cabinet and kitchen, we pioneered the trend of home appliance and home furnishing integration. In addition, the publication of Built-in Refrigerator Standard established the installation standard of built-in units in order to further improve user experiences.

Kitchen Appliance

According to CMM, by retail revenues, our shares of online and offline kitchen appliances market were 4.5% and 7.3% respectively in the first quarter of 2022, while Casarte's market share recorded a year-on-year growth of 0.9 percentage points offline.

During the reporting period, the Company focused on high-end solution strategy and accelerated expansion in home improvement channels by launching bestsellers such as Casarte Gourmet and Galaxy series, both of which contributed to Casarte's kitchen appliance revenue growth of 70.3% year-on-year with 96.7% revenue increase from dish washers. 859 new sales outlets were developed in home improvement channels and lower tier markets during the period. We also made effort to gain user recognition with Three-Winged Bird kitchen scenarios solutions, formed cross-industry alliances with interior designers, organized interactive events such as "super BBQ", while offering cleaning and upgrading services to boost user conversion efficiency.

(2) Household Laundry Solutions (Internet of Clothing)

According to CMM, by retail revenues, the Company's leadership consolidated with market share of 40.3% online and 45.4% offline in the first quarter of 2022; in particular, our

shares of online and offline tumble dryer market increased by 2.5 and 2.3 percentage points respectively reaching 27.6% and 35.3%, putting us in top one position offline.

During the Reporting Period, the Company expedited the development of tumble dryers growth with continuous innovation. Casarte's Zhongzihemei series addresses users' concern of separated washing and drying with additional space required to stack two machines, and it achieved market share of 95% in top washer + bottom dryer category. The Company also achieved 114% revenue growth from tumble dryers with increased investment and new product launches including Casarte Xianjianhemei (纖見和美) Dryer.

(3) Air Solutions

Home air conditioning

The Company focused primarily on smart and health-conscious products, strengthened the retail transformation and made breakthroughs in medium to high end products. According to CMM, by retail revenues, Haier's online and offline market share was 13.7% and 19.6% respectively. Leveraging on growing product portfolio of Casarte and Haier water-cleaning air conditioner, our market share in the high-end home air conditioners (hanging machines priced above RMB4,000 and standing machines priced above RMB10,000) reached 24.3%, up by 4.8 percentage points year-on-year.

During the Reporting Period, the Company focused on growing revenue with differentiated product innovation where Haier features healthy air, Casarte features double tower of soft wind while Leader caters for young and trendy demand. Meanwhile, we enhanced retail transformation, strived to achieve full user coverage, 1,515 new franchise stores were developed to increase presence in air conditioner, HVAC and water solutions channels. Capitalizing on the brand awareness of the Three-Winged Bird scenario solutions and the three-in-one user platform (including sales, design and service), home central air conditioner revenue grew by over 70% leveraging on Three Winged Bird one stop purchase, design and service solutions.

Commercial air conditioning

The Company focused on meeting segmented user demand with exclusive customized air solutions for different scenarios such as transportation, commercial real estate, data centres and hotels: 1. The Company's introduced more environmentally friendly HFO refrigerant in maglev air conditioners to address our users' concern of carbon reduction and environment protection. 2. In the European market, we released R32 environmental protection refrigerant air source heat pump products that heat water, kills bacteria and automatically adjust temperature, without having to heat water and the room at different temperature, thus well-received by local users.

(4) Household Water Solutions

Water heater

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According to CMM, in the first quarter of 2022, by retail revenues, our shares of online and offline water heater market were 32.7% and 29.3% respectively.

During the reporting period, our water heater business continued to enhance user experience through technological innovation and product upgrade. 1. Following the launch of limescale free, leakage free, rust free Casarte Crystal Tank Galaxy series, we developed a new series of double-tank electric water heaters to capture user demand for better bath experience with small size, appealing design and large capacity water heaters. 2. Gas water heaters revenue grew by 30% leveraging on technological innovation, the Company innovated gas-electric hybrid technology, which uses both natural gas and electricity for optimal energy usages and constant temperature, bringing users a great bathing experience. 3. We also made efforts to extend our services and solutions into local communities in order to improve user conversion efficiency.

Water purifier

During the reporting period, our water purifier business grew by almost 30% despite 19.7% industry decline. 1. With continuous innovation to meet user demand, Casarte launched strontium-rich water purifier, which provides strontium-rich water solutions. 2. Supply chain capability was enhanced and the Company started manufacturing its own filter, water circuit board and moulding modules, laying down solid foundations for future growth.

II. Overseas home appliances and smart home businesses

In the first quarter of 2022, the Company's overseas business grew by 4.2% and operating profit margin increased by 0.1 percentage points as compared with the same period in 2021.

Amid escalating input costs and logistic bottleneck in the overseas markets, the Company continued to strengthen its core home appliance business through diversified solutions and product upgrades while actively explored new product categories. Business transformation was accelerated through precise marketing online channels and distribution network integration offline. Leveraging the advantages of the global collaborative platform, we took the initiative to address the challenges of rising raw material and freight costs through joint negotiations, allocation optimization and strategic procurement to secure product supply.

(1) The American Market

During the first quarter of 2022, despite of a challenging environment, we gained core appliance share in North America region. The revenue from premium brands including Monogram, Café and GE Profile grew by over 30%. We continued to enhance our premium product leadership by launching 36' build-in column refrigerator, releasing "Over the Air" (OTA) upgrades to our smart oven owners to continue to enhance their post-sale experience, and introducing GE Profile brand top-load washing machine to the marketplace. Meanwhile, our Supply Chain and Human Resources teams joined efforts to drive the "total employee

value proposition” initiative and made significant progress on our hourly employee hiring and retention. Besides offering market-based wage and benefits, our focus on shift flexibility, safe and accommodating working environment, and positive working group culture played key factor in improving our labor force stability and productivity. The output from GEA’s factories hit record level in the month of March. In addition, we accelerated new business developments in air-conditioning, water heaters, and small appliances to unlock future growth potentials. We have developed new partners in HVAC and construction industry trade shows. RealMAX gas water heater (manufactured in our newly opened Camden, SC factory) and new central air conditioner units unveiled at AHR Expo (The International Air-Conditioning, Heating, Refrigeration Exposition) received wide recognition; Our one-stop shop service model gained strong interests.

(2) The European Market

The Company adhered to its high-end transformation strategy and promoted the localization of operation. GFK recognized the Company to be the fastest growing company in the local market in terms of sales volume and sales revenue as of February 2022. Qingdao headquarters joined hands with European R&D centre to launch a new product series of Cube90 refrigerator with independent cold air supply system and special filter, which reduce odour and improve user experience in ice making function. The production capacity of the Romanian refrigerator factory was gradually ramping up, and the output in the first quarter of 2022 has exceeded the total output since its commissioning last year.

II. Gross Profit Margin

As always, the Company focuses on product innovation and the establishment of world-leading R&D system, development of high-end brands, local capacity building in the three aspects of “R&D, marketing and manufacturing” in overseas markets, and multi-brand operating capability, which enable the Company to properly respond to challenges brought about by adverse factors such as rising costs.

In the first quarter of 2022, gross profit margin of the Company was 28.5%, representing an increase of 0.05 percentage points as compared with the same period in 2021. In the domestic market, the proportion of revenue from Casarte continued to increase and refined manufacturing was implemented to achieve low-cost manufacturing and efficient delivery to hedge against the negative impact of rising commodity prices. In the overseas market, given high transportation costs, coupled with challenges of rising raw material prices, each region hedged its cost pressure by adjusting its market strategy, increasing the proportion of mid- to high-end products, continuously optimizing the supply chain layout, and reducing costs and improving efficiency.

III. Operating Expenses Ratio

1. The selling expense ratio of the Company in the first quarter of 2022 was 13.9%, representing an improvement of 0.4 percentage points as compared with the same period in 2021. In the domestic market, the Company continuously implemented digital transformation, building up the cost awareness of all employees to improve the efficiency in marketing expenses and organizational operation. In the overseas market, the Company continued product mix upgrade, and accelerated information system

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implementation to improve operational efficiency and optimize the selling expense ratio through effective expense control.

2. The administrative expense ratio in the first quarter of 2022 was 3.6%, representing an improvement of 0.3 percentage points as compared with the same period in 2021. The improvement in administrative expense ratio was attributable to the digital transformation, personnel enhancement and operation efficiency of the Company.
3. The research and development expense ratio in the first quarter of 2022 was 4.1%, representing an increase of 0.3 percentage points year on year. It was mainly due to the major investment in the core technology for the smart home segment and efforts in our core capabilities to promote the subversive and advanced technology layout of various industries, and the construction of technical capabilities in the Three-Winged Bird scenario brand.
4. The financial expense ratio in the first quarter of 2022 was 0.2%, representing a decrease of 0.1 percentage point year on year. The decrease was mainly due to a decrease in interest expenses resulting from the conversion of the convertible bonds, repayment of borrowings and replacement of borrowings with low interest rate of the Company; and an increase in interest income resulting from enhanced capital management efficiency.

IV. Working Capital

1. Trade and bill receivable turnover days

The trade and bill receivable turnover days of the Company was 40.4 days in the first quarter of 2022, representing a decrease of 6.1 days as compared with the end of 2021, which was mainly attributable to the effective control over trade and bill receivables of the Company.

2. Inventory turnover days

The inventory turnover days of the Company was 84.5 days in the first quarter of 2022, representing an increase of 3.6 days as compared to the end of 2021, which was mainly attributable to increased efforts in inventory preparation amid limited overseas logistic capacity.

3. Trade and bill payable turnover days

In the first quarter of 2022, trade and bill payable turnover days was 142 days, representing a decrease of 3.7 days as compared to the end of 2021, which was mainly attributable to the change in payment cycle arising from the switch of procurement method.

V. Cash Flow Analysis

1. Net cash flow from operating activities for the period amounted to RMB1.155 billion, representing a decrease of RMB1.714 billion as compared to the corresponding period. It was mainly due to bulk commodity inventory and procurement and consumption of

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chips, decrease in payment collection resulting from the impact of pandemic and increased efforts in inventory preparation amid limited overseas logistic capacity for the period;

2. Net cash outflow from investing activities for the period amounted to RMB2.474 billion, representing an increase of RMB1.853 billion as compared to the corresponding period, which was mainly due to the cash outflow from the purchase of wealth management products for the period and cash inflow from the redemption of wealth management products in the same period;
3. Net cash inflows from financing activities for the period amounted to RMB1.702 billion, while net cash outflows in financing activities for the corresponding period amounted to RMB4.351 billion, which was mainly due to the additional issuance of H Shares to raise cash inflow and the repayment of ultra short-term facilities for the period.

VI. Capital Expenditure

The Company assesses its capital expenditure and investments in each segment in China and overseas from time to time. The capital expenditure in the first quarter of 2022 was RMB1.738 billion, of which RMB0.867 billion and RMB0.871 billion were used in China and overseas, respectively, primarily for plant and equipment construction, property rental, and digital infrastructure.

VII. Asset-liability Ratio

At the end of the first quarter in 2022, the Company's asset-liability ratio was 60.3%, representing a decrease of 2.4 percentage points as compared to the end of 2021, which was mainly due to the ongoing conversion of convertible bonds and 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 | -3,203,893.61 |
| 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 | 226,010,236.42 |
| 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 | 126,793,110.17 |
| Other non-operating income and expenses other than the above | 16,414,563.25 |
| Less: effect on income tax | 37,145,649.32 |

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| | |
|--|----------------|
| Effect on minority interests (after tax) | 2,801,780.52 |
| Total | 326,066,586.39 |

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

Applicable Not Applicable

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

Applicable Not Applicable

| Items | Percentage of change (%) | Main reasons |
|---|--------------------------|---|
| Net cash flow from operating activities | -59.74 | It was mainly due to bulk commodity inventory and procurement and consumption of chips, decrease in payment collection resulting from the impact of pandemic and increased efforts in inventory preparation amid limited overseas logistic capacity |

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 | 177,413 | Total number of preferential shareholders with restored voting rights as of the end of the Reporting Period (if any) | | N/A | | |
|---|---------------------------------------|--|---------------------------------|---|---------------------------|--------|
| Shareholdings of the top 10 shareholders | | | | | | |
| Name of shareholders | Nature of shareholders | Number of shares held | Percentage of shareholdings (%) | Number of shares held subject to trading moratorium | Pledged, marked or frozen | |
| | | | | | Status | Number |
| HKSCC NOMINEES LIMITED (note) | Unknown | 2,239,601,283 | 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 | Unknown | 673,419,377 | 7.13 | | 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 | |

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| 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 | 118,924,416 | 1.26 | | Nil | |
| China Merchants Bank Co., Ltd. – Xingquan Herun Hybrid Securities Investment Fund | Unknown | 86,987,772 | 0.92 | | Nil | |
| ALIBABA INVESTMENT LIMITED | Unknown | 83,823,993 | 0.89 | | Unknown | |
| Shareholdings of the top 10 shareholders not subject to trading moratorium | | | | | | |
| Name of shareholders | Number of listed shares not subject to trading moratorium held | Class and number of shares | | | | |
| | | Class | Number | | | |
| HKSCC NOMINEES LIMITED | 2,239,601,283 | Overseas listed foreign shares | 2,239,601,283 | | | |
| 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. | 673,419,377 | RMB ordinary shares | 673,419,377 | | | |
| 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) | 118,924,416 | RMB ordinary shares | 118,924,416 | | | |
| China Merchants Bank Co., Ltd. – Xingquan Herun Hybrid Securities Investment Fund | 86,987,772 | RMB ordinary shares | 86,987,772 | | | |
| ALIBABA INVESTMENT LIMITED | 83,823,993 | Overseas listed foreign shares | 83,823,993 | | | |
| Explanation of associations or actions in concert among the above shareholders | <p>(1) Haier COSMO Co., Ltd. is a subsidiary of Haier Group Corporation. Haier Group Corporation holds 51.20% of its equity. 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, 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) | As at the end of the Reporting Period, Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership) engaged in refinancing and securities lending business, involving a total of 1,698,000 shares, whilst the ownership of which had not been transferred. The actual number of shares held by it totalled 120,622,416 shares. | | | | | |

Note: 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 shareholder.

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

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by the Company and its subsidiaries were guarantees between the Company and its subsidiaries, the total balance of which amounted to RMB11.037 billion, accounting for 13.8% of the Company's latest audited net assets and 5.1% 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 USD1.94 billion.
- (3) **Entrusted wealth management:** By the end of the Reporting Period, the balance of the Company's entrusted wealth management amounted to RMB3.316 billion, including two parts:
 - ① **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 RMB0.19 billion;
 - ② **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 low risk wealth management products and structured deposits from major commercial banks to improve the yield of temporarily-idle funds and the return for shareholders within the authority of the 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 RMB3.126 billion.
- (4) **Progress of the A-share repurchases:** On 30 March 2022, the Company convened the 27th meeting of the 10th session of the Board, which considered and approved the Resolution in Relation to the Repurchase Plan of a Portion of Public A Shares of Haier Smart Home Co., Ltd. It approved the Company to use its own funds to repurchase a portion of A shares of the Company by way of centralised bidding. The repurchase price is no more than RMB35 per share and the proposed total repurchase amount is no more than RMB3.0 billion and no less than RMB1.5 billion. The period of this repurchase is within 12 months from the date the Board considered and approved the resolution of repurchase of shares. As at the end of the Reporting Period, the repurchase has not commenced.
- (5) **Progress of the matters in relation to share incentives:** The Company held the second extraordinary general meeting of 2021 and other relevant meetings on 15 September 2021 to consider and approve the "2021 A Share Option Incentive Scheme (draft) of Haier Smart Home Co., Ltd. and its summary". The share incentive plan involved a total of 51,000,000 share options (of which 46,000,000 options would be granted under the first grant and 5,000,000 options would be reserved), with an exercise price of RMB25.63 per share. On 15 December 2021, the Company held the 25th meeting of the tenth session of Board and other relevant meetings to consider and approve the "Resolution on the Grant of the Reserved Share Options under The 2021 A Share Option Incentive Scheme to the Participants of Haier Smart Home Co., Ltd.", after which the works related to the grant of the reserved share options under the Share Option Incentive Scheme was completed. During the Reporting Period, registration of the grant was completed. Please refer to Announcement of Haier Smart Home Co., Ltd. on Completion of Registration of the Grant of the Reserved Share Options under The 2021 A Share Option Incentive Scheme issued on 19 January 2022 for further details.
- (6) **Progress of the matters in relation to shareholding increase by shareholder:** On 8 March 2022, Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership) (hereinafter referred to as "Haichuangzhi"), a concerted actor of Haier Group Corporation which is the actual controller of the Company informed the Company that, Haichuangzhi intended to increase their shareholdings in the Company's A shares within the time frame permitted by

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relevant laws and regulations in the next 6 months with an accumulated amount of shareholding increase no less than RMB200 million but not over RMB350 million (including the shares of the Shareholding Increase). As at the end of the Reporting Period, the Shareholding Increase were completed, and Haichuangzhi has accumulatively increased its holdings by 15,712,200 A shares in the Company, with the shareholding increase amounting to approximately RMB347,719,237.42. Please refer to Announcement of Haier Smart Home Co., Ltd. on the Increase in Shareholding of the Company by Actual Controller's Concerted Actor and Announcement of Haier Smart Home Co., Ltd. on Implementation Result of the Increase in Shareholding of the Company by Actual Controller's Concerted Actor issued on 9 March 2022 and 19 March 2022 respectively for further details.

IV. Quarterly Financial Statements

(I) Type of Audit Opinion

Applicable Not Applicable

(II) Financial Statements

Consolidated Balance Sheet

31 March 2022

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

| Items | 31 March 2022 | 31 December 2021 |
|--|-------------------|-------------------|
| Current assets: | | |
| Monetary fund | 46,244,083,521.60 | 45,857,170,275.40 |
| Provision of settlement fund | | |
| Funds lent | | |
| Financial assets held for trading | 2,656,863,293.96 | 2,786,075,529.09 |
| Derivative financial assets | 39,153,864.31 | 79,819,974.01 |
| Bills receivable | 9,329,284,796.10 | 13,354,791,068.29 |
| Accounts receivable | 16,073,565,476.47 | 14,631,018,397.43 |
| Financing receivables | | |
| Prepayments | 655,957,476.70 | 857,233,123.00 |
| Premiums receivable | | |
| Reinsurance accounts receivable | | |
| Reinsurance contract reserves receivable | | |
| Other receivables | 1,972,164,521.84 | 1,955,082,163.25 |
| Including: Interest receivable | | |
| Dividend receivable | | |
| Financial assets purchased under resale agreements | | |
| Inventories | 39,847,032,277.52 | 39,863,171,040.31 |
| Contract assets | 320,661,362.76 | 304,434,294.70 |
| Assets held for sale | | |
| Non-current assets due in one year | | |
| Other current assets | 4,203,932,606.05 | 3,918,981,117.19 |

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| | | |
|--|--------------------|--------------------|
| Total current assets | 121,342,699,197.31 | 123,607,776,982.67 |
| Non-current assets: | | |
| Loans and advances granted | | |
| Debt investments | | |
| Other debt investments | | |
| Long-term receivables | 295,497,213.74 | 308,998,755.30 |
| Long-term equity investments | 23,694,494,500.53 | 23,232,200,859.25 |
| Investments in other equity instruments | 4,841,297,700.90 | 4,848,709,438.96 |
| Other non-current financial assets | | |
| Investment properties | 24,413,961.10 | 24,964,888.48 |
| Fixed assets | 22,455,738,327.89 | 22,307,089,801.15 |
| Construction in progress | 4,211,192,449.03 | 4,183,263,398.79 |
| Biological assets for production | | |
| Oil and gas assets | | |
| Right-of-use assets | 2,840,562,008.88 | 2,734,016,745.17 |
| Intangible assets | 9,356,306,654.43 | 9,549,607,918.13 |
| Development cost | 346,005,789.12 | 227,892,229.13 |
| Goodwill | 21,716,965,547.05 | 21,827,103,060.76 |
| Long-term prepaid expenses | 646,964,077.96 | 588,676,388.91 |
| Deferred income tax assets | 1,674,574,684.45 | 1,854,809,732.90 |
| Other non-current assets | 1,962,741,380.99 | 2,164,384,013.14 |
| Total non-current assets | 94,066,754,296.07 | 93,851,717,230.07 |
| Total assets | 215,409,453,493.38 | 217,459,494,212.74 |
| Current liabilities: | | |
| Short-term borrowings | 11,918,437,135.36 | 11,226,212,134.39 |
| Borrowings from central bank | | |
| Due to banks and other financial institutions | | |
| Financial liabilities held for trading | 311,349.95 | 6,294,014.40 |
| Derivative financial liabilities | 87,130,911.96 | 80,212,433.24 |
| Bills payable | 26,856,069,931.01 | 25,023,238,406.72 |
| Accounts payable | 39,767,335,586.35 | 42,344,857,144.49 |
| Receipts in advance | | |
| Contract liabilities | 6,381,711,441.58 | 10,016,870,340.44 |
| Disposal of repurchased financial assets | | |
| Absorbing deposit and deposit in inter-bank market | | |
| Customer deposits for trading in securities | | |
| Amounts due to issuer for securities underwriting | | |
| Payables for staff's remuneration | 3,130,747,103.19 | 4,113,881,586.96 |

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

| | | |
|---|--------------------|--------------------|
| Taxes payable | 2,397,234,111.69 | 2,603,683,461.84 |
| Other payables | 16,806,469,680.20 | 17,524,160,065.70 |
| Including: Interest payable | | |
| Dividend payable | | |
| Fees and commissions payable | | |
| Reinsurance accounts payables | | |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | 9,497,623,718.63 | 9,623,014,847.76 |
| Other current liabilities | 1,584,896,102.10 | 2,234,530,124.82 |
| Total current liabilities | 118,427,967,072.02 | 124,796,954,560.76 |
| Non-current liabilities: | | |
| Deposits for insurance contracts | | |
| Long-term borrowings | 2,969,097,714.03 | 3,038,573,824.53 |
| Bonds payable | 234,601,315.04 | 334,730,048.82 |
| Including: Preference shares | | |
| Perpetual bonds | | |
| Lease liabilities | 2,062,970,955.04 | 1,960,894,981.47 |
| Long-term payables | 49,326,070.86 | 99,602,707.76 |
| Long-term payables for staff's remuneration | 1,140,839,981.24 | 1,173,151,761.64 |
| Estimated liabilities | 2,103,307,870.21 | 1,948,565,477.11 |
| Deferred income | 849,346,458.58 | 852,794,567.20 |
| Deferred income tax liabilities | 2,126,273,722.03 | 2,121,803,173.83 |
| Other non-current liabilities | 34,601,547.07 | 49,461,683.90 |
| Total non-current liabilities | 11,570,365,634.10 | 11,579,578,226.26 |
| Total liabilities | 129,998,332,706.12 | 136,376,532,787.02 |
| Owners' equity (or shareholders' equity): | | |
| Paid-in capital (or share capital) | 9,446,522,864.00 | 9,398,704,530.00 |
| Other equity instruments | 82,819,303.57 | 118,017,507.59 |
| Including: Preference shares | | |
| Perpetual bonds | | |
| Capital reserve | 23,778,407,054.17 | 22,549,345,568.94 |
| Less: treasury stock | 2,424,038,819.70 | 2,424,038,819.70 |
| Other comprehensive income | -1,652,241,803.54 | -1,176,851,699.92 |
| Special reserve | | |
| Surplus reserve | 3,438,615,909.84 | 3,438,615,909.84 |
| General risk provisions | | |
| Undistributed profits | 51,412,524,928.60 | 47,907,134,328.80 |
| Total equity attributable to owners (or shareholders) of the Parent Company | 84,082,609,436.94 | 79,810,927,325.55 |
| Minority shareholders' interests | 1,328,511,350.32 | 1,272,034,100.17 |

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

| | | |
|--|--------------------|--------------------|
| Total owners' equity (or shareholders' equity) | 85,411,120,787.26 | 81,082,961,425.72 |
| Total liabilities and owners' equity (or shareholders' equity) | 215,409,453,493.38 | 217,459,494,212.74 |

Person in charge of the Company: Liang Haishan Person in charge of accounting function: Gong Wei Person in charge of accounting department: Ying Ke

Consolidated Profit Statement

January-March 2022

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

| Items | First quarter of 2022 | First quarter of 2021 |
|--|--------------------------|--------------------------|
| I. Total operating revenue | 60,250,997,851.46 | 54,772,592,531.47 |
| Including: Operating revenue | 60,250,997,851.46 | 54,772,592,531.47 |
| Interest income | | |
| Insurance premiums earned | | |
| Fee and commission income | | |
| II. Total cost of operations | 56,398,614,588.02 | 51,508,443,522.30 |
| Including: Operating cost | 43,054,093,037.06 | 39,169,088,949.86 |
| 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 | 142,195,327.93 | 143,409,560.74 |
| Selling expenses | 8,395,799,080.78 | 7,831,694,562.30 |
| Administrative expenses | 2,187,095,074.32 | 2,125,286,512.82 |
| R&D expenses | 2,481,992,023.76 | 2,067,952,212.64 |
| Financial expenses | 137,440,044.17 | 171,011,723.94 |
| Including: Interest expenses | 152,524,547.43 | 168,902,785.14 |
| Interest income | 178,040,888.66 | 131,357,927.57 |
| Add: other income | 273,454,496.79 | 225,677,913.79 |
| investment income (losses are represented by “-”) | 514,977,547.90 | 448,142,363.59 |
| Including: Investment income of associates and joint ventures | | |
| Income generated from the derecognition of financial assets measured at amortized cost | | |

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

| | | |
|--|------------------|------------------|
| 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 “-”) | 7,355,216.91 | 33,509,263.35 |
| Loss on credit impairment (losses are represented by “-”) | -70,157,502.39 | -59,663,317.58 |
| Loss on assets impairment (losses are represented by “-”) | -278,727,796.15 | -250,932,437.96 |
| Gain from disposal of assets (losses are represented by “-”) | 1,201,049.66 | -11,607,188.24 |
| III. Operating profit (losses are represented by “-”) | 4,300,486,276.16 | 3,649,275,606.12 |
| Add: non-operating income | 35,238,560.88 | 39,370,549.80 |
| Less: non-operating expenses | 18,823,997.63 | 25,331,418.57 |
| IV. Total profit (total losses are represented by “-”) | 4,316,900,839.41 | 3,663,314,737.35 |
| Less: income tax expense | 750,563,317.01 | 566,344,450.16 |
| V. Net profit (net losses are represented by “-”) | 3,566,337,522.40 | 3,096,970,287.19 |
| (I) Classification by continuous operation | | |
| 1. Net profit from continuous operation (net losses are represented by “-”) | 3,566,337,522.40 | 3,096,970,287.19 |
| 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 “-”) | 3,517,044,899.45 | 3,055,155,689.55 |
| 2. Profit or loss attributable to minority shareholders (net losses are represented by “-”) | 49,292,622.95 | 41,814,597.64 |
| VI. Other comprehensive income, net of tax | -475,680,420.93 | 156,278,497.23 |
| (I) Other comprehensive income attributable to owners of the Parent Company, net of tax | -475,390,103.62 | 156,003,524.98 |
| 1. Other comprehensive income that cannot be reclassified into the profit or loss | 5,181,077.01 | 2,958,991.70 |
| (1) Changes arising from re-measurement of defined benefit plans | 1,384,989.40 | 459,638.27 |
| (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 | 3,796,087.61 | 2,499,353.43 |
| (4) Changes in fair value of credit risks of the enterprise | | |

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

| | | |
|---|------------------|------------------|
| 2. Other comprehensive income to be reclassified into the profit or loss | -480,571,180.63 | 153,044,533.28 |
| (1) Other comprehensive income that can be transferred into profit or loss under equity method | -45,340,301.17 | 30,987,761.94 |
| (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 | 11,830,091.92 | 30,531,599.43 |
| (6) Exchange differences on translation of financial statements denominated in foreign currencies | -447,060,971.38 | 91,525,171.91 |
| (7) Others | | |
| (II) Other comprehensive income attributable to minority shareholders, net of tax | -290,317.31 | 274,972.25 |
| VII. Total comprehensive income | 3,090,657,101.47 | 3,253,248,784.42 |
| (I) Total comprehensive income attributable to the owners of Parent Company | 3,041,654,795.83 | 3,211,159,214.53 |
| (II) Total comprehensive income attributable to the minority shareholders | 49,002,305.64 | 42,089,569.89 |
| VIII. Earnings per share: | | |
| (I) Basic earnings per share (RMB/share) | 0.38 | 0.33 |
| (II) Diluted earnings per share (RMB/share) | 0.38 | 0.33 |

Person in charge of the Company: Liang Haishan Person in charge of accounting function: Gong Wei Person in charge of accounting department: Ying Ke

Consolidated Cash Flow Statement

January-March 2022

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

| Items | First quarter of 2022 | First quarter of 2021 |
|--|--------------------------|--------------------------|
| I. Cash flow from operating activities: | | |
| Cash received from the sale of goods and rendering services | 60,025,158,217.48 | 58,803,307,488.41 |
| 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 | | |

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

| | | |
|---|-------------------|-------------------|
| 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 | 849,953,359.92 | 638,124,801.32 |
| Cash received from other related operating activities | 519,443,803.72 | 337,121,210.49 |
| Sub-total of cash inflows from operating activities | 61,394,555,381.12 | 59,778,553,500.22 |
| Cash paid on purchase of goods and services | 43,400,069,463.53 | 41,259,822,935.88 |
| Net increase in loans and advances of customers | | |
| Net increase in deposits in the PBOC and inter-bank | | |

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

| | | |
|---|-------------------|-------------------|
| 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 | 7,402,379,953.60 | 6,915,432,049.97 |
| Cash paid for all types of taxes | 2,382,990,451.73 | 1,868,545,728.60 |
| Cash paid to other operation related activities | 7,054,319,157.86 | 6,866,447,225.56 |
| Sub-total of cash outflows from operating activities | 60,239,759,026.72 | 56,910,247,940.01 |
| Net cash flow from operating activities | 1,154,796,354.40 | 2,868,305,560.21 |
| II. Cash flow from investing activities: | | |
| Cash received from recovery of investments | 2,220,934,479.69 | 1,847,586,006.66 |
| Cash received from return on investments | 276,944,289.60 | 187,838,963.62 |
| Net cash received from the disposal of fixed assets, intangible assets and other long-term assets | 38,803,953.58 | 8,375,816.24 |
| Net cash received from disposal of subsidiaries and other operating entities | | |
| Other cash received from investment activities | 831,333.24 | |
| Sub-total of cash inflows from investing activities | 2,537,514,056.11 | 2,043,800,786.52 |
| Cash paid on purchase of fixed assets, intangible assets and other long-term assets | 1,738,003,478.18 | 1,705,433,208.58 |
| Cash paid for investments | 3,272,731,117.77 | 956,438,067.51 |
| 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 | 3,108,890.00 |
| Sub-total of cash outflows from investing activities | 5,011,901,367.70 | 2,664,980,166.09 |
| Net cash flow from investing activities | -2,474,387,311.59 | -621,179,379.57 |
| III. Cash flow from financing activities: | | |
| Cash received from capital contributions | 984,641,004.94 | 8,600,000.00 |
| Including: Cash received from capital contributions by minority shareholders of subsidiaries | | |
| Cash received from borrowings | 3,238,140,935.86 | 3,638,242,020.00 |
| Other cash received from financing activities | 1,657,684.48 | 5,247,822.60 |
| Sub-total of cash inflows from financing activities | 4,224,439,625.28 | 3,652,089,842.60 |
| Cash paid on repayment of loans | 2,246,724,396.38 | 7,468,738,195.77 |
| Cash paid on distribution of dividends, profits or repayment of interest expenses | 112,963,091.19 | 161,883,851.31 |
| Including: Dividend and profit paid to minority shareholders by subsidiaries | | |

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

| | | |
|--|-------------------|-------------------|
| Other cash paid to financing activities | 162,675,833.14 | 372,909,996.24 |
| Sub-total of cash outflows from financing activities | 2,522,363,320.71 | 8,003,532,043.32 |
| Net cash flow from financing activities | 1,702,076,304.57 | -4,351,442,200.72 |
| IV. Effect of fluctuations in exchange rates on cash and cash equivalents | 45,004,359.83 | -10,016,712.63 |
| V. Net increase in cash and cash equivalents | 427,489,707.21 | -2,114,332,732.71 |
| Add: balance of cash and cash equivalents at the beginning of the period | 44,957,500,783.10 | 45,641,535,671.08 |
| VI. Balance of cash and cash equivalents at the end of the period | 45,384,990,490.31 | 43,527,202,938.37 |

Person in charge of the Company: Liang Haishan Person in charge of accounting function: Gong Wei Person in charge of accounting department: Ying Ke

BALANCE SHEET OF THE PARENT COMPANY

31 March 2022

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

| Items | 31 March 2022 | 31 March 2021 |
|--|-------------------|-------------------|
| Current Assets: | | |
| Monetary capital | 2,826,514,373.01 | 4,043,535,735.48 |
| Trading financial assets | | |
| Derivative financial assets | | |
| Bills receivable | | |
| Accounts receivable | 558,463,157.83 | 546,532,442.90 |
| Financing receivables | | |
| Prepayments | 4,228,627.14 | 275,052,864.92 |
| Other receivables | 16,801,590,730.29 | 16,245,280,168.41 |
| Including: interests receivable | | |
| dividends receivable | | |
| Inventories | 12,508,637.50 | 1,139,135.32 |
| Contract assets | | |
| Assets held for sale | | |
| Non-current assets due within one year | | |
| Other current assets | 1,147,727,732.09 | 337,476,209.01 |
| Total current assets | 21,351,033,257.86 | 21,449,016,556.04 |
| Non-current assets: | | |
| Debt investments | | |
| Other debt investments | | |
| Long-term receivables | | |
| Long-term equity investments | 52,694,446,757.22 | 52,513,760,277.77 |
| Other equity instruments investments | 1,615,450,032.92 | 1,615,450,032.92 |

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

| | | |
|---|-------------------|-------------------|
| Other non-current financial assets | | |
| Investment properties | | |
| Fixed assets | 175,277,455.45 | 179,789,817.34 |
| Construction in progress | 18,780,396.12 | 17,569,516.17 |
| Biological assets for production | | |
| Oil and gas assets | | |
| Right-of-use assets | 1,002,388.87 | 1,217,186.49 |
| Intangible assets | 53,438,492.25 | 55,171,485.39 |
| Development expenses | | |
| Goodwill | | |
| Long-term prepaid expenses | 3,332,642.15 | 3,781,398.54 |
| Deferred income tax assets | 159,338,211.77 | 159,338,211.77 |
| Other non-current assets | 803,394,255.27 | 803,323,404.28 |
| Total non-current assets | 55,524,460,632.02 | 55,349,401,330.67 |
| Total assets | 76,875,493,889.88 | 76,798,417,886.71 |
| Current liabilities: | | |
| Short-term borrowings | | |
| Trading financial liabilities | | |
| Derivative financial liabilities | | |
| Bills payable | | |
| Accounts payable | 216,562,579.05 | 183,690,889.86 |
| Receipts in advance | | |
| Contract liabilities | 12,605,139.93 | 12,605,139.93 |
| Staff remuneration payable | 9,529,366.49 | 12,323,670.21 |
| Taxes payable | 1,503,247.71 | 1,747,023.87 |
| Other payables | 33,418,710,331.55 | 34,484,355,762.60 |
| Including: interests payable | | |
| dividends payable | | |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | 946,826.99 | 877,995.65 |
| Other current liabilities | 6,499,592.92 | 5,420,156.55 |
| Total current liabilities | 33,666,357,084.64 | 34,701,020,638.67 |
| Non-current liabilities: | | |
| Long-term borrowings | | |
| Debentures payable | | |
| Including: preference shares | | |
| perpetual bonds | | |
| Leasing liabilities | | |
| Long-term payable | | |
| Long-term staff remuneration payable | | |

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

| | | |
|--|-------------------|-------------------|
| Estimated liabilities | | |
| Deferred income | 11,730,000.00 | 19,270,000.00 |
| Deferred income tax liabilities | 448,965,654.25 | 448,965,654.25 |
| Other non-current liabilities | | |
| Total non-current liabilities | 460,695,654.25 | 468,235,654.25 |
| Total liabilities | 34,127,052,738.89 | 35,169,256,292.92 |
| Owners' equity (or shareholders' equity): | | |
| Paid-in capital (or share capital) | 9,446,522,864.00 | 9,398,704,530.00 |
| Other equity instruments | | |
| Including: preference shares | | |
| perpetual bonds | | |
| Capital reserve | 26,954,674,980.64 | 25,802,279,483.13 |
| Less: treasury stock | 1,495,170,675.08 | 1,495,170,675.08 |
| Other comprehensive income | 618,821,638.58 | 621,302,944.83 |
| Special reserve | | |
| Surplus reserve | 2,833,469,684.39 | 2,833,469,684.39 |
| Undistributed profits | 4,390,122,658.46 | 4,468,575,626.52 |
| Total owners' equity (or shareholders' equity) | 42,748,441,150.99 | 41,629,161,593.79 |
| Total liabilities and owners' equity (or shareholders' equity) | 76,875,493,889.88 | 76,798,417,886.71 |

Person in charge of the Company: Liang Haishan Person in charge of accounting function: Gong Wei Person in charge of accounting department: Ying Ke

INCOME STATEMENT OF THE PARENT COMPANY

January-March 2022

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

| Items | First quarter of 2022 | First quarter of 2021 |
|---|--------------------------|--------------------------|
| I. Operating revenue | 46,352,876.13 | 167,742,299.57 |
| Less: Operation cost | 39,046,583.44 | 132,242,644.21 |
| Taxes and surcharges | 16,000.30 | 977,921.20 |
| Selling expenses | 1,650,889.52 | 5,850,894.41 |
| Administrative expenses | 168,001,040.17 | 2,114,526.97 |
| R&D expenses | 5,929,371.96 | 18,340,350.35 |
| Financial expenses | -17,851,602.97 | -15,915,571.58 |
| Including: interest expenses | 68,831.34 | 7,271,746.57 |
| Interest income | 22,868,491.32 | 27,133,050.09 |
| Add: Other incomes | 11,848,865.58 | 32,375,407.90 |
| Investment income (losses are represented by "-") | 60,057,927.78 | 27,853,570.44 |

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

| | | |
|--|----------------|---------------|
| Including: investment income of associates and joint ventures | | |
| Derecognition income on financial assets measured at amortized cost | | |
| Gains on net exposure hedges (losses are represented by “-”) | | |
| Income from change in fair value (losses are represented by “-”) | | |
| Loss on credit impairment (losses are represented by “-”) | -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 “-”) | -78,532,631.84 | 84,360,512.35 |
| Add: non-operating income | 79,663.78 | 150.00 |
| Less: non-operating expenses | | |
| III. Total profit (total losses are represented by “-”) | -78,452,968.06 | 84,360,662.35 |
| Less: income tax expense | | 14,126,772.98 |
| IV. Net profit (net losses are represented by “-”) | -78,452,968.06 | 70,233,889.37 |
| (I) Net profit from continuous operation (net losses are represented by “-”) | -78,452,968.06 | 70,233,889.37 |
| (II) Net profit from discontinuous operation (net losses are represented by “-”) | | |
| V. Other comprehensive income, net of tax | -2,481,306.25 | 6,441,628.15 |
| (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 | 6,441,628.15 |
| 1. Other comprehensive income that can be transferred into profit or loss under equity method | -2,481,306.25 | 6,441,628.15 |
| 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 | | |

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

| | | |
|--|----------------|---------------|
| 6. Exchange differences on translation of financial statements denominated in foreign currencies | | |
| 7. Others | | |
| VI. Total comprehensive income | -80,934,274.31 | 76,675,517.52 |
| VII. Earnings per share: | | |
| (I) Basic earnings per share (RMB/share) | | |
| (II) Diluted earnings per share (RMB/share) | | |

Person in charge of the Company: Liang Haishan 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 2022

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB Type of Review: Unaudited

| Items | First quarter of 2022 | First quarter of 2021 |
|---|--------------------------|--------------------------|
| I. Cash flows from operating activities: | | |
| Cash received from the sale of goods and rendering of services | 296,929,697.10 | 333,365,205.81 |
| Refunds of taxes received | 2,407,797.52 | 29,531,561.27 |
| Cash received from other related operating activities | 26,475,467.77 | 80,796,807.77 |
| Sub-total of cash inflows from operating activities | 325,812,962.39 | 443,693,574.85 |
| Cash paid on purchase of goods and services | 189,195,396.29 | 11,173,365.49 |
| Cash paid to and on behalf of employees | 16,895,340.98 | 123,924,641.80 |
| Cash paid for all types of taxes | 383,525.90 | 11,536,498.33 |
| Cash paid to other operation related activities | 50,064,542.18 | 101,103,516.27 |
| Sub-total of cash outflows from operating activities | 256,538,805.35 | 247,738,021.89 |
| Net cash flows from operating activities | 69,274,157.04 | 195,955,552.96 |
| II. Cash flows from investing activities: | | |
| Cash received from disposal of investments | 125,000,000.00 | 41,250,000.00 |
| Cash received from return on investments | 19,188,786.85 | 19,540,411.32 |
| 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 | 144,188,786.85 | 60,790,411.32 |

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|---|-------------------|-------------------|
| Cash paid on purchase of fixed assets, intangible assets and other long-term assets | 6,136,238.36 | 9,122,111.78 |
| Cash paid for investments | 1,073,545,507.20 | |
| Net cash paid on acquisition of subsidiaries and other operating entities | | |
| Cash paid on other investment related activities | 11,000,000.00 | 67,686,144.59 |
| Sub-total of cash outflows from investing activities | 1,090,681,745.56 | 76,808,256.37 |
| Net cash flows from investing activities | -946,492,958.71 | -16,017,845.05 |
| III. Cash flows from financing activities: | | |
| Cash received from capital contributions | 940,041,004.94 | |
| Cash received from borrowings | | |
| Cash received from other financing related activities | | |
| Sub-total of cash inflows from financing activities | 940,041,004.94 | |
| Cash paid on repayment of borrowings | | 5,520,000,000.00 |
| Cash paid on distribution of dividends, profits or interest expenses | | 42,534,246.57 |
| Cash paid on other financing related activities | 1,276,378,351.21 | 413,627,000.68 |
| Sub-total of cash outflows from financing activities | 1,276,378,351.21 | 5,976,161,247.25 |
| Net cash flows from financing activities | -336,337,346.27 | -5,976,161,247.25 |
| IV. Effect of fluctuations in exchange rates on cash and cash equivalents | -3,465,214.53 | -202,136.63 |
| V. Net increase in cash and cash equivalents | -1,217,021,362.47 | -5,796,425,675.97 |
| Add: balance of cash and cash equivalents at the beginning of the period | 4,043,535,735.48 | 8,286,549,909.64 |
| VI. Balance of cash and cash equivalents at the end of the period | 2,826,514,373.01 | 2,490,124,233.67 |

Person in charge of the Company: Liang Haishan Person in charge of accounting function: Gong Wei Person in charge of accounting department: Ying Ke

The adjustments of the relevant items of the financial statements at the beginning of the year due to the first implementation of new accounting standards since 2022

Applicable Not Applicable

Hereby announced.

By order of the Board

Haier Smart Home Co., Ltd.*

28 April 2022