

Company Code: 600690.SH, 690D.DE

Short Name: Haier Smart Home

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

## **2025 Interim Report**



# Important Notice

- I. The Board of Directors, directors and senior management of Haier Smart Home Co., Ltd. (the “Company”) are individually and collectively responsible for the content set out therein and hereby assure that the content set out in the interim report is true, accurate and complete, and free from any false record, misleading representation or material omission.**
- II. All directors attend the Board of Directors.**
- III. The interim report is unaudited.**
- IV. Li Huagang (legal representative of the Company), Sun Jiacheng (chief financial officer of the Company) and Ying Ke (the person in charge of accounting department) hereby certify that the financial report set out in the interim report is true, accurate and complete.**
- V. Proposal of profit distribution or proposal of converting capital reserves into share capital for this reporting period resolved and passed by the Board**

Proposal of profit distribution for the reporting period are examined and reviewed by the Board: to declare a cash dividend of RMB2.69 per 10 shares (tax inclusive) to all shareholders based on the total number of shares held on record date and after deducting the repurchased shares from the repurchase account upon the execution of distribution proposal, with proposed distribution amounting to RMB2,506,684,210.62 (tax inclusive). The proportion of cash distribution is 20.83% of the net profit attributable to shareholder of parent company of the Company for the current half-year. If there is any change in the total share capital of the Company during the period from the date of this report to the record date of the equity distribution, the total distribution amount will be remained unchanged with corresponding adjustment to the proportion of distribution per share.

**VI. Disclaimer in respect of forward-looking statements**

☒ Applicable   ☐ Not Applicable

Forward-looking statements such as future plans, development strategies as set out in this report do not constitute our substantial commitment to investors. Investors are advised to pay attention to investment risks.

**VII. Is there any fund occupation by controlling shareholders and other related parties for non-operational purposes**

No

**VIII. Is there any provision of external guarantee in violation of prescribed decision-making procedures**

No

**IX. Are there more than half of the Directors could not warrant the truthfulness, accuracy and completeness of the interim report disclosed by the Company**

No

## Important Notice

### X. Important risk warnings

For the possible risks which the Company may encounter, please refer to the relevant information set out in the section of 'MANAGEMENT DISCUSSION AND ANALYSIS' in this report.

### XI. Others

☐ Applicable    ☒ Not Applicable

Chairman of the Board: LI Huagang  
Haier Smart Home Co., Ltd  
28 August 2025

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|                                       |                                                                                                                                                                                                                                 |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Documents Available<br>for Inspection | I. 2025 Interim Report of Haier Smart Home Co., Ltd. with signature of the legal representative.                                                                                                                                |
|                                       | II. Financial statements with signatures or seals of the person in charge of the entity, chief accountant and person in charge of accounting department.                                                                        |
|                                       | III. All documents publicly disclosed in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and on the website of the Shanghai Stock Exchange (www.sse.com.cn) during the reporting period. |

# Section I Definitions

Unless otherwise stated in context, the following terms should have the following meanings in this report:

## DEFINITION OF FREQUENTLY USED TERMS

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CSRC                             | China Securities Regulatory Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| SSE                              | Shanghai Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| The Company, Haier Smart Home    | Haier Smart Home Co., Ltd, its original name is “Qingdao Haier Co., Ltd.”, and the original short name is “Qingdao Haier”                                                                                                                                                                                                                                                                                                                                                                                  |
| Four Major Securities Newspapers | <i>China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily</i>                                                                                                                                                                                                                                                                                                                                                                                                              |
| Haier Electronics, 1169          | Haier Electronics Group Co., Ltd. (a company originally listed in Hong Kong, stock code: 01169.HK), a subsidiary as accounted for in the consolidated statement of the Company. Haier Electronics has been privatized by way of H shares issuance on 23 December 2020 and became a wholly-owned subsidiary of the Company since then.                                                                                                                                                                      |
| GE Appliances                    | Household appliances assets and business of General Electric Group, which are currently owned by the Company.                                                                                                                                                                                                                                                                                                                                                                                              |
| FPA                              | Fisher & Paykel Appliances Holdings Limited (Chinese Name: 斐雪派克) was established in 1934 and is known as the national appliance brand of New Zealand, the global top-level kitchen appliance brand and the famous luxury brand of the world. It has products including ventilator, gas stove, oven, dishwasher, microwave oven, built-in freezer, washing machine, clothes dryer and etc. Its business covers over 50 countries/regions across the world. FPA is wholly-owned subsidiary of the Company.   |
| Candy                            | Candy Group (Candy S.p.A) is an international professional appliances manufacturer from Italy. Since its establishment in 1945, it has been committed to enabling the global users to enjoy a higher quality of life through innovative technologies and quality services. Candy Group has been prestigious in the global market with users all over the world via its various self-owned professional household appliance brands. In January 2019, Candy became a wholly-owned subsidiary of the Company. |
| Euromonitor                      | Euromonitor, established in 1972, is the leading strategic market information supplier and has over 40-years of experience in respect of publishing market report, commercial reference data and on-line database. They create data and analysis on thousands of products and services around the world.                                                                                                                                                                                                   |

## Section I Definitions

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GfK                                  | GfK Group, the world's leading market research company. After a long period of development and accumulation, GfK Group's global market research business covers consumer durables research, consumer research, media research, healthcare market research and special studies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| All View Cloud                       | All View Cloud (AVC) is a big data integrated solution provider to the smart home field, providing enterprises with big data information services, regular data information services and special data services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| IEC                                  | The International Electrotechnical Commission. Founded in 1906, it is the world's first organization for the preparation and publication of international electrotechnical standardization and is responsible for international standardization for electrical engineering and electronic engineering. The goals of the commission include: to effectively meet the needs of the global market; to ensure that the standards and conformity assessment programs are applied globally in a prioritized manner and to the greatest extent; to assess and improve the quality of products and services involved in its standards; to create conditions for the common use of complicated systems; to improve the effectiveness of the industrialization process; to improve human health and safety, and to protect the environment. |
| IEEE                                 | The Institute of Electrical and Electronics Engineers, an international association of electronic technology and information science engineers, is currently the largest non-profit professional technology society in the world. It is committed to the development and research of electrical, electronic, computer engineering and science-related fields, and has now developed into an international academic organization with great influence in terms of the fields of space, computer, telecommunications, biomedicine, power and consumer electronics.                                                                                                                                                                                                                                                                  |
| Model of <i>Rendanheyi</i><br>(人单合一) | The concept of "Achieving win-win via Rendanheyi (人单合一)" "is the guarantee of Haier's sustainable operation and the driving force of the Company featuring a self-motivated and empowering corporate culture. "Ren" is an employee who has the spirit of entrepreneurship and innovation; "Dan" is to create value for users. The "Rendanheyi (人单合一)" "management model encourages employees to create value for users with an entrepreneurial mindset, and to achieve self-value in line with the those of the Company and its shareholders.                                                                                                                                                                                                                                                                                     |
| APF                                  | Annual Performance Factor: a core indicator of air conditioner energy efficiency as stipulated by national standards. It is calculated by simulating operating conditions across different seasons and temperature conditions throughout the year, calculating the ratio of total cooling/heating capacity to total power consumption. A higher APF value indicates that the air conditioner consumes less power for the same output, reflecting higher energy efficiency.                                                                                                                                                                                                                                                                                                                                                        |

# Section II General Information of the Company and Key Financial Indicators

## I. INFORMATION OF THE COMPANY

|                      |                            |
|----------------------|----------------------------|
| Chinese name         | 海尔智家股份有限公司                 |
| Chinese short name   | 海尔智家                       |
| English name         | Haier Smart Home Co., Ltd. |
| English short name   | Haier Smart Home           |
| Legal representative | Li Huagang                 |

## II. CONTACT PERSON AND CONTACT INFORMATION

|         | Secretary to the Board                                                                                                                         | Representative of securities affairs                                                                                                           | Company Secretary (D/H shares)                                        | Others                          |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------|
| Name    | Liu Xiaomei                                                                                                                                    | Liu Tao                                                                                                                                        | Ng Chi Yin, Trevor                                                    | Global Customer Service Hotline |
| Address | Department of Securities of Haier Smart Home Co., Ltd. Haier Science and Technology Innovation Ecological Park, No. 1 Haier Road, Qingdao City | Department of Securities of Haier Smart Home Co., Ltd. Haier Science and Technology Innovation Ecological Park, No. 1 Haier Road, Qingdao City | Room 1908, 19/F, Harbour Centre, 25 Harbour Road, Wan Chai, Hong Kong | /                               |
| Tel     | 0532-8893 1670                                                                                                                                 | 0532-8893 1670                                                                                                                                 | +852 2169 0000                                                        | 4006 999 999                    |
| Fax     | 0532-8893 1689                                                                                                                                 | 0532-8893 1689                                                                                                                                 | +852 2169 0880                                                        | /                               |
| Email   | finance@haier.com                                                                                                                              | finance@haier.com                                                                                                                              | ir@haier.hk                                                           | /                               |

## Section II General Information of the Company and Key Financial Indicators

### III. SUMMARY OF THE CHANGES IN GENERAL INFORMATION

|                                                         |                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Registered address                                      | Haier Industrial Park, Laoshan District, Qingdao City (now known as Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao City)                                                                                                                                                                                            |
| Historical change of the registered address             | Prior to the Company's listing in 1993, the registered address of the Company was No.165 Xiaobaigan Road, Sifang District, Qingdao City, Shandong Province, and has changed to the current address since 1994, during which the address name was adjusted in line with the change of name of the industrial park but the actual site remains unchanged. |
| Business address                                        | Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao City                                                                                                                                                                                                                                                                 |
| Postal code of the business address                     | 266101                                                                                                                                                                                                                                                                                                                                                  |
| Website                                                 | <a href="https://smart-home.haier.com/cn/">https://smart-home.haier.com/cn/</a>                                                                                                                                                                                                                                                                         |
| Email                                                   | 9999@haier.com                                                                                                                                                                                                                                                                                                                                          |
| Query index for any changes during the reporting period | Not applicable                                                                                                                                                                                                                                                                                                                                          |

### IV. MOVEMENT OF PLACE FOR INFORMATION DISCLOSURE AND DEPOSIT

|                                                         |                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Designated newspaper for information disclosure         | <i>Shanghai Securities News, Securities Times, China Securities Journal, Securities Daily</i>                                                                                                                                                                                                          |
| Website for publishing interim report                   | <a href="http://www.sse.com.cn">www.sse.com.cn</a> ; <a href="https://smart-home.haier.com/cn/">https://smart-home.haier.com/cn/</a> ; <a href="http://www.xetra.com">www.xetra.com</a> , <a href="http://www.dgap.de">www.dgap.de</a> ; <a href="https://www.hkexnews.hk">https://www.hkexnews.hk</a> |
| Deposit place of interim report                         | Department of Securities of Haier Smart Home Co., Ltd.<br>Haier Science and Technology Innovation Ecological Park,<br>No. 1 Haier Road, Qingdao City                                                                                                                                                   |
| Query index for any changes during the reporting period | Not applicable                                                                                                                                                                                                                                                                                         |

### V. SUMMARIZED INFORMATION OF SHARES OF THE COMPANY

| Type of Shares | Stock Exchange of Shares Listed | Stock Short Name | Stock Code | Stock Short Name Before Variation |
|----------------|---------------------------------|------------------|------------|-----------------------------------|
| A share        | Shanghai Stock Exchange         | Haier Smart Home | 600690     | Qingdao Haier                     |
| D share        | Frankfurt Stock Exchange        | Haier Smart Home | 690D       | Qingdao Haier                     |
| H Share        | Hong Kong Stock Exchange        | Haier Smart Home | 6690       | /                                 |

## Section II General Information of the Company and Key Financial Indicators

### VI. OTHER RELATED INFORMATION

☐ Applicable    ☒ Not Applicable

### VII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

#### (I) Key accounting data

Unit and Currency: RMB

| Key accounting data                                                                                                     | For the reporting period<br>(January-June) | The corresponding period<br>of last year |                    | Increase/decrease<br>for the reporting<br>period compared<br>with the<br>corresponding<br>period of last year<br>(%) |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------|
|                                                                                                                         |                                            | After<br>adjustment                      | Before adjustment  |                                                                                                                      |
| Operating revenue                                                                                                       | 156,494,034,448.85                         | 141,982,482,605.75                       | 135,622,549,121.01 | 10.22                                                                                                                |
| Total profit                                                                                                            | 14,997,056,148.11                          | 12,980,773,371.76                        | 12,739,064,636.61  | 15.53                                                                                                                |
| Net profit attributable to shareholders<br>of the listed Company                                                        | 12,032,995,820.27                          | 10,409,642,540.63                        | 10,420,218,389.22  | 15.59                                                                                                                |
| Net profit after deduction of non-<br>recurring profit or loss attributable<br>to shareholders of the listed<br>Company | 11,702,408,556.70                          | 10,160,504,902.38                        | 10,160,504,902.38  | 15.18                                                                                                                |
| Net cash flows from operating<br>activities                                                                             | 11,139,045,781.34                          | 8,424,060,603.43                         | 7,818,257,937.26   | 32.23                                                                                                                |

  

|                                                                  | As at the end of<br>the reporting<br>period | As at the end of last year |                      | Increase/<br>decrease as<br>at the end of<br>the reporting<br>period<br>compared<br>with the end<br>of last year<br>(%) |
|------------------------------------------------------------------|---------------------------------------------|----------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------|
|                                                                  |                                             | After<br>adjustment        | Before<br>adjustment |                                                                                                                         |
| Net assets attributable to shareholders<br>of the listed Company | 114,894,291,018.55                          | 111,778,874,767.22         | 111,366,118,999.17   | 2.79                                                                                                                    |
| Total assets                                                     | 301,700,068,337.08                          | 290,736,357,978.75         | 290,113,822,824.61   | 3.77                                                                                                                    |

## Section II General Information of the Company and Key Financial Indicators

### (II) Key financial indicators

| Key financial indicators                                                                  | For the reporting period<br>(January-June) | The corresponding period<br>of last year |                      | Increase/<br>decrease for the<br>reporting period<br>compared with<br>the corresponding<br>period of last year<br>(%) |
|-------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------|
|                                                                                           |                                            | After<br>adjustment                      | Before<br>adjustment |                                                                                                                       |
| Basic earnings per share (RMB/share)                                                      | 1.30                                       | 1.13                                     | 1.13                 | 15.04                                                                                                                 |
| Diluted earnings per share (RMB/share)                                                    | 1.29                                       | 1.12                                     | 1.12                 | 15.18                                                                                                                 |
| Basic earnings per share after deducting<br>non-recurring profit or loss<br>(RMB/share)   | 1.27                                       | 1.10                                     | 1.10                 | 15.45                                                                                                                 |
| Weighted average return on net assets (%)                                                 | 10.34                                      | 9.82                                     | 9.67                 | Increased by 0.52<br>percentage points                                                                                |
| Weighted average return on net assets after<br>deducting non-recurring profit or loss (%) | 10.05                                      | 9.43                                     | 9.43                 | Increased by 0.62<br>percentage points                                                                                |

Explanation of the key accounting data and financial indicators of the Company

☒ Applicable ☐ Not Applicable

In December 2024, the Company realised control over Youjin (Shanghai) Corporate Management Co., Ltd. by way of entrustment of voting rights. In March 2025, the Company completed the acquisition of equity interests in COSMOPlat Mould (Qingdao) Co., Ltd. The transaction was accounted for as a business combination under common control in accordance with relevant accounting standards and accordingly, the comparative figures for the corresponding period were restated.

## VIII. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

☒ Applicable ☐ Not Applicable

### (I) Difference in net profit and net assets attributable to shareholders of the listed company in financial statements as disclosed in accordance with International Accounting Standards and Chinese Accounting Standards

☐ Applicable ☒ Not Applicable

There is no difference between the net profit and net assets attributable to shareholders of the listed company presented in the consolidated financial statements as disclosed in accordance with International Accounting Standards and Chinese Accounting Standards by the Company.

## Section II General Information of the Company and Key Financial Indicators

### (II) Difference in net profit and net assets attributable to shareholders of the listed company in financial statements as disclosed in accordance with overseas accounting standards and Chinese Accounting Standards

☐ Applicable ☒ Not Applicable

Apart from the financial statements prepared in accordance with International Accounting Standards, the Company has not prepared financial statements in accordance with other overseas accounting standards.

### (III) Explanation on difference in domestic and overseas accounting standards

☐ Applicable ☒ Not Applicable

## IX. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNT

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Non-recurring profit and loss items                                                                                                                                                                                                                                                                                 | Amount          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Profit or loss from disposal of non-current assets, including the write-off of provision for asset impairment                                                                                                                                                                                                       | -25,721,740.02  |
| 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  | 511,165,290.49  |
| 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 | 57,589,058.88   |
| Net profit or loss of subsidiaries arising from business combinations under common control of the current period from the beginning of the period to the date of consolidation                                                                                                                                      | 3,593,306.97    |
| Other non-operating income and expenses except the aforementioned items                                                                                                                                                                                                                                             | -121,916,440.93 |
| Less: Effect of income tax                                                                                                                                                                                                                                                                                          | -70,186,916.68  |
| Effect of minority equity interest (After Tax)                                                                                                                                                                                                                                                                      | -23,935,295.14  |
| Total                                                                                                                                                                                                                                                                                                               | 330,587,263.57  |

## Section II General Information of the Company and Key Financial Indicators

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" 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" designated as recurring profit or loss items, reasons shall be specified.

☐ Applicable ☒ Not Applicable

### X. COMPANIES WITH EQUITY INCENTIVES AND EMPLOYEE STOCK OWNERSHIP PLANS MAY CHOOSE TO DISCLOSE NET PROFITS AFTER DEDUCTION OF THE IMPACT OF SHARE-BASED PAYMENTS

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Key accounting data                                             | For the reporting period (January-June) | The corresponding period of last year |                   | Increase/decrease for the reporting period compared with the corresponding period of last year (%) |
|-----------------------------------------------------------------|-----------------------------------------|---------------------------------------|-------------------|----------------------------------------------------------------------------------------------------|
|                                                                 |                                         | After adjustment                      | Before adjustment |                                                                                                    |
| Net profit after deduction of the impact of share-based payment | 12,264,041,860.05                       | 10,572,191,979.56                     | 10,405,917,567.19 | 16.00                                                                                              |

### XI. OTHERS

☐ Applicable ☒ Not Applicable

# Section III Management Discussion and Analysis

## I. INTRODUCTION OF THE INDUSTRY WHERE THE COMPANY OPERATES AND ITS MAJOR BUSINESS DURING THE REPORTING PERIOD

### Industry Overview of the First Half of 2025

#### 1. China Market

The nationwide rollout of the home appliance trade-in programs stimulated demand. According to AVC omni-channel data, China's home appliance market (excluding 3C products) recorded RMB453.7 billion in retail sales in H1 2025, up 9.2% year-on-year.

##### ***Air Conditioners***

Market demand was boosted by hotter-than-usual summer temperatures and expanded household subsidies (from one unit in 2024 to three units in 2025). Retail sales volume rose 15.6% to 38.45 million units, with sales value up 12.4% to RMB126.3 billion (AVC). Upgrades were driven by health and comfort features such as multi-outlet airflow, fresh air, and sterilization, with fresh air penetration in offline channels nearing 10%. Specialized products such as "air-washing" ACs gained traction. High airflow and ultra-high APF efficiency became key selling points, with Level 1 energy-efficiency models accounting for 98% of online and 95% of offline sales.

##### ***Refrigerators***

The trade-in program supported steady growth. In H1 2025, retail sales reached RMB67.28 billion, up 3.5%, with sales volume of 19.889 million units, up 2.7% (AVC). The product mix continued shifting toward French-door and cross-door models, which represented over 60% of online sales and nearly 80% of offline sales. Flush-mount refrigerators expanded rapidly, with the share rising to 52.1% in the first half.

##### ***Washing Machines***

The segment grew steadily, supported by essential demand and rising adoption of dryers, mini washers, and garment care appliances. Zone-washing models and Leader's innovative triple-drum *Lazy Wash* (懒人洗) washing machines drove product mix upgrades and consumer demand. According to AVC, retail sales reached RMB47.6 billion, up 11.5%, with sales volume of 21.03 million units, up 10.1% year-on-year. Dryers recorded RMB7.6 billion in sales (+13.7%) on 1.39 million units (+16.3%).

##### ***Kitchen Appliances***

Driven by continued subsidies, the segment maintained steady growth. According to AVC, retail sales of kitchen and bathroom products grew 3.9% and volumes rose 5.4% year-on-year. Lifestyle-driven categories such as dishwashers and built-in microwave-steam-oven combos performed well, with sales up 6.1% year-on-year, supported by policy expansion and product upgrades. In contrast, integrated stoves declined 27.6% due to weak demand and a sluggish property market.

Key trends included larger capacity (18-place dishwashers, 70L+ steam ovens), greater professional functionality (integration and specialization), higher efficiency in washing, cooking, disinfection, and ventilation, and more lifestyle-oriented designs.

## Section III Management Discussion and Analysis

### **Water Heater Industry**

Both electric storage and gas water heaters remained under pressure. In H1 2025, electric storage heaters posted sales of RMB10.6 billion (–1.0%), with volume down 1.6% to 8.13 million units. Gas heaters reached RMB13.1 billion (+2.3%), with volume up 0.7% to 6.05 million units (AVC). Demand for Level 1 energy efficiency and health-focused models — such as innovative inner tank designs and mineral-enriched water heaters — continued to rise. Large-capacity and premium models also grew in importance. Innovation in superconductivity and energy storage spurred breakthroughs in electric heaters, while gas heaters gained recognition for improved design, faster heating, and enhanced comfort.

### **Industry Trends**

The home appliance industry is growing steadily with ongoing product upgrades, while consumer demand is increasingly polarized between premium and value-for-money segments, putting the mid-range under pressure. Diversified sales channels such as Douyin and Xiaohongshu, together with more transparent information, are accelerating the shift from channel-driven (B2B) to direct-to-consumer (D2C) models. Rising health awareness is driving specialized demand and the emergence of niche categories such as beauty refrigerators, sideboard refrigerators, zone-washing machines, and kitchen air conditioners. Content-driven e-commerce and professional reviews are shaping consumer decisions, while price convergence is making low-price strategies less effective and increasing the pressure on retail capabilities. Short videos and live streaming have become key touchpoints, with content marketing, social sharing, and cross-brand collaborations emerging as new growth drivers. As the younger generation emerges as the core consumer segment, demand for emotional value is rising, prompting companies to strengthen brand building, expand new media engagement, and launch trend-setting products to improve conversion and sustain growth.

## **2. Overseas Markets**

In the first half of 2025, global home appliance markets showed a clear divergence. Developed markets were weighed down by high interest rates and persistent inflation, keeping demand subdued with only modest signs of stabilization, while parts of the emerging world continued to grow. U.S. tariff hikes further reshaped global supply chains and accelerated the trend toward nearshoring, pushing companies to add capacity closer to end markets.

**North America:** The market remained under pressure from high interest rates, inflation, and a weak housing sector. In H1 2025, large home appliance **shipments** fell 0.8% year-on-year, while **retail sales value** inched up 0.5%.

**Europe:** The market showed signs of gradual recovery. According to GfK, in Italy, the UK, France, and Spain, the **sales volume** of major appliances reached 17.4 million units, up 2.0% year-on-year, while **retail sales value** rose 0.4% to EUR 7.7 billion. The **average unit price** was EUR 443, down EUR 7.1 year-on-year.

**South Asia:** India's market grew about 2.4% in retail sales value, though sales of air conditioners and refrigerators fell in April — May due to weather conditions. In Pakistan, **sales volume** rebounded strongly, rising 25% year-on-year, with high-efficiency products gaining significant traction—**inverter refrigerators** accounted for 75% of sales and **inverter air conditioners** for 94%.

## Section III Management Discussion and Analysis

**Southeast Asia:** Overall demand softened. In the Philippines, both **sales volume** and **retail sales value** posted slight growth, remaining stable. In contrast, Thailand, Indonesia, and Malaysia saw volume declines of 7.4%, 6.6%, and 6% respectively, while Vietnam's **sales volume** fell nearly 10%, pressured by weaker-than-expected summer temperatures and subdued consumer spending.

**Middle East and Africa:** Regional markets maintained growth. In Egypt, **retail sales value** reached USD 2.3 billion, up 3% year-on-year. In the Gulf states, value rose 9% to USD 1.8 billion. In Saudi Arabia, value stood at USD 3.0 billion, down 3% year-on-year due to demand volatility.

### **Australia and New Zealand:**

- o **Australia:** Consumer spending remained cautious under high interest rates and rising inflation. **Sales volume** of major home appliances grew 0.8% year-on-year, while **retail sales value** fell 2.0%. Currency fluctuations and higher living costs led to price adjustments, with consumers increasingly focused on value for money.
- o **New Zealand:** The economy grew slowly and inflation stayed elevated, weighing on discretionary spending. While **sales of high-efficiency products** increased, overall demand was mixed. Traditional retailers remained stable, while new retail entrants intensified competition, creating a more diversified market landscape.

**Japan:** The refrigerator, freezer, and washer markets contracted slightly. Overall **sales volume** declined 1.4% year-on-year, while **sales value** dropped 1.3%. Refrigerator sales volume fell 2.5%, washer sales volume fell 0.9%, while freezer sales volume grew 2.6%. Structural shifts driven by an aging population are supporting demand for high-value, user-friendly products, but declining real wages and rising prices are constraining overall consumption.

## **Industry Outlook for the Second Half of 2025**

### **1. China Market**

Home appliances have become indispensable to modern living, covering food, clothing care, housing, and bathing. High-quality products enhance daily life, and as AI and smart-home integration advance, appliances are becoming more embedded in everyday routines.

China is already one of the world's largest consumer markets for home appliances, with a substantial installed base. According to AVC, total demand (excluding 3C) reached 647.2 million units in 2024, of which major appliances accounted for 279.82 million units. On average, households purchase about 0.6 large appliances annually, equivalent to RMB1,827 in spending. As categories expand and premiumization and smart features accelerate, per-household spending is expected to continue rising, supporting steady growth for the industry.

### **2. Overseas Markets**

Developed markets are likely to recover only gradually under the weight of higher rates and inflation, but demand will continue to gravitate toward energy-efficient, smart, and premium products, with online channels gaining further share. Cost headwinds, including U.S. tariffs, will

## Section III Management Discussion and Analysis

remain a challenge. Emerging markets should continue to benefit from urbanization, favorable demographics, and consumption upgrades, with penetration still rising and strong growth in demand for smart and green appliances.

Explanation of the company's new material non-core business during the reporting period

☐ Applicable ☒ Not Applicable

## II. DISCUSSION AND ANALYSIS ON OPERATIONS

Founded in 1984, the Company is committed to being an enterprise of its time. Through relentless innovation and iterations, we seize opportunities in the industry by continuously launching innovative products that steer market development. After more than 40 years, the Company has become a global leader in the major home appliance industry, as well as a pioneer in global smart home solutions.

### Market Position

- Global leader of the major home appliance industry: According to data from Euromonitor — an authoritative market researcher, the Company ranked first in terms of sales volume in global major appliance market for 16 consecutive years. The Company has a global portfolio of brands, including Haier, Casarte, Leader, GE Appliances, Candy, Fisher & Paykel and AQUA. From 2008 to 2024, Haier brand refrigerators and washing machines ranked first among global major home appliance brands in sales volume for 17 and 16 consecutive years respectively.
- Pioneer of global smart home solutions: Capitalizing on our full-range home appliances products, the Company is recognised by Euromonitor as one of the first in the industry to introduce smart home solutions. San Yi Niao remained committed to the mission of “providing smart home experience for a better home”, by establishing the three core capabilities of innovations in smart home scenario solutions, experiential scenario stores, and breakthroughs in Smart Home's main platform, we have been dedicated to providing proactive, professional, in-depth, and customised smart home solutions for users.

### Business Layout

Over the years, the Company has established a business layout that includes smart solutions for, amongst others, food storage and cooking, laundry, air and water, the Overseas Home Appliance and Smart Home Business, and Other Business.

- Household food storage and cooking solutions: Through selling products such as refrigerators, freezers, kitchen appliances in global market, as well as providing one-stop smart kitchen scenario solutions and ecosystem solutions including smart cooking and nutrition planning, the Company fully addresses users' need for convenient, healthy and tasteful gourmet experiences. For example · Casarte developed its proprietary AI Eye Refrigerator, which accurately recognises over 210 types of ingredients, enabling automatic management of inventory and shelf life. Its AI nitrogen-oxygen intelligent control and fast and deep-freezing technology ensure freshness is locked in for 7 days and tenderness preserved for 30 days. The flush-mounted design combined with customised multi-material finishes seamlessly integrates into the kitchen décor.

## Section III Management Discussion and Analysis

- Household laundry management solutions: Haier's washing machine focuses on applying original technologies to directly address users' pain points in home living scenarios and create new experiences and value for users. With a product lineup of washing machines, tumble dryers, all-in-one laundry machines, garment care machines, and heated drying racks, the Company has evolved from selling individual products to providing scenario-based solutions and offering end-to-end laundry care services. For example, the Casarte AI Eye Washing Machine accurately identifies fabric types using AI, automatically matching optimal washing and care programmes while providing early warnings of colour transfer risks. The synergy of AI direct algorithms and technology equips the washing machine with "Smart Home" features capable of instantly adjusting drum speed within 0.01 seconds and precisely performing rapid stops at specific levels, achieving gentler and scientifically optimised tumbling that prevents fibre damage caused by excessive agitation.
- Air solutions (Internet of air):

Home air-conditioners: Through the double drivers of "technology and scenarios", the Company sells our products (such as home air-conditioners and fresh air systems) to markets worldwide, and provides full-cycle air-conditioning solutions that include design, installation and services, with products featuring smart system based inter-connectivity, we have, for example, formulated all-spaces, all-scenarios intelligent air-conditioning solutions consist of multiple air-conditioner and purifier coordination, adaptive air flow, air quality monitoring and air disinfection, thereby delivering a healthy and comfortable experience at home and during commuting that caters to users' needs in terms of air temperature, humidity and quality. One notable example is Casarte's dynamic five-constant system, a high-end whole-house air solution designed for villas and large apartments. It limits temperature fluctuations across the entire space to  $\leq 0.5^{\circ}\text{C}$  and maintains humidity levels between 40% and 60%. Employing multi-layer filtration alongside segregated clean and dirty zones, it provides forest-grade fresh air, operating at noise levels below 30 decibels.

Smart buildings: The Company is committed to becoming a leader in efficient, sustainable and smart building solutions based on China's "carbon peaking and carbon neutrality" strategy. Focusing on business segments such as smart control, environment, energy and system integration of buildings, the Company provides green and smart building solutions integrating "technology + experience + space" for government and public buildings, commercial uses, railways, schools, and hospitals. In areas such as magnetic levitation centrifugal chillers, IoT-based multi-split system, and air-to-water heat pump, not only have Haier occupied a pivotal market position in China, but also have achieved remarkable success globally.

## Section III Management Discussion and Analysis

- Household water solutions (Internet of water): Through providing worldwide users with electric water heaters, gas water heaters, solar water heaters, air energy heat pump water heaters, POE water purifiers, POU water purifiers, water softening equipment, Haier offers smart water solutions including interactions between water heaters and purifiers, and between heating appliances and water heaters, so as to comprehensively cater to users' needs for water purification, softening and heating. One example is the industry's pioneering AI dual-cycle constant temperature technology, which utilise "heat storage constant temperature chamber + secondary heat exchange internal circulation" to achieve zero temperature difference when turning the water off and on again, maintaining water temperature fluctuations within  $\leq 0.1^{\circ}\text{C}$ . Equipped with stepless frequency conversion water servo technology, it dynamically balances water pressure fluctuations, ensuring stable water temperature even when multiple devices use water simultaneously. Additionally, the  $56^{\circ}\text{C}$  high-temperature sterilisation mode, paired with bipolar ion sterilisation, effectively eliminates 99.9% of *Escherichia coli* and *Staphylococcus aureus*, making it the preferred choice for households with mothers and infants.

In 2024, the Company acquired Kwikot, an established water heater brand in South Africa. With its strong market reputation and well-established sales channels, the acquisition enables the Company to rapidly expand its water heater business in South Africa market, boosting brand awareness and market share. This acquisition has further strengthened Haier Smart Home's business presence in the overseas water heater segment.

### Global Market Presence

The Company manufactures and sells a comprehensive portfolio of home appliance products and provides value-added services in more than 200 countries and regions, including North America, Europe, South Asia, Southeast Asia, Australia, New Zealand, Japan, Middle East and Africa.

To overseas markets, the Company has been manufacturing and selling proprietary appliance products catering for local users' demands for more than 20 years. During the time, a number of acquisitions contributed to our growth including acquisitions of Haier Group Corporation's overseas white goods business (which included Sanyo Electric Co., Ltd.'s white goods business in Japan and Southeast Asia) in 2015, home appliances of GE in the US in 2016, Fisher & Paykel in 2018, and Candy in 2019.

In 2024, Haier Smart Home added another two brands, namely CCR and Kwikot, under its belt through mergers and acquisitions. The CCR acquisition has enabled Haier Smart Home to push forward its comprehensive refrigeration chain strategy and broadened its business reach to the commercial refrigeration segment, providing strong support for the Company's development in the European market while further promoting the development of the commercial refrigeration sector in Asia-Pacific and other regions. The acquisition of Kwikot, a century-old water heater brand in South Africa, has strengthened Haier Smart Home's business presence in the water heater sector and further facilitated the rapid penetration of white goods business into the South African market.

## Section III Management Discussion and Analysis

At present, the overseas business of the Company has entered a stage of healthy growth, having achieved a multi-brand, cross-product and cross-regional presence on a global basis. According to Euromonitor, the Company's market shares (by retail volume) for major home appliances in key regions around the globe in 2024 were as follows: ranked 1st in Asia in terms of retail volume with a market share of 25.9%; ranked 1st in North America with a market share of 24.5%; ranked 1st in Australia and New Zealand with a market share of 15.9%; and ranked 3rd in Western Europe with a market share of 8%.

### Other Businesses

Building on our established smart home businesses, the Company has also developed small home appliances, cleaning robots, RRS Logistics, channel distribution and other businesses. In particular, the small home appliance business primarily involves small home appliances designed by the Company, produced by outsourced third-party manufacturers and sold under the Company's brands. It serves to enrich our smart home solutions product mix. RRS Logistics primarily engaged in the provision of integrated supply chain management solutions for clients in the home appliance and home furnishing industries. The channel distribution business primarily offers distribution services for products such as televisions and consumer electronics for Haier Group or third-party brands, leveraging the Company's sales network.

### Honours and Recognitions

During the period, Haier Smart Home once again secured a place on the Fortune Global 500 list, rising 17 positions compared to 2024 and marking its seventh consecutive year on the list, demonstrating robust global competitiveness. Additionally, the Company has been named one of Fortune magazine's "World's Most Admired Companies" for seven consecutive years, standing as the only company from the home appliance and home furnishing sector across Eurasia and outside the US to be included. Moreover, Haier Smart Home has ranked among BrandZ™ 2025's Top 100 Most Valuable Global Brands for seven consecutive years, solidifying its position as the world's only IoT ecosystem brand.

In terms of corporate social responsibility and sustainable development, Haier Smart Home has delivered outstanding performance. The Company has topped the Fortune China ESG Impact list in its industry for four consecutive years and has been successfully included in three Hang Seng ESG indices: the HSI ESG Enhanced Index, the HSI ESG Enhanced Select Index and the HSCEI ESG Enhanced Index. It has also received an AA rating from MSCI, placing it at the forefront of the domestic home appliance industry. Furthermore, the Company was listed on Forbes 2025 Global Best Employers and was honoured with the 2024–2025 Forbes China "Sustainable Development Industrial Enterprise" award, reflecting widespread recognition of its ESG efforts.

### Discussion and Analysis on Overall Operations for the First Half of 2025

During the reporting period, amid increasing external volatilities, the Company strengthened business model, advanced organizational transformation while fully embracing digitalization and AI technologies. By applying AI tools across the entire value chain, we strengthened operational resilience and improved market responsiveness, user experience, operational efficiency, and cost competitiveness in order to enhance profitability.

## Section III Management Discussion and Analysis

In the first half of 2025, the Company achieved revenue of RMB156.494 billion, up 10.2% compared to the same period in 2024. The growth was driven by:

- (1) **Domestic market.** Domestic revenue grew 8.8% in the first half of the year. Despite intensifying market competition, we leveraged advantages in R&D, manufacturing, distribution, and services to create value for users. We launched industry leading products such as the Haier Mailang (麥浪) refrigerator and Leader triple-drum *Lazy Wash* (懶人洗) washing machine. We implemented initiatives including digital inventory and digital marketing to expand touchpoints, accelerate product turnover and improve user conversion. Leveraging multi-brand collaborations, Casarte revenue grew by over 20%, and Leader revenue grew by over 15%.
- (2) **Overseas markets.** Overseas revenue grew 11.7% in the first half of the year. During the reporting period, we advanced premium brand strategy to consolidate market leadership. Through enhanced collaboration between each product unit and marketing team, we accelerated product localization and improved retail capabilities. We strengthened marketing, logistics, service, and digital platforms to drive growth. In the first half of 2025, white goods and HVAC businesses continued to outperform the industry in the U.S. and Europe. Emerging markets grew rapidly with revenue up 33% in South Asia, 18% in Southeast Asia, and 65% in Middle East & Africa. The Company continued to implement the integration of CCR and Kwikot in product synergy, market expansion, and technology development, establishing a solid foundation for sustained future growth.

In the first half of 2025, net profit attributable to shareholders of the parent company reached RMB12.033 billion, representing a 15.6% increase compared to the same period in 2024. Net profit attributable to shareholders of the parent company after deducting non-recurring profit or loss reached RMB11.702 billion, up 15.2% year-on-year compared to 2024.

- (1) In the first half of 2025, the Company's gross profit margin reached 26.9%, up 0.1 percentage points compared to the same period in 2024. In the domestic market, we focused on implementing 'low cost, high efficiency' strategy to enhance end-to-end cost competitiveness while committing to premium brand strategy overseas to improve user experience, strengthening global supply chain coordination to optimize manufacturing cost, and establishing digital procurement platform as well as cross-border logistics platform.
- (2) In the first half of 2025, the Company's selling expense ratio was 10.1%, an optimization of 0.1 percentage points compared to the same period in 2024. The Company accelerated digitalization to improve marketing, logistics and warehouse management in domestic market while focusing on building retail capabilities and coordinating global resources to improve operational efficiency overseas.
- (3) In the first half of 2025, the Company's administrative expense ratio was 3.8%, flat as compared with the same period in 2024.
- (4) In the first half of 2024, the Company's financial expense ratio decreased by 0.2 percentage points to -0.2% ("+" as expenses, "-" as income), as a result of exchange gains caused by strong currencies including the Euro.

## Section III Management Discussion and Analysis

In the first half of 2025, the Company's net cash flow from operating activities amounted to RMB11.139 billion, an increase of RMB2.715 billion compared to the same period in 2024, attributable to increased operating profits and improved operational efficiency.

### I. Household Food Storage and Cooking Solutions

#### (I) Refrigeration Business

The refrigeration segment reported global revenue of RMB42.853 billion in H1 2025, up 4.2% year-on-year. Overseas emerging markets remained strong, with revenues in Southeast Asia and South Asia up over 25% year-on-year. According to GfK, the Company's retail market share in China reached 46.4% offline, up 2.3 percentage points year-on-year, and 39.4% online, up 0.4 percentage points.

##### *China Market*

In China, the Company enhanced consumer experience in healthy food preservation, integrated flush-mount design, smart scenarios, and energy efficiency, with several products emerging as market bestsellers. In the premium segment, Casarte's *ZhiJing* series, equipped with proprietary flush-mount design, MSA nitrogen — oxygen preservation, and bottom-mounted air curtain cooling, achieved sales of 320,000 units, doubling year-on-year. This drove Casarte's offline market share in the RMB20,000+ segment to exceed 70%, while its online market share in the high-end segment expanded rapidly, rising by 1.7 percentage points. In the mid-to-high-end segment, Haier's *Heyue* and *Mailang* series — featuring full-space preservation and ultra-thin zero-clearance design — delivered over 350,000 units in H1, tripling year-on-year, and cumulative sales of 1.5 million units. The *Heyue 625* remained the industry's top-selling single model. In the entry segment, Leader gained share with large-capacity, energy-efficient, and low-noise products. Its *Yueji* series, with a unique corner design and 594mm zero-clearance installation, lifted its share in the RMB2,999–4,999 range by 3 percentage points.

##### *Overseas Markets*

The Company advanced localized product designs tailored to climate, power conditions, and space constraints. In South Asia, the *T-door LUMIÈRE* series met demand for large capacity and categorized storage, while improving cooling stability and efficiency under hot and humid conditions with unstable power. Regional retail volume share rose 0.9 percentage points, with revenue up 27% year-on-year. The Company remained No.1 in Pakistan and achieved double-digit growth in other major markets. In Southeast Asia, smart ice-making and *SPACE FIT* series refrigerators captured rising mid-to-high-end demand, taking the Company to No.1 in the region. Market share reached 17%, up 3 percentage points, with Vietnam and Thailand posting the fastest growth.

## Section III Management Discussion and Analysis

### *Technology and Innovation*

The Company introduced the *AI Vision* food recognition system (trained on 5 million+ images, backed by 100+ patents, identifying 200+ ingredients with mobile tracking), premium flush-mount installation technology (custom panels, six-way adjustment, hydraulic levelling, 30-minute installation), and upgraded *AI nitrogen – oxygen preservation*. These technologies will be applied in new premium models to be launched in H2 and are expected to expand share in the RMB10,000+ segment while improving margins.



### **(II) Kitchen Appliance Business**

In H1 2025, kitchen appliances delivered global revenue of RMB20.672 billion, up 2.0% year-on-year, with sales exceeding 8 million units. According to GfK, the Company's market share in China reached 9.2% offline (+1.8ppts) and 6.7% online (+0.5ppts).

#### *China Market*

Amid a weak housing market, the Company focused on trade-in demand and consumption upgrades, launching the constant-airflow silent hood (for low-noise open kitchens), adaptive cooktops (adjusting heat to cookware and cooking method), space-saving steam-oven combos, along with *AI Vision* recognition and smart lift hood functions. By partnering with leading renovation companies to bundle full-suite built-in kitchens into renovation packages and carrying out community renovation campaigns in key cities, the Company accelerated penetration in the stock housing market. Casarte kitchen appliances grew revenue over 40% year-on-year, retaining leadership in the RMB10,000+ segment.

## Section III Management Discussion and Analysis

### *Overseas Markets*

The Company executed localized strategies adapted to space, cooking habits, and efficiency standards. In North America, despite slower housing starts and increased promotional activity, the Company leveraged local manufacturing to ensure a stable supply. The launch of the *Profile* built-in steam-oven combo and the *AJEX* freestanding induction range secured 4,000 prime displays in key retailers, including The Home Depot, boosting product visibility and consumer reach. In Southeast Asia, compact and efficient kitchen suites for small homes drove the Philippines into the top three market positions. In South Asia, sales in Pakistan rose 23% year-on-year, consolidating leadership in premium built-ins. In Middle East & Africa, sales of premium built-in suites nearly doubled as a share of the business.



## II. Household Laundry Solutions

In the first half of 2025, the washing machine business achieved global revenue of RMB32.006 billion, up 7.6% year-on-year, by deepening three core strategies: technological innovation, omni-channel marketing, and comprehensive cost optimization. According to GfK, the Company continued to lead the domestic industry with an offline retail share of 46.4%, up 1.5 percentage points year-on-year, and an online retail share of 38.8%, up 0.9 percentage points year-on-year. Euromonitor ranked the Company number one in market shares in Australia, New Zealand, Italy, Spain, Pakistan, and Vietnam.

### ***China Market***

Washing machine business is committed to providing users with outstanding laundry experience and leading the industry upgrade by leveraging product innovation and technological advancement. In response to user demands for integrated washing and drying, efficient drying, and large capacity, the Company launched the Casarte Languang (揽光) Pro washer-dryer suite. This product features a variable frequency motor with full-time 1:1 forward and reverse rotation, preventing tangling and ensuring thorough drying. It includes gentle care functions for washing precious fabrics like wool. The wash-dry feature automatically starts preheating 15 minutes before the wash cycle ends, enhancing wash-dry efficiency. The 580mm ultra-thin design can be fitted seamlessly with cabinet. 12kg Casarte washing machines and washer-dryer combo contributed to over 30% revenue growth, driving market share in price segment above RMB15,000 to over 90%.

## Section III Management Discussion and Analysis

The Company launched the Casarte Zhongzi Ronglang (中子•融朗) wash-dry-care all-in-one machine equipped with AI Vision, which manages water levels and detergent ratios, enhancing washing effectiveness. The AI Smart Eye effectively prevents laundry from getting caught and small items from being missing, while detecting residual washing foam and automatically commanding second-round rinsing. This product helped achieve over 95% market share in the price segment above RMB20,000 only two months since its launch.

Addressing consumer demand for separate laundry, Leader brand launched the “*Lazy Wash* Washing Machine (懒人洗)” featuring triple-drum design with independent water circulation that enables simultaneous washing, while addressing vibration challenges and ensuring stability using an integrated steel frame and three coordinated direct-drive motors. This washing machine has become a phenomenal hit as it precisely meets young consumer needs.

As online shopping penetration continued to rise, our washing machine business increased investments in mainstream platforms to enhance page design and create immersive shopping experiences. To capture opportunities from the rise of social commerce, we established official accounts on Douyin, Kuaishou, and Xiaohongshu, creating engaging short videos showcasing product features to promote user interaction. In the first half of 2025, sales through e-commerce channels accounted for over 40% of total domestic laundry sales.

### **Overseas Markets**

We increased market share through highly differentiated and competitive products with retail-oriented go-to market strategies. In Europe, we launched ultra-slim built-in front-load washing machines with 0.8-meter depth to fit premium kitchen designs. In emerging markets, we maintained our commitment to high-end brand development by transitioning product mix from twin-tub to front-load washing machines while pursuing growth opportunities through differentiated products like the X Series and L+ models. During the reporting period, revenue grew by over 40% in South Asian and the Middle East & African markets, while Southeast Asian revenue increased by more than 30%.



## Section III Management Discussion and Analysis

### III. Air Solutions

During the reporting period, the Company's air solution business realized revenue of RMB32.978 billion, up 12.8% year-on-year.

#### (I) *Home Air Conditioner Business*

Driven by continuous improvement in product competitiveness, further expansion of POP channel touchpoints, and enhanced e-commerce platform capabilities in the domestic market, along with strengthened end-to-end competitiveness in overseas markets, the home air conditioner business achieved revenue growth of over 10% in the first half of 2025. Market share performance: (1) In the domestic market, according to GfK, our offline and online retail market share for air conditioners reached 19.7% and 11.3% in the first half of 2025, up 1.17 and 0.9 percentage points year-on-year, respectively. (2) In overseas markets, according to GfK data, the Company ranked first in both the ITS channel share in Italy and the retail market share in Spain; in Egypt, the Company broke into the top three; in Pakistan, the Company maintained its leading industry position with 45% market share.

We strengthened innovation leadership with a focus on leading industry trends for high energy efficiency, healthy, and comfort features. We leveraged in-house manufacturing of core components such as compressors and PCBs, along with supply chain efficiency improvements, to enhance cost competitiveness and strengthen retail competitive advantages. (1) Our newly launched Haier Energy-Saving series air conditioners feature an APF value of 6.12, utilizing AI smart energy-saving technology to reduce daily power consumption to just 2 kWh in cooling mode, and equipped with bipolar ion sterilization and self-cleansing technology to ensure clean airflow. Sales reached 1 million units in the first half of the year, ranking among the top 10 for sales volume on e-commerce platforms during the 618-shopping festival. (2) The Haier Smart-Wind series air conditioners feature innovative Reuleaux triangular wind deflection technology, using mechanical arms to precisely control deflector angles, completely solving the direct airflow pain point for users. Sales exceeded 410,000 units within six months of launch, driving year-on-year volume growth of over 140% in high-end air conditioner sales priced above RMB3,000 per unit.

#### *China Market*

The Company effectively enhanced our competitiveness in POP and e-commerce channels through digital inventory and marketing transformation, driving rapid business development. (1) POP channels: we helped distributors establish an asset-light operating model where inventory is shared across all channels and online bestsellers are also sold in physical stores, thereby accelerating touchpoint expansion and improving retail efficiency. In the first half of 2025, our POP channel retail sales grew by over 100% and distributor inventory turnover efficiency improved by more than 30%. (2) E-commerce channels: by establishing an end-to-end conversion system from "brand awareness to user traffic to product sales", and developing an industry-leading portfolio of energy efficiency products, we improved operational efficiency and achieved nearly 50% revenue growth among e-commerce channels during the first half of the year. Our share in emerging e-commerce channels such as Douyin and Kuaishou rose rapidly, with over 5-percentage-point year-on-year increases respectively.

## Section III Management Discussion and Analysis

### *Overseas Markets*

The Company strengthened multi-brand synergies, expanded solution-based products, and further localized supply chain, achieving revenue growth of over 15% year-on-year.

In the European market, leveraging the “Haier+Candy+HEC” multi-brand portfolio strategy, we continuously improved channel penetration and user coverage. According to GfK data, Haier air conditioner sales volume share in Italy’s ITS channel reached 20.8%, ranking first in the industry; retail channel share in Spain reached 8.7%, also ranking first. We accelerated solution-based product deployment, and launched Haier SENSE product series which have won the German Red Dot Design Award.

In emerging markets, we focused on building end-to-end capabilities for the Haier brand, creating optimal user experiences and building market reputation. ① In Egypt, we launched the industry’s first R32 cooling-only inverter air conditioner to address local pain points of high temperatures and expensive electricity. By leveraging our local factory’s agile supply advantage and strengthening brand store development, we increased our market share to 16%, breaking into the top three. ② In Pakistan, we launched solar-powered air conditioners that provide cooling in high-temperature conditions with zero grid power consumption, allowing users to recoup purchase costs within two years, helping us increase market share by 2 percentage points to reach 45%.



### **(II) Smart Building Business**

In the first half of 2025, we deepened our core technology deployment in magnetic and air bearing, accelerated the implementation of innovative products and solutions in the domestic market, and continued to enhance our localized operations and professional capabilities in overseas markets, achieving sustained and healthy development. Our market share expanded both domestically and internationally: according to China IOL data, from January to June 2025, our domestic central air conditioning market share increased by 0.4 percentage points year-on-year to 10.5%, ranking among the top three in the industry; our export market share rose by 0.7 percentage points year-on-year to 16.2%, ranking second in the industry.

## Section III Management Discussion and Analysis

We continued to focus on core technology R&D in magnetic and air bearing, AI, and high-efficiency energy conservation, using breakthrough innovations to enhance product performance and user experience, establishing industry standards, and consolidating our market leadership position. (1) Building on our deep technical expertise accumulated over 20 years in magnetic and air bearing technologies, we led the development of China's first national standard for magnetic and air bearing central air conditioning — the “Oil-free Bearing Centrifugal Chiller (Heat Pump) Units” national standard. This filled a technical standards gap and promoted green transformation across the industry through high energy efficiency thresholds. (2) During the reporting period, our proprietary static pressure air bearing technology filled the gap in large-capacity magnetic and air bearing technology in the domestic market. Our 600RT air bearing centrifugal chiller equipped with this technology achieves oil-free operation and ultra-long service life design, with energy efficiency improved by 50%, providing green and efficient solutions for high-capacity, high-reliability scenario application such as data centers and large hospitals. We enhanced the innovative integration of AI technology with hardware, which enabled our multi-split systems to reach 192HP by combining single 48HP modules. This resulted in the industry's largest single-unit capacity, with 30% energy savings and 10% reduction in equipment usage, and this product won the “Innovation Product Award” at China Refrigeration Expo.

In the Yancheng Xifu River Green and Low-Carbon Science and Technology Innovation Park project, Haier Smart Building provided solutions for centralized management and smart operations of 12 buildings in the park through IoT multi-split systems and HCM03 local control systems, saving nearly 1 million kWh of electricity annually.

### *China Market*

The Company strengthened our foundation for long-term development through deepening our networks, enhancing professional capabilities, and diversifying our brand portfolio. (1) **Deepening local networks and improving response efficiency:** We expanded operations in regional markets to precisely cover key touchpoints and strengthen localized service capabilities and market responsiveness. Our regional network coverage rate increased to 78%, and average service response time has been reduced to 24 hours. (2) **Strengthening professional capabilities to ensure user experience:** We focused on building professional capabilities of our frontline teams through systematic training and standardized processes, improving professional standards across sales consultation, installation, and after-sales services. In the first half of 2025, we offered specialized training to over 12,000 participants, only 0.97% of work orders remained unresolved over one day. (3) **Introducing the PROFROID brand to target high-end market:** During the reporting period, we strategically introduced PROFROID, a global leading brand in CO<sub>2</sub> refrigerant applications and HVAC refrigeration from CCR, to the Chinese market. PROFROID will integrate CCR's leading patents and technology in CO<sub>2</sub> application with Haier HVAC's core technological advantages. In alignment with China's “carbon peaking and carbon neutrality” strategic policies, we will progressively introduce low-GWP, highly efficient, reliable, and technologically advanced HVAC refrigeration solutions using R410a/R32/R290/R740 (CO<sub>2</sub>) refrigerants to turbocharge our development in the high-end market.

## Section III Management Discussion and Analysis

### *Overseas Markets*

The Company focused on enhancing localized competitiveness in product solutions, professional channels, and supply chains to drive rapid business growth. (1) Building differentiated competitive product solutions: We deeply integrated domestic and international product platforms to systematically optimize cost structures. Through in-depth insights into local demands, we created comprehensive product solutions tailored for local markets that combine cost competitiveness with high compatibility. For example, in Middle East and Africa, our cabinet units dedicated to living rooms were integrated with our domestic platform, increasing parts commonality by over 15% and reducing overall costs by 6%. (2) Implementing in-depth country-specific development: We adopted a market segmentation strategy. In mature markets, we built on our professional expertise to solidify our leading market position. Our goal was to achieve number one in market share by making progress across dimensions of product lines, regions, and sales channels. In less penetrated markets, we accelerated channel coverage, achieving breakthrough improvements in both coverage rate and market share. During the reporting period, we expedited development in Europe by acquiring KLIMA KFT, Hungary's leading HVAC channel, which helped us establish a strong distribution network and professional solution capabilities that extend throughout Central and Eastern Europe.

## **IV. Household Water Solutions**

During the reporting period, the water solution business achieved global revenue of RMB9.793 billion through product innovation, deepened market segmentation, and cost initiatives, up 20.8% year-on-year. In China market, according to GfK data, our market share continued to lead the industry, with offline and online retail share reaching 31.4% and 43.0% respectively, up 2.4 and 0.8 percentage points year-on-year. Overseas water heater doubled sales revenue, benefiting from differentiated product innovation and accelerated expansion of sales channels.

### ***China Market***

In response to users' upgraded demand for water quality, electric water heaters launched magnesium rod-free solutions to address water quality issues caused by magnesium rod heating. Gas water heaters introduced the new Casarte Boundless (無界) series to solve the challenge of condensed water drainage, utilizing aerospace-grade atomization technology to achieve 100% discharge. This product achieved sales of over 10,000 units within one month of launch. The water solution business also focused on upgrading its offerings from single products to comprehensive solutions, driving product mix enhancement. Specifically, Casarte water heaters and water purifiers both maintained revenue growth above 20%, while heating boiler revenue achieved year-on-year growth of 32%.

## Section III Management Discussion and Analysis

### ***Overseas Markets***

We strengthened regional product differentiation and innovation. In North America, we launched an industry-leading mixed-water valve heat pump product featuring 1234YF eco-friendly refrigerant with high energy efficiency, superior performance, low noise, and reduced carbon emissions, contributing to overall 40% water heater revenue growth. In Australia, we introduced 330L heat pump water heater with rapid heating, large capacity, energy efficiency, and low noise level, driving overall water heater business revenue growth of over 50%. To improve responsiveness in emerging regions, we established dedicated overseas teams in Southeast Asia, Middle East and Africa, resulting in water heater revenue growth of over 80% in Southeast Asian markets. Driven by the acquisition of South Africa's Kwikot water heater business and development in the UAE, our water heater business achieved breakthroughs in Middle East and African markets.



### **V. China Operation**

**During the reporting period, we deepened digital transformation in both inventory and marketing, while strengthening our multi-brand strategy. Through building a digital operating system across channels, we improved efficiency and enhanced customer and consumer experience.**

#### ***Digital Inventory: Streamlined Operations and Faster Fulfillment***

By introducing shared digital inventory in POP channels and a One-inventory TC model in franchised stores, the Company eased distributors' capital and warehousing pressure, enabling them to focus more on retail execution. In the first half of the year, the POP channel added over 100 new distributors, while the sales contribution of bestselling models increased by 6 percentage points. In franchised stores, the share of orders delivered directly through the One-inventory system rose from 29% to 55%, driving a 22% increase in retail sales for participating distributors.

Logistics and service capabilities were upgraded in parallel. Coverage for 24/48-hour delivery expanded to 298 additional counties, while 12-hour delivery was extended to 30 counties. Integrated delivery-and-installation services now reach 99.9% of the network. Meanwhile, by sharing inventory across online and offline channels and applying AI-based demand forecasting for warehouse allocation, product turnover improved significantly. In the air-conditioning category, for instance, inventory turnover days were reduced by 17%.

## Section III Management Discussion and Analysis

### ***Digital Marketing: Enhancing User Reach and Conversion Efficiency, and Brand Presence***

Leveraging our self-developed digital marketing model, the Company achieved more efficient user targeting, conversion, and retention. From January to June, we generated 526,400 leads, translating into RMB1.49 billion in retail sales. By building CTC (Content-to-Consumer), OTO (Online-to-Offline), and OMO (Online-Merge-Offline) capabilities, the Company strengthened traffic acquisition and conversion, creating an end-to-end monetization pipeline. On Douyin, high-engagement A3-tier users grew 52% year-on-year, while user-initiated searches on Xiaohongshu increased 26%, gradually establishing a competitive moat in brand influence.

At the same time, the Company developed a three-tier communication matrix of KOL — KOE — KOS, and introduced an AI-powered influencer selection tool on Xiaohongshu. These initiatives improved account operation efficiency by 15% and increased quality content exposure by 16% year-on-year.

### ***Strengthening Multi-Brand Synergy to Broaden Consumer Reach and Consolidate High-End Leadership***

**Casarte** focused on blockbuster products in core price bands and integrated suite solutions, while advancing new media operations and upgrading its digital store system. In the first half of 2025, revenue grew by more than 20% year-on-year, with market share reaching 12.3%, up 0.9 percentage points (GfK). By expanding new media presence and enhancing online offerings, the brand improved traffic acquisition and conversion efficiency, driving a higher share of online sales.

**Haier**, under the theme of *AI for Home*, accelerated its transformation toward youthfulness, globalization, and technology leadership. Retail sales rose 18% in the first half, with membership surpassing 130 million. For young consumers, the “Little Red Flower” suite exceeded 1.2 million units in retail sales, while the “Mailang” suite targeted middle-class households with AI-powered health-focused and smart home experiences. Meanwhile, 166 new experience centers and flagship stores were opened across tier-1 and tier-2 cities, enhancing product showcases and shopping experiences.

**Leader** continued to target young consumers with innovative offerings designed around personalization, aesthetics, and efficiency needs, such as the triple-tub washing machines, shaping a differentiated brand identity. Revenue grew more than 15% in the first half of 2025.

**Fisher & Paykel**, positioned as a super-premium brand under the theme *Luxury Living*, launched the new Series 11 lineup featuring top-tier aesthetics with 3mm seamless built-in and fully concealed designs, which were well received by consumers. Seventeen new experience centers were added, further reinforcing brand presence.

## Section III Management Discussion and Analysis

**Sanyiniao** focused on its smart-home strategy, introducing integrated solutions for HVAC, kitchen, and balcony spaces. HVAC leveraged an AI-driven air model for self-sensing, self-judgment, and self-adjustment, enhancing all-season smart operations. In partnership with Boloni, it rolled out suite-based kitchen solutions — including the Zhijing Max, Conductor PRO, and Connoisseur series — strengthening customization and bundled sales. On the AI front, the Company launched the “Xiaoyou” intelligent agent powered by the Uhome foundation model, enabling vertical AI applications such as AI freshness and AI air in refrigerators and air conditioners — making products more responsive to user needs. Monthly active users of the Smart Home App surpassed 11 million, up 35% year-on-year.

### VI. Overseas Markets

In the first half of 2025, the Company delivered revenue of RMB79.079 billion, up 11.66% year-on-year. We strengthened our **technology edge** through global R&D collaboration, accelerating innovation and enhancing product competitiveness. We optimized our **market presence** by expanding into HVAC and small appliances, enriching the mid— to entry-level portfolio, and improving channel efficiency in both emerging and developed markets. We advanced our **global footprint** with deeper local engagement, faster organizational response, and supply chain expansion in Belt and Road countries, capturing new growth opportunities.

#### *North America*

During the reporting period, GE Appliances delivered positive year-over-year sales growth, while premium and mass premium brand sales achieved double-digit increases.

The company continued to expand its portfolio of industry-leading appliance solutions with innovations rooted in technology to help users streamline everyday tasks. CAFÉ Smart Counter-Depth 4-Door French-Door Refrigerator with Dual-Dispense AutoFill Pitcher combines a seamless built-in look that fits with cabinets and counters for a clean design offering unmatched style and functionality. GE Profile made its innovative induction cooking technology more accessible with the launch of an induction range model. This GE Profile™ ENERGY STAR® 30" Smart Slide-In Induction and Convection Range gives consumers access to the speed, precision, responsiveness, easy-to-clean surface and efficiency of induction at price points accessible to a broader range of households. The Company also expanded our portfolio of room air conditioners to include new, powerful solutions across its GE Profile™ and GE® brands just in time for summer months. Air and Water Solutions continued to revolutionize residential water heater solutions with the all-new GE Profile™ GEOSPRING™ Smart Hybrid Heat Pump Water Heater, which utilizes advanced heat pump technology to provide up to 4.7 times more energy efficiency than standard electric water heaters and is up to 20% more energy efficient compared to other heat pump water heaters, it is also selected by Green Builder Media as Sustainable Product of the Year.

## Section III Management Discussion and Analysis

### **Europe**

In the first half of 2025, the Company recorded sales revenue of RMB17.995 billion, up 24.07% compared with the same period in 2024.

During the reporting period, Candy brand celebrated 80 years of history with a forward-looking spirit. The top innovations include a brand-new washing machine with a groundbreaking design, created to offer maximum flexibility in garment care and the Active Scent System of the Pro Dry 700 tumble dryer, which releases a delicate fragrance through tablets integrated in the filter. In the kitchen, the most innovative techs take centre stage. Candy ovens stand out for their No Preheat and FullMenu features. In the cooling segment, Panorama Light and Circle Fresh have been extended to the built-in range. Fresco fridges now come in modern colours. I-Master Series 7 Kettle, Toaster and Blender received iF Design Award. In May, the Candy Bake 800 oven and the Candy Fresco 500 refrigerator, to the Hoover HF2 vacuum cleaner, and the Haier I-Master Series 7 small kitchen appliances line received our prestigious Red Dot Awards. All of these award-winning products were created at Milan Experience Design Center, the creative hub opened in late 2020 to merge the concepts of design, connectivity, and user experience in the development of appliance solutions.

The deal between Haier, ATP Tour, and the French Tennis Federation (FFT), which began in 2023, includes some of the world's biggest tournaments such as the Roland Garros, Mutua Madrid Open, Hamburg Open, HSBC Championships, European Open Antwerp, Rolex Paris Masters. The Company received over 3 billion mentions during Roland Garros tournament this year.

During the reporting period, we actively advanced the post-acquisition integration of CCR and implemented headquarters synergy initiatives, while maintaining steady business growth. (1) Initial integration benefits emerged as our headquarters and CCR completed collaborative projects across R&D, technology, procurement, and brand expansion, such as the launch of our fourth-generation CDU in the second half of the year, while organizational optimization and integration of our micro-enterprise mechanisms further ignited team initiative. (2) Our core European business returned to growth. While we maintained stability with high-end core clients and expanded our customer base in food retail, we doubled down on regional customer development efforts. (3) Our Asia-Pacific business sustained rapid growth with further expansion into industrial applications, particularly in biopharmaceuticals, food processing, and specialized cold storage. (4) In North America, we focused on accelerating expansion into the industrial equipment market of leading local supermarket chains.

### **South Asia**

During the period, revenue from South Asia grew 32.47% year-on-year to RMB8.666 billion.

## Section III Management Discussion and Analysis

### ***India***

During the period, the Indian market maintained strong growth, with revenue increasing by over 20% year-on-year. This performance was driven by deep consumer insights and enhanced product differentiation. In response to Indian households' growing focus on energy consumption and vegetarian food refrigeration needs, we launched variable-temperature side-by-side refrigerators with up to 83% of their capacity configurable as refrigeration space. The variable-temperature feature enables flexible food storage and more efficient space utilization. We also launched the Gravity series inverter ACs — India's first fabric-clad AI self-learning air conditioners. Available in seven premium colors such as Morning Mist, Moonstone Gray, and Midnight Dream, the series combines smart cooling technology with fabric aesthetics, enhancing both comfort and the premium look of modern homes. We also strengthened our retail network and improved store performance: while online channels maintained rapid growth, we expanded coverage in national retail chains and traditional offline channels, reaching 65% coverage.

### ***Pakistan***

In Pakistan, we drove growth through localized product innovation, upgraded touchpoints, and improved store efficiency. By accelerating in-house supply chain development to enhance cost competitiveness, we increased our high-end market share and price index, achieving over 40% revenue growth and further strengthening our market leadership.

### ***Australia & New Zealand***

During the reporting period, sales revenue grew 1.02% to RMB3.258 billion.

The growth was achieved leveraging upgrading product strategy and solution packages such as Haier W790 refrigerator featuring industry leading 5.5/5-star energy efficiency, 7:3 fridge — freezer split with Humidity Zone™ drawer and separate storage bins for more fresh food flexibility; Haier H500-H600 oven with steam-assist function and AI assistant; X11 washer, the industry's first “breathable” product, with Air Cruise technology to address bacterial growth and X11 dryer with dual-engine heat pump technology and 3D perspective drying technology to prevent clothes from tangling. FPA upgraded built-in products including Columns series refrigerators and 90cm Oven while invested in design interactions and strengthened social media presence. The Company also completed 119 cost initiatives, enhanced the efficiency of freight transportation and warehouse operations, increased the prediction accuracy to 60%, and reduced the inventory turnover from 71 days to 63 days.

## Section III Management Discussion and Analysis

### ***Southeast Asia***

During the period, the Southeast Asian market generated revenue of RMB4.130 billion, representing a year-on-year increase of 18.29%. Market share expanded across the regions. In Thailand, our white goods retail volume share increased by 4.1 percentage points to 14.5%, securing the No.1 position. In Vietnam, volume share increased by 2.2 percentage points to 14.9%. In Malaysia, we entered the top three in the white goods market share.

In terms of products, each market drove growth through differentiated innovations. In Thailand, we launched our first smart voice-controlled air conditioner, enabling voice commands for power, temperature, and airflow adjustment; sales exceeded 1,000 units within three months. In Vietnam, Haier brand washing machines were officially launched, including three premium, highly differentiated products — the L+ high-efficiency heat pump washer-dryer, the Zhongzi (中子) all-in-one washer-dryer-care machine, and the X Series equipped with Air Cruise technology — driving the washing machine share to 21%, up 1.7 percentage points year-on-year. In Indonesia, we launched large-capacity two-door refrigerators with dual independent variable-temperature compartments, dual storage boxes, and a built-in water dispenser, further strengthening our competitiveness.

In terms of the supply chain, we further developed our local capability to reinforce our market position. In Thailand, construction of a new air conditioner plant progressed, optimizing lead times and reducing costs. In Indonesia, we focused on boosting manufacturing efficiency and shortening production cycles. We also implemented direct-from-factory delivery, reducing logistics costs and improving distribution efficiency.

### ***Middle East & Africa***

During the reporting period, the Middle East and African market generated revenue of RMB2.439 billion, representing a year-on-year increase of 65.42%.

During the period, we further enhanced our localized manufacturing base layout and drove rapid business growth through key regional partnerships and channel system reforms. (1) Phase I of our Egypt eco-park has achieved localized manufacturing of air conditioners, washing machines, and televisions, while Phase II production lines for refrigerators and other categories are under construction. Our industry-leading localization rate ensured cost advantages in the Egyptian market, with plans to export to neighboring markets in the Middle East and North Africa. (2) Following our acquisition and integration of Electrolux's water heater business in the South African market, we leveraged our global network to enhance Kwikot water heater products across procurement, R&D, and manufacturing, while actively utilizing Kwikot's local channel advantages and logistics network to expand sales of Haier brand water purifiers, refrigerators, washing machines, and other white goods in South Africa and surrounding markets. (3) We further optimized channel incentive mechanisms in Saudi Arabia and the Gulf region while advancing digital transformation to stimulate sales team motivation and overall operation efficiency. (4) Additionally, we continued promoting brand and product mix upgrades in key regions, increasing the proportion of mid to high-end product sales to uplift our premium brand positioning and unify brand image.

## Section III Management Discussion and Analysis

### *Japan*

During the reporting period, the Company recorded sales revenue of RMB1.958 billion, up 7.17% year-on-year, ranking 2<sup>nd</sup> with 14.8% volume market share in refrigerator, 1<sup>st</sup> in freezer with 40.4% and 2<sup>nd</sup> in washing machine with 18.0%.

The Company introduced a collection of innovative products including AQUA NewDelie and Freezia refrigerator series; new heat pump washing machine that ranked 1<sup>st</sup> in 10kg range and helped grow total market share by 1.2 percentage points, Haier MX high-end air conditioners with self-cleansing, WIFI control and AI energy saving functions. The Company continued to work with Yuzuru Hanyu as the brand Ambassador to launch several campaigns across multiple platforms to capture maximum attention.

### **VII. Digital Transformation**

During the reporting period, the Company accelerated the deployment of AI across all processes and established a **data-driven, intelligent decision-making, and closed-loop optimization system**, strengthening its advantages in product innovation, cost efficiency, and operational excellence.

**In product innovation**, the Company introduced an AI-driven demand insight system and standardized data platform, enabling precise identification of user needs and faster discovery of new opportunities. Supported by intelligent decision-making models, product portfolio efficiency improved by **13%** in the first half.

**In cost management**, the Company advanced full-chain digital restructuring. In R&D, the digital BOM system and intelligent costing models reduced design costs by **5.98%** and streamlined material codes by **18%**. In procurement, a transparent digital platform enhanced supplier onboarding efficiency by **28%**, while new technology solutions unlocked potential savings exceeding **RMB1 billion**. In overseas operations, a pilot program in Thailand achieved end-to-end digital management of suppliers, materials, orders, and operations, driving a **20% improvement in efficiency** and generating over **USD 40 million** in collaborative value.

**In supply chain and logistics**, the Company established an integrated digital system covering forecasting, production planning, inventory, and order management. Daily output at domestic manufacturing bases rose by **14%**, planning accuracy improved by **9.7 percentage points**, and production scheduling time was reduced from 2 hours to 0.5 hours. Order response cycles shortened to **8.9 days**. In logistics, AI-enabled warehousing, intelligent dispatch, and upgraded service assistants reduced logistics costs by 0.5%, enhanced labor productivity by 11%, and improved raw material VMI unit cost by 14%, with retail logistics success rates up by **5.35%**.

## Section III Management Discussion and Analysis

### Development Plan for the Second Half of the Year

Looking ahead to the second half of 2025, faced with changing user demand and competitive landscape, we will drive steady growth through systematic innovation to accelerate market share expansion and consolidate global leadership.

In the domestic market, we will continue to deepen digital inventory and marketing transformation to stay ahead. We will strengthen multi-brand synergies, with Casarte brand focusing on innovation and experience to create value for users, so as to strengthen high-end market leadership.

In overseas markets, we will focus on strategic upgrade and efficiency improvement to drive breakthroughs. We will continue upgrading global brand portfolio while strengthening localization capabilities and refining operations across all business processes. We will prioritize retail transition to expand market capacity through optimizing distributor and user experiences. At the operational level, we will integrate global platforms in quality control, logistics, services and digitalization to optimize resource allocation, improve market responsiveness, reduce cost and enhance efficiency, thus driving steady growth.

**Significant changes in the Company's operating conditions during the reporting period, and matters occurring during the reporting period that have and expected to have a significant impact on the Company's operating conditions**

☐ Applicable    ☒ Not Applicable

## Section III Management Discussion and Analysis

### III. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

√ Applicable ☐ Not Applicable

The Company has established a solid strategic presence and competitive advantage in global market. In China's major home appliance market, the Company has long maintained a leading position across all product categories. According to GfK's report, the Company has established a continued leading market position in key major home appliance categories during the period. In overseas markets, the Company has adhered to its high-end brand creation strategy. Coupling with the two newly acquired brands, namely CCR and Kwikot, this has served us well in building capacity to create global sustainable growth and continuously gaining market share. Building on this foundation and by leveraging on the consolidation and synergy of our global unified platform, efficiency transformation driven by digitalisation, technological strength and innovative capabilities, the Company will further consolidate its leading position in the industry. As cornerstone for sustainable development, our "Rendanheyi" (人单合一) Model also provided management guidance to the Company and enabled us to replicate successful experiences. It is believed that the following advantages will help the Company to continue to strengthen its leading position:

- (i) Building up excellent high-end brand operation capabilities and creating a well-recognised high-end brand through forward-looking layout and long-term investment in the global market to achieve a leading market position.

To better meet the need of consumers in pursuit of quality life, the Company has started to develop the high-end brand Casarte in the Chinese market more than 10 years ago. The creation of high-end brands requires not only focus, experience and patience, but also continuous innovation of technological standards and differentiated service capabilities to fulfil user demand for high-quality experiences. The Casarte brand combined the Company's global technological strengths, product development capabilities and manufacturing craftsmanship, as well as privilege marketing and differentiation services, which has won the trust of users in China's high-end market. According to data from GfK, the Casarte brand has assumed a definitive leading position in China's high-end major home appliance market during the period, ranking first in the retail sales of refrigerator, washing machine and air-conditioner categories in the high-end segment. In particular, market shares (in terms of offline retail sales) of the Casarte brand of refrigerators, air-conditioners and washing machines reached 59.2%, 49.2% and 90.4% respectively in the market with product priced above RMB15,000 in China.

## Section III Management Discussion and Analysis

- (ii) Providing users with specialised and customised smart household solutions through the San Yi Niao brand with cross-household design focusing on scenario-based experience to carry out the mission of “providing smart home experience for a better home”.

As users continued to demand for higher living quality, coupled with the development of technologies such as Internet of Things and big data, the industry has shown a smart and high-end development trend that prioritised product suites, based upon scenarios, and home appliances integrated with home furnishings. With leading user insights, extensive product coverage and technological accumulation from algorithms, big data models and IoT equipment technology, the Company established its three major capabilities in respect of innovations in smart home scenario solutions, experiential scenario stores, and breakthroughs in Smart Home’s main platform to create a new home appliances sales method with cross-household design focusing on scenario-based experience, and develop high-end, package, and front-end sales capabilities.

- (iii) Extensive and solid global presence with localised operational capability

In respect of overseas markets, the Company seeks overseas expansion of its own brands as well as synergies with acquired brands to develop overseas markets. Such business strategy has guided the Company to establish R&D, manufacturing and marketing three-in-one structure across multiple brands, products and regions, as well as the model of self-development, interconnection and synergised operation.

The Company’s extensive global presence depends on its localised business teams as well as its flexible and autonomous management mechanisms established in various overseas markets, which have enabled the Company to gain rapid insights and respond swiftly to local user demands. The Company also proactively integrates into local markets and cultures and has established a corporate image that is recognised by local communities in the overseas regions where the Company operates.

In the first half of 2025, the Company established 10+N innovative ecosystems, 163 manufacturing centres, and 126 marketing centres around the world, and achieved a coverage of nearly 230,000 points of sales in global markets.

- (iv) A comprehensive portfolio of proprietary brands recognised by users of all tiers

Through organic growth and acquisitions, the Company has formed seven brand clusters, including Haier, Casarte, Leader, GE Appliances, Candy, Fisher & Paykel and AQUA. To address the needs of users from different tiers in various markets around the world, the Company has adopted a differentiated multi-brand strategy in different regions that centred around users, to achieve an extensive and in-depth user coverage. For example, in the Chinese market: the three brands of Casarte, Haier and Leader achieved the coverage of high-end, mainstream and niche market groups respectively; in the U.S. market, the six major brands such as Monogram, Café, GE Profile, GE, Haier, Hotpoint comprehensively covered all segments of high-end, mid-range and low-end markets, thereby meeting the preferences and needs of different types of users.

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### (v) Cross-border acquisition and synergy realisation capabilities

The Company has an excellent track record of acquisition and integration. The Company has acquired Haier Group Corporation's overseas white goods business, including Sanyo Electric Co., Ltd.'s white goods businesses in Japan and Southeast Asia in 2015, the home appliance business of General Electric in the US in 2016, the New Zealand company Fisher & Paykel (which has been entrusted by the Haier Group since 2015) in 2018, and the Italian company Candy in 2019. In addition, the Company successfully acquired CCR, a commercial refrigeration brand, in 2024, which has expedited the Company's comprehensive refrigeration chain strategy and strengthened the development of its commercial refrigeration segment. The acquisition of Kwikot, a century-old water heater brand in South Africa, has expanded the Company's business footprint in the African market and strengthened its market competitiveness in the region. Capitalising on the local resources and technological strengths of CCR and Kwikot, Haier Smart Home has rapidly increased its brand awareness and market share in the region.

The Company's capability to perform acquisition and integration is reflected in the following: First of all, the Company implements the "Rendanheyi" (人单合一) Model in the acquired companies, which is a value-added sharing mechanism for the whole-process team under a common goal. Such model can motivate the acquired companies and their employees and enable them to generate more value. Secondly, the Company made use of its global platform to empower the acquired companies in terms of strategic planning, R&D and procurement in order to enhance their competitiveness. Thirdly, the Company's open and inclusive corporate culture can support the acquired companies in establishing a flexible and autonomous management mechanism, which can easily earn recognition from the acquired companies and is conducive to the promotion of integration.

### (vi) Comprehensive and in-depth global collaborations and empowerment

The Company has made full use of its global collaborative platform, as well as its integrated functions of R&D, product development, procurement, supply chain, sales and brand marketing. It was able to share and expand development experience to various markets around the world. By strengthening the synergies among its global businesses, the Company has created a strong driving force for its future development.

- Global product collaboration: Focusing on the needs of overseas users and customers, we leverage global R&D resources to ensure close collaboration across all stages, including user demand analysis, product planning, technical solution design, development testing and trial production, and have launched top-selling products in various regions around the world. For example, the only caravan air-conditioner in North America with a heat pump that operates at temperatures as low as -5 degrees Celsius, the first-ever 8.0 Energy Star refrigerator in the Australian market (which is 40% more energy-efficient than its rivals), a brand-new washing machine platform that meets the needs of both the China-US and Europe-Australia markets, and the global micro-vaporisation and roasting platform that integrates the R&D capabilities of Haier from, among others, China, Italy, New Zealand, America, and Japan. Through global product collaboration, overseas brands such as Haier, Fisher & Paykel, Candy, and GE have significantly expanded their product portfolios.

## Section III Management Discussion and Analysis

- Global capability collaboration: Development of high-caliber young engineers is conducted in accordance with the unified training model at both the Qingdao headquarters and GE Appliances in the U.S., which has yielded further progress. In Qingdao, young engineers trained through the Global Engineer Development Programme (GEDP) are continuously joining industrial R&D teams and becoming key players in product development. Meanwhile, driven by digital transformation, various global regions are progressively adopting advanced development tools and design methodologies from the automotive industry, significantly enhancing development accuracy and product quality.
- Global design collaboration: An industrial design collaboration system for global top-selling products centred on user experience and branding has been established. Through collaboration with global designers, design quality has been greatly improved. For example, the headquarters design team collaborated with the CANDY design team to complete the creation of Haier's Titanium Series 2/4/6 ovens under the global platform oven, which have been successively launched in markets included Europe and Australia. Meanwhile, the headquarters design centre supported Candy's brand transformation and realised Candy's price index improvement.
- Global procurement collaboration: The Company has established a global procurement committee to coordinate procurement activities. The committee has built a digital sourcing platform that brought together partners across industries and regions to develop an autonomous and controlled global supply chain ecosystem. The committee also created a global database of preferred suppliers and materials to achieve cost reduction by aggregating resources at the Company level. By unifying procurement rules and processes, the Company established a standardised operating system with differentiated procurement strategies to enhance efficiency while lowering risks. We have also developed a Company-level digital procurement platform to enhance shared capabilities through connecting "materials, businesses, people and mechanisms" to the platform, thereby improving the resilience of our global supply chain.
- Global supply chain collaboration: The Company has built an end-to-end digital management system for the global supply chain that spanned from marketing to suppliers to production and logistics. Using intelligent algorithms, the system enabled real-time flexible deployment of production capacity, and factories across the globe could share and develop smart manufacturing technologies to boost competitiveness.
- Global marketing and brand promotion collaboration: The Company operates a global, multi-tier brand portfolio and carries out coordinated brand promotion worldwide. It also promotes the sharing and replication of successful marketing strategies across regional markets. For example, in Thailand, the Company drew on the online — offline integration strategy used in the Chinese market, leveraging social media platforms to deliver targeted advertising for home appliance products tailored to local household scenarios, successfully capturing consumer attention.

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### (vii) Industry-leading R&D and technological capabilities

Haier Smart Home delves into technological innovation to expedite the development of innovation-driven productivity that aims for high-end, smart and green upgrade. Leveraging on our industry-leading and comprehensive R&D presence, we constantly provide global users with home appliances that meet their needs and customise their smart and convenient way of living, thus enriching users' life experience as well as cementing our leading position in high-end brands, scenario brands and ecosystem brands.

- Leadership in original technologies:

Haier Smart Home has launched a magnetically controlled full-space freshness refrigerator, addressing the challenge of frozen food preservation by keeping frozen fish fresh for 60 days and chilled meat red, tender, and fresh for 10 days, with nutrients retained as originally stored. The fully built-in range hood equipped with AI Eye enables intelligent interaction with the hob and introduces the industry's first anti-overflow technology, allowing real-time monitoring during cooking and intelligent flame adjustment to prevent spillover. Haier also launched the world's first integrated triple-drum "lazy" washing machine, meeting users' needs for zoned washing and care. It introduced the industry's first air conditioner capable of achieving 110% cooling capacity at 53°C and stable operation at 70°C. To address the issue of condensate in gas water heaters with top-rated energy efficiency, Haier uses aerospace-grade atomisation and centrifugal technology to achieve 100% external discharge of condensate water, rejecting its reuse after purification. It also launched the industry's first magnesium rod-free water heater with a metal inner tank, upgrading to an AI cleaning system that replaces the magnesium rod, truly achieving "no magnesium rod, no scale."

- Certification from authorities:

As of the end of June 2025, the Company received a total of 17 State Science and Technology Progress Award, more than any other company in the industry. The Company won the highest accolade of the Disruptive Technology Innovation Competition (Winner Award), and is the only company to have won the highest accolade in the industry for 3 times.

- Leadership in patent quality:

As of the end of June 2025, Haier Smart Home has accumulated more than 116,000 patents applications globally, including more than 75,000 invention patents. The Company also accumulated 12 state patent gold awards, ranking first in the domestic market. In the 'Global Smart Home Invention Patent Ranking' in the first half of 2025, Haier Smart Home once again topped the list with 2,208 published patent applications, ranking 1st in the world for 13 consecutive times.

## Section III Management Discussion and Analysis

- Leadership in international standards:

As of the end of June 2025, Haier Smart Home has cumulatively led and participated in the drafting of 116 international standards and 840 state/industrial standards. We are the only company in the industry to have participated in smart home standards from international organisations including the IEC, ISO, IEEE, OCF and Matter. We are also the only enterprise in the world to serve on both the IEC Board and the IEC Market Strategy Board, which have enabled the Company to stay actively involved in the formulation of international standards.

- Leadership in experience design:

Haier won over 600 accolades, including international design awards such as the German IF Design Award and the Red Dot Design Award. The Company won the most international design gold awards in the industry with six in total and won 3 China Excellent Industrial Design Gold Awards from the Ministry of Industry and Information Technology, which is the only enterprise in China that have earned three consecutive gold awards.

### (viii) Leading logistics and delivery capabilities in the PRC

Haier RRS Logistics has demonstrated strong competitiveness, particularly in its supply chain management solutions, which cover the entire process and various scenarios, as well as a delivery-loading synchronised logistics service network. By leveraging its digital operation and management capabilities, Haier RRS Logistics has integrated resources such as warehouses, transportation, and service outlets. As a result, it has built a nationwide logistics network that extends to villages and households, offering services that cover the entire process from procurement and factory manufacturing to end consumers. Additionally, Haier RRS Logistics has acquired strong capability in provision of customized services, boasting its strength in customising supply chain solutions according to individual customer needs, catering to a diverse range of needs of various clients. The Company also excels in cross-border supply chain management, addressing client needs in cross-border logistics through air, marine, railway, and multi-modal transportation.

### (ix) Sustainability

- ① Global ESG governance structure: To advance the implementation of ESG initiatives, Haier Smart Home has further strengthened its organisational structure framework, building on its 3-tier global ESG governance structure (the ESG Committee of the Board of Directors, the ESG Global Executive Office and the Global ESG Executive Working Group). At the executive level, the structure has been expanded to include sub-clusters in areas such as environmental management, sustainable risk management, corporate governance, and supply chain management, providing organisational support for the effective advancement of ESG management.

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- ② Green development and low-carbon operation: Haier Smart Home has formulated the “6 Green” strategy of green management throughout the entire life cycle, which includes “green design, green manufacturing, green marketing, green recycling, green disposal, and green procurement”, and promotes green actions throughout the entire life cycle. Haier Smart Home has integrated low-carbon, recycling, energy saving and emission reduction into its daily operations to promote green upgrading of the industry.
  - ③ Social responsibility and charity work: Haier Smart Home actively participates in public welfare projects such as the Hope Project, rural revitalisation, and emergency relief on a global scale, and continues to give back to society through donations and volunteer services.
  - ④ Leading ESG rating: Haier Smart Home has the leading rating among its peers in China in respect of the ESG ratings issued by three major organisations, namely CSI, MSCI and Wind. Among which, its MSCI rating has been upgraded to an AA level. This demonstrates its excellent performance in environmental, social responsibility and corporate governance.
- (x) Staying committed to the principle of “value of people comes first”

“Value of people comes first” has always been a guiding principle for Haier’s development. From the autonomous operation team at the start of the venture to the current “Rendanheyi” (人单合一) model, Haier encourages every employee to maximise their own values while creating values for users. In Haier’s “Rendanheyi” (人单合一) model, “Ren” refers to creators; “Dan” refers to user value; “Heyi” refers to the integration of values realised by employees and the values created for users. “Value of people comes first” is the highest purpose of the “Rendanheyi” (人单合一) model.

Haier Smart Home adheres to the values of recognising users’ demand as priority and denying our own perceptions and is committed to the “two creative spirits” of entrepreneurship and innovation. We turned employees into creators, implementers into entrepreneurs, and transformed enterprises into open ecosystem platforms, which have supported the Company to become a global leader of smart home in the Internet of Things era.

## Section III Management Discussion and Analysis

### IV. MAJOR OPERATIONS DURING THE REPORTING PERIOD

#### (I) Analysis of principal business

##### 1. Table of movement analysis on the related items in financial statements

Unit and Currency: RMB

| Items                                             | Current period     | Corresponding period of last year | Change (%) |
|---------------------------------------------------|--------------------|-----------------------------------|------------|
| Operating revenue                                 | 156,494,034,448.85 | 141,982,482,605.75                | 10.22      |
| Operating cost                                    | 114,437,933,108.76 | 103,945,159,570.63                | 10.09      |
| Selling expenses                                  | 15,816,814,510.07  | 14,517,816,334.58                 | 8.95       |
| Administrative expenses                           | 5,891,046,898.48   | 5,382,166,653.05                  | 9.45       |
| Financial expenses                                | -350,857,561.47    | 53,045,789.57                     | -761.42    |
| R&D expenses                                      | 5,790,436,804.10   | 5,182,598,681.20                  | 11.73      |
| Net cash flow generated from operating activities | 11,139,045,781.34  | 8,424,060,603.43                  | 32.23      |
| Net cash flow generated from investing activities | -10,021,560,348.60 | -9,191,602,063.95                 | -9.03      |
| Net cash flow generated from financing activities | -2,065,226,988.46  | -502,661,934.85                   | -310.86    |
| Other gains                                       | 775,214,508.42     | 585,424,373.34                    | 32.42      |
| Gain on changes in fair value                     | 34,753,540.63      | -29,565,597.82                    | 217.55     |
| Gain on disposal of assets                        | -7,368,037.54      | -1,569,698.49                     | -369.39    |
| Non-operating income                              | 121,855,656.14     | 76,490,746.47                     | 59.31      |
| Non-operating expenses                            | 257,738,776.06     | 96,898,224.12                     | 165.99     |

Reasons for significant changes in certain indicators:

- (1). Reasons for the changes in financial expenses: the decrease of 761.42% over the corresponding period was mainly due to the increase in foreign exchange gains and losses resulting from the appreciation of foreign currencies during the current period.
- (2). Reasons for the changes in net cash flow from operating activities: the increase of 32.23% over the corresponding period was mainly due to improved profitability and operational efficiency.
- (3). Reasons for the changes in net cash flow from financing activities: the increase of 310.86% over the corresponding period was mainly due to the increase in cash outflows for the repurchase of minority interests.
- (4). Reasons for the changes in other gains: the increase of 32.42% over the corresponding period was mainly due to the increase in government subsidies over the corresponding period.

## Section III Management Discussion and Analysis

- (5). Reasons for the changes in the gains on changes in fair value: the increase of 217.55% over the corresponding period was mainly due to the increase in changes in fair value of equity investments over the corresponding period
- (6). Reasons for the changes in gain on disposal of assets: the decrease of 369.39% over the corresponding period was mainly due to the year-on-year increase in losses from the disposal of non-current assets during the current period.
- (7). Reasons for the changes in non-operating income: the increase of 59.31% over the corresponding period was mainly due to the year-on-year increase in incomes generated during the current period that were not directly related to the Company's ordinary operation.
- (8). Reasons for the changes in non-operating expenses: the increase of 165.99% over the corresponding period was mainly due to the year-on-year increase in expenses generated during the current period that were not directly related to the Company's ordinary operation.

### **2. Detailed explanation on significant changes in the operation types and the components of profit or sources of profit of the Company during the period**

☐ Applicable    ☒ Not Applicable

### **(II) Explanations on the major changes in profits caused by non-principal businesses**

☐ Applicable    ☒ Not Applicable

## Section III Management Discussion and Analysis

### (III) Analysis of assets and liabilities

√ Applicable    □ Not Applicable

#### 1. Assets and liabilities

Unit: RMB'0,000

| Name of Item                                | Amount at the end<br>of Current Period | Percentage of<br>Amount at the End<br>of Current Period to<br>Total Assets (%) | Amount at the End<br>of the<br>Corresponding<br>Period of Last Year | Percentage of<br>Amount at the End<br>of the<br>Corresponding<br>Period of Last Year<br>to Total Assets (%) | Percentage of<br>Change in Amount<br>from the End of the<br>Corresponding<br>Period of Last Year<br>to Current Period<br>(%) |
|---------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
|                                             |                                        |                                                                                |                                                                     |                                                                                                             |                                                                                                                              |
| Monetary funds                              | 5,535,710.25                           | 18.35                                                                          | 5,559,755.46                                                        | 19.12                                                                                                       | -0.43                                                                                                                        |
| Account receivables                         | 3,112,579.67                           | 10.32                                                                          | 2,649,484.55                                                        | 9.11                                                                                                        | 17.48                                                                                                                        |
| Inventories                                 | 4,351,727.27                           | 14.42                                                                          | 4,318,985.57                                                        | 14.86                                                                                                       | 0.76                                                                                                                         |
| Contract assets                             | 149,615.94                             | 0.50                                                                           | 99,796.37                                                           | 0.34                                                                                                        | 49.92                                                                                                                        |
| Investment properties                       | 66,537.74                              | 0.22                                                                           | 24,616.13                                                           | 0.08                                                                                                        | 170.30                                                                                                                       |
| Long-term equity investments                | 2,141,390.02                           | 7.10                                                                           | 2,093,243.93                                                        | 7.20                                                                                                        | 2.30                                                                                                                         |
| Fixed assets                                | 3,873,335.15                           | 12.84                                                                          | 3,761,321.58                                                        | 12.94                                                                                                       | 2.98                                                                                                                         |
| Construction in progress                    | 567,744.33                             | 1.88                                                                           | 568,605.10                                                          | 1.96                                                                                                        | -0.15                                                                                                                        |
| Right-of-use assets                         | 632,438.49                             | 2.10                                                                           | 584,186.96                                                          | 2.01                                                                                                        | 8.26                                                                                                                         |
| Short-term borrowings                       | 1,612,761.46                           | 5.35                                                                           | 1,378,436.74                                                        | 4.74                                                                                                        | 17.00                                                                                                                        |
| Contract liabilities                        | 571,060.37                             | 1.89                                                                           | 1,086,533.78                                                        | 3.74                                                                                                        | -47.44                                                                                                                       |
| Long-term borrowings                        | 1,059,561.66                           | 3.51                                                                           | 966,507.43                                                          | 3.32                                                                                                        | 9.63                                                                                                                         |
| Lease liabilities                           | 491,625.26                             | 1.63                                                                           | 448,089.60                                                          | 1.54                                                                                                        | 9.72                                                                                                                         |
| Other Explanations                          |                                        |                                                                                |                                                                     |                                                                                                             |                                                                                                                              |
| Financial assets held for trading           | 881,544.83                             | 2.92                                                                           | 123,601.78                                                          | 0.43                                                                                                        | 613.21                                                                                                                       |
| Derivative financial assets                 | 7,936.51                               | 0.03                                                                           | 14,270.97                                                           | 0.05                                                                                                        | -44.39                                                                                                                       |
| Bills receivable                            | 690,761.19                             | 2.29                                                                           | 1,217,985.69                                                        | 4.19                                                                                                        | -43.29                                                                                                                       |
| Financing receivables                       | 124,819.74                             | 0.41                                                                           | 41,292.26                                                           | 0.14                                                                                                        | 202.28                                                                                                                       |
| Non-current assets due within one year      | 230,757.40                             | 0.76                                                                           | 143,975.87                                                          | 0.50                                                                                                        | 60.28                                                                                                                        |
| Long-term receivables                       | 13,902.22                              | 0.05                                                                           | 22,472.41                                                           | 0.08                                                                                                        | -38.14                                                                                                                       |
| Derivative financial liabilities            | 44,009.64                              | 0.15                                                                           | 7,101.13                                                            | 0.02                                                                                                        | 519.76                                                                                                                       |
| Other payables                              | 3,024,054.74                           | 10.02                                                                          | 2,174,613.58                                                        | 7.48                                                                                                        | 39.06                                                                                                                        |
| Non-current liabilities due within one year | 1,114,878.50                           | 3.70                                                                           | 1,653,004.05                                                        | 5.69                                                                                                        | -32.55                                                                                                                       |
| Other comprehensive income                  | 228,070.06                             | 0.76                                                                           | 82,550.29                                                           | 0.28                                                                                                        | 176.28                                                                                                                       |

#### **Reasons for significant changes in certain indicators**

- (1). The increase in financial assets held for trading of 613.21% from the beginning of the period was mainly due to an increase in short-term wealth management products;
- (2). The decrease in derivative financial assets of 44.39% from the beginning of the period was mainly due to fluctuations in the fair value of forward foreign exchange contracts;

## Section III Management Discussion and Analysis

- (3). The decrease in bills receivable of 43.29% from the beginning of the period was mainly due to the discounting of bills;
- (4). The increase in financing receivables of 202.28% from the beginning of the period was mainly due to the increase in bills expected to be discounted and endorsed for transfer;
- (5). The increase in contract assets of 49.92% from the beginning of the period was mainly due to the increase in accounts receivable with performance obligations;
- (6). The increase in non-current assets due within one year of 60.28% was mainly due to the increase in time deposits due within one year;
- (7). The decrease in long-term receivables of 38.14% was mainly due to the recovery of previous payments;
- (8). The increase in investment properties of 170.30% was mainly due to the increase in leases during the current period;
- (9). The increase in derivative financial liabilities of 519.76% was mainly due to fluctuations in the fair value of forward foreign exchange contracts;
- (10). The decrease in contract liabilities of 47.44% from the beginning of the period was mainly due to the decrease in advance payment with performance obligations;
- (11). The increase in other payables of 39.06% was mainly due to the increase in dividend payable;
- (12). The decrease in non-current liabilities due within one year of 32.55% was mainly due to the decrease in long-term borrowings due within one year;
- (13). The increase in other comprehensive income of 176.28% was mainly due to changes in exchange differences on translation of financial statement.

### 2. Overseas Assets

☒ Applicable   ☐ Not Applicable

#### (1) Scope of assets

Among the assets, overseas assets amounted to 14,812,771 (unit and currency:RMB'0,000), representing 49.1% of the total assets.

## Section III Management Discussion and Analysis

### (2) Explanation of high percentage of overseas assets

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Name of overseas asset                          | Reason for formation                                              | Operating mode                                                                | Operating revenue during the reporting period | Net profit of the reporting period |
|-------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------|
| Overseas Home Appliance and Smart Home Business | Overseas mergers & acquisitions and the Company's own development | Localized Operations with the integration of R&D, manufacturing and marketing | 79,078,994,757                                | 4,720,998,499                      |

Note: Net profit stated in the above table represents operating profit.

### 3. Restrictions on major assets as of the end of reporting period

☐ Applicable ☒ Not Applicable

### 4. Other Explanations

☐ Applicable ☒ Not Applicable

## (IV) Analysis of investment

### 1. Overall analysis on external equity investment

☒ Applicable ☐ Not Applicable

#### (1). Significant equity investment

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB'00,000,000

| Name of invested company      | Main business                               | Whether the subject is principally engaged in the investment business | Investment method | Investment amount | Percentage of shareholding | Whether to consolidate | Statement account (if applicable) | Source of funds                                          | Partner (if applicable) | Investment period (if any) | Progress as of the balance sheet date | Estimated revenue (if any) | Impact on profit and loss for the current period | Whether involved in litigation | Disclosure date (if any) | Disclosure index (if any)                                                                                                                                                                                                                                         |
|-------------------------------|---------------------------------------------|-----------------------------------------------------------------------|-------------------|-------------------|----------------------------|------------------------|-----------------------------------|----------------------------------------------------------|-------------------------|----------------------------|---------------------------------------|----------------------------|--------------------------------------------------|--------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Haier Group Finance Co., Ltd. | Enterprise group financial company services | No                                                                    | Other             | 12.6              | 42%                        | No                     | /                                 | Converting undistributed profits into registered capital |                         | /                          | Incomplete                            | /                          | /                                                | No                             | 28 March 2025            | Announcement on the Capital Increase in the Investee, Haier Group Finance Co., Ltd., by Converting Undistributed Profits into Registered Capital in Proportion, and the Related-Party Transaction of Haier Smart Home Co., Ltd. (Announcement no.: Lin 2025-008). |
| Total                         | /                                           | /                                                                     | /                 | 12.6              | /                          | /                      | /                                 | /                                                        | /                       | /                          | /                                     | /                          | /                                                | /                              | /                        | /                                                                                                                                                                                                                                                                 |

## Section III Management Discussion and Analysis

### (2). Significant non-equity investment

√ Applicable    □ Not Applicable

During the reporting period, the 13th meeting of the 11th session of the Board of Directors of the Company considered and approved a new construction project of 3 million units of washing machines in the SCO Economic Demonstration Zone, Jiaozhou, Qingdao, with an estimated total investment of RMB1.784 billion. It also considered and approved the proposed purchase of real estate for Haier White Goods R&D Center for RMB267 million. For details, please refer to the Announcement on Investing in Construction of a New Washing Machine Production Plant with an Annual Capacity of 3 Million Units of Haier Smart Home Co., Ltd. (Announcement no.: Lin 2025-016) and the Announcement on the Acquisition of the Real Estate of Haier White Goods R&D Centre and the Related-party Transaction of Haier Smart Home Co., Ltd. (Announcement no.: Lin 2025-015) disclosed by the Company on 28 March 2025. For details of other non-equity investment, please refer to “Section VIII Financial Report” for relevant information of items such as construction in progress.

### (3). Items measured at fair value

| Asset Type                               | Opening Balance  | Profits or Losses of Changes in Fair Value during the Period | Cumulative Changes in Fair Value Included in Equity | Provision for Impairment of Purchases during the Period | Sold/Redeemed Amount during the Period | Other Changes  | Closing Balance   |
|------------------------------------------|------------------|--------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------|----------------------------------------|----------------|-------------------|
| Wealth management products               | 746,436,121.40   | 12,840,207.01                                                |                                                     | 22,851,173,000.00                                       | 15,292,938,000.00                      |                | 8,317,511,328.41  |
| Investment in other equity instruments   | 6,073,680,870.82 | —                                                            | -374,242,839.46                                     | 49,238.16                                               | 87,115,207.36                          | 37,784,189.09  | 5,650,156,251.25  |
| Investment in trading equity instruments | 195,177,368.77   | 18,929,447.58                                                |                                                     |                                                         | 31,001,704.19                          |                | 183,105,112.16    |
| Investment funds                         | 294,404,349.36   | 25,935,689.85                                                |                                                     | 8,196,533.65                                            | 12,404,953.39                          | -1,299,744.42  | 314,831,875.05    |
| Financing receivables                    | 412,922,615.25   |                                                              |                                                     | 17,123,799,299.24                                       | 16,288,524,466.15                      |                | 1,248,197,448.34  |
| Derivative financial instruments         | 71,698,406.90    | -267,552,013.91                                              | -149,398,586.76                                     |                                                         |                                        | -15,479,086.92 | -360,731,280.69   |
| Total                                    | 7,794,319,732.50 | -209,846,669.47                                              | -523,641,426.22                                     | 39,983,218,071.05                                       | 31,711,984,331.09                      | 21,005,357.75  | 15,353,070,734.52 |

Note: As of 30 June 2025, the aggregate balance of the Company's foreign exchange derivative transaction amounted to approximately US\$2.634 billion.

## Section III Management Discussion and Analysis

### Investment in securities

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Type of Securities | Securities Code | Securities Abbreviation | Initial investment cost | Sources of funding | Carrying amount at the beginning of the Period | Profit and loss arising from changes in fair value during the Period | Accumulated fair value changes included in equity | Purchases during the Period | Disposals during the Period | Investment profit or loss during the period | Carrying amount at the end of the Period | Accounting items                        |
|--------------------|-----------------|-------------------------|-------------------------|--------------------|------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------|-----------------------------|-----------------------------|---------------------------------------------|------------------------------------------|-----------------------------------------|
| Stock              | 601328          | Bank of Communications  | 1,803,769.50            | Self-funding       | 10,584,698.04                                  |                                                                      | 117,494.12                                        |                             |                             |                                             | 10,702,192.16                            | Investments in other equity instruments |
| Stock              | 600827          | Bailian Group           | 154,770.00              | Self-funding       | 430,510.84                                     |                                                                      | —                                                 |                             |                             |                                             | 430,510.84                               | Investments in other equity instruments |
| Stock              | 300183          | Neusoft Carrier         | 18,713,562.84           | Self-funding       | 15,125,624.10                                  |                                                                      |                                                   |                             |                             |                                             | 15,125,624.10                            | Investments in other equity instruments |
| Stock              | 688455          | KENGIC                  | 13,820,053.00           | Self-funding       | 86,936,035.20                                  | -4,275,003.34                                                        |                                                   |                             | 29,611,302.75               | 23,204,450.92                               | 76,254,180.03                            | Trading financial assets                |
| Total              | /               | /                       | 34,482,155.34           | /                  | 113,076,868.18                                 | -4,275,003.34                                                        | 117,494.12                                        |                             | 29,611,302.75               | 23,204,450.92                               | 102,512,507.13                           | /                                       |

### Explanation of investment in securities

□ Applicable    √ Not Applicable

### Private equity investment

√ Applicable    □ Not Applicable

By the end of the reporting period, the Company has historically invested in private equity funds as follows: the Company invested 63.13% share in Qingdao Haier SAIF Smart Home Industry Investment Center (Limited Partnership) (青岛海尔赛富智慧家庭创业投资中心(有限合伙)); Qingdao RRS Huitong Investment Management Co., Ltd. (青岛日日顺汇通投资管理有限公司), a subsidiary of the Company, invested 49% share in Guangzhou Heying Investment Partnership (Limited Partnership) (广州合赢投资合夥企业(有限合伙)); Qingdao Haishang Chuangzhi Investment Co., Ltd. (青岛海尚创智投资有限公司), a subsidiary of the Company, invested 30% share in Huizhixiangshun Equity Investment Fund (Qingdao) Partnership (Limited Partnership) (汇智翔顺股权投资基金(青岛)合夥企业(有限合伙)), a private equity fund, and 50% equity of Qingdao Ririshun Huizhi Investment Co., Ltd. (青岛日日顺汇智投资有限责任公司), a managing partner of the fund; Qingdao Haier Technology Investment Co., Ltd. (青岛海尔科技投资有限公司), a subsidiary of the Company, invested in private equity funds: 1.265% share in Beijing-Tianjin-Hebei Industrial Coordinated Development Investment Fund (Limited Partnership) (京津冀产业协同发展投资基金(有限合伙)), 14.85% share in Shenzhen TopoScend Capital Phase I Fund (Limited Partnership) (深圳市投控东海一期基金(有限合伙)), 24% share in Qingdao Haimu Smart Home Investment Partnership (Limited Partnership) (青岛海慕智家投资合夥企业(有限合伙)), and invested in fund management companies: 5.01% equity of CMG-SDIC Capital Co., Ltd. (国投招商投资管理有限公司), 15% equity of Shenzhen TopoScend Capital Co., Ltd. (深圳市投控东海投资有限公司), 49% equity of Qingdao Haimu Investment Management Co., Ltd. (青岛海慕投资管理有限公司).

## Section III Management Discussion and Analysis

### Derivative investment

√ Applicable    ☐ Not Applicable

(1). Derivatives investments for hedging purposes during the reporting period

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB'0,000

| Type of derivatives investment     | Initial investment amount | Carrying amount at the beginning of the Period | Gains or losses on fair value changes for the current period | Accumulative changes in fair value included in equity | Amount purchased during the reporting period | Amount sold during the reporting period | Carrying amount at the end of the Period | Proportion of carrying amount to net assets of the Company at the end of the reporting period (%) |
|------------------------------------|---------------------------|------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------|-----------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------|
| Forward foreign exchange contracts | 1,014,344.00              | 1,014,344.00                                   | -26,903.00                                                   | -14,940.00                                            |                                              |                                         | 1,885,518.00                             | 16.41                                                                                             |
| Forward commodity contracts        | 4,213.00                  | 4,213.00                                       | 147                                                          |                                                       |                                              |                                         | 3,816.00                                 | 0.03                                                                                              |
| Total                              | 1,018,557.00              | 1,018,557.00                                   | -26,756.00                                                   | -14,940.00                                            |                                              |                                         | 1,889,334.00                             | 16.44                                                                                             |

|                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Explanation on any significant changes in the accounting policies and specific accounting and auditing principles for the hedging business during the reporting period as compared to the last reporting period              | Accounting principles are based on the Accounting Standards for Business Enterprises. The Company carried out the accounting treatment for its business in accordance with the relevant regulations of "Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments", "Accounting Standards for Business Enterprises No. 24 — Hedge Accounting", "Accounting Standards for Business Enterprises No. 37 — Presentation of Financial Instruments" and "Accounting Standards for Business Enterprises No. 39 — Fair Value Measurement" published by the Ministry of Finance and its guidance, to reflect the relevant items in the balance sheet and the statement of profit or loss, which are consistent with those of the previous reporting period. |
| Explanation on actual profit or loss during the reporting period                                                                                                                                                             | The actual profit and loss for the reporting period amounted to RMB-95.3522 million.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Explanation on the effect of hedging                                                                                                                                                                                         | Under the premise of ensuring normal production and operation, the Company carried out hedging business to reduce the impact of exchange rate fluctuations on the Company's production and operation and to realize the Company's long-term stable development.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Source of funds for derivative investments                                                                                                                                                                                   | Self-owned funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Risk analysis and explanations on risk control measures for positions in derivatives during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.) | <p><b>I. Foreign exchange hedging business</b></p> <p><b>1. Risk Analysis</b></p> <p>The Company and its holding subsidiaries conduct foreign exchange derivatives business in accordance with the principle of stability, and do not conduct the foreign exchange transaction for speculative purposes. All foreign exchange funds businesses are based on normal production and operation and rely on specific business operations to avoid and prevent exchange rate risks. However, there are also certain risks in conducting foreign exchange funds business:</p>                                                                                                                                                                                                                              |

## Section III Management Discussion and Analysis

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- (1) Market risk: Forward settlement of foreign exchange: the Company will determine whether to sign a forward contract based on the cost of the product (basically consisting of RMB) and market risk. Signing the contract equals to fixing the price of currency exchange. It is effective to resist market fluctuation risk and ensure a reasonable and stable profit level of the Company through forward settlement of foreign exchange. Forward purchase of foreign exchange: according to the import contract entered with the customer and exchange rate risk, the future currency exchange cost will be fixed through the unilateral forward purchase of foreign exchange. Although there is a certain risk of loss, the forward purchase of foreign exchange will effectively reduce the market fluctuation risk and fix procurement costs. Other NDF and options businesses are mainly carried out when failed to sign the ordinary forward settlement/purchase of foreign exchange or the costs are too high, only serving as the supplement of the above businesses. Exchange rate fluctuation risk in currency swap business is avoided by adjusting the currency of assets and liabilities in order to match the currency of the assets with the currency of liabilities. Interest rate fluctuation risk in interest rate swap business is avoided by transfer the floating-rate business to fix-rate business or transfer the fixed-rate business to floating-rate business when the rate is going downward to reduce the costs. All of the above businesses have a real business background and there is no speculation.
  - (2) Exchange rate fluctuation risk: After the Company fixing the forward exchange rate according to the foreign exchange management strategy, if the actual trend of the foreign exchange rate deviates significantly from the direction of the Company's fixed exchange rate fluctuation, the cost of the Company after fixing the exchange rate expenditure may exceeds the cost of not fixing the exchange rate, thus forming a loss of the Company. When the foreign exchange rate changes greatly, if the fluctuating direction of the Company's fixed foreign exchange hedging contract is inconsistent with that of the foreign exchange rate, the foreign exchange loss will be formed; if the exchange rate does not fluctuate in the future, the vast deviation from the foreign exchange hedging contract will also form a foreign exchange loss.
  - (3) Internal control risk: The foreign exchange derivatives business is highly specialized and complex so it may cause risks due to imperfect internal control systems.
  - (4) Transaction default risk: In the event of a default in the counterparty of foreign exchange derivative transaction, the Company would not be able to obtain hedging profits as agreed to hedge the Company's actual exchange losses, resulting in a loss of the Company.
  - (5) Customer default risk: The overdue of customer's accounts receivable and the customer's order adjustment will make the actual payment inconsistent with the expected payment, which may result in the actual cash flow could not match the carried out foreign exchange derivative business term or amount completely, leading to a loss of the Company.

### 2. Risk Control Measures Taken by the Company

- (1) The Company may not engage in any foreign exchange derivative transactions except those carried out for the purpose of avoiding exchange rate risks, and only for foreign exchange operations related to the Company's import and export business and overseas asset/liability management.
- (2) The Company implemented approval process in strict compliance with the Foreign Exchange Risk Management Policy and the Foreign Exchange Derivatives Transaction Management Rules. The general meeting of shareholders of the Company and the Board of Directors delegate the President/President Office to take responsibility for the operation and management of the foreign exchange derivatives business, the Treasury Department shall act as the handling department, and finance department shall act as the daily review department.
- (3) The Company conducts foreign exchange derivatives business with financial institutions such as large banks with legal qualifications. The financial department timely tracks the changes in the transaction and strictly controls the occurrence of closing default risk.
- (4) The Company conducts foreign exchange derivatives business must base on the Company's cautious forecast on the foreign currency receipts and payments and actual business exposure. The delivery date of the foreign exchange derivatives business must match with the Company's predicted receipt time, deposit time or payment time of the foreign currency, or match with the corresponding redemption term of the foreign currency bank borrowing.

## II. Bulk Hedging Business

### 1. Risk Analysis

- (1) Market risk: The futures and derivatives market itself has certain systematic risks, while hedging requires certain level of price trend prediction. If the price prediction is directionally incorrect, it may cause losses to the Company.
-

## Section III Management Discussion and Analysis

|                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                  | <p>(2) Policy risk: Significant changes in laws and regulations of the futures and derivatives markets may cause market fluctuations or make trading impossible, which may result in risks.</p> <p>(3) Funding risk: Due to the strict margin system and daily mark-to-market system in the futures market, there may be corresponding funding floating loss risks. The Company will reasonably allocate its own funds for hedging business, control the scale of funds, and conduct funding projections while formulating trading plans to ensure sufficient funds. In the process of business operations, the Company will plan and utilize margins reasonably, and adjust funds appropriately to avoid risks.</p> <p>(4) Operational risk: There may be cases in which suppliers violate their agreements and cancel or delay deliveries, resulting in a mismatch between the actual hedging quantity and period, causing losses to the Company.</p> <p>(5) Internal control risk: Futures and derivatives transactions are more specialized and complex, which may give rise to risks caused by inadequate internal control systems or human errors in operations. The Company has formulated the Management Measures for Hedging Business of Bulk Raw Materials, which contains clear provisions on the authorization scope, approval procedures, risk management and other aspects of hedging transactions. The Company shall strengthen internal control management and improve professionalism, implement risk prevention measures and improve the management standard of hedging business.</p> |
|                                                                                                                                                                                                                                                  | <p><b>2. Risk control measures adopted by the Company</b></p> <p>(1) Matching hedging business with the Company's production and operation to maximize hedging against the risk of market fluctuations.</p> <p>(2) Strictly control the scale of hedging funds and reasonably plan and use margins. The Company will reasonably allocate its own funds for hedging business, and will not use raised funds directly or indirectly for hedging.</p> <p>(3) The Company has formulated the Management Measures for Hedging Business of Bulk Raw Materials, which contains clear provisions on the organizational structure and its responsibilities, business processes, risk management, file management, etc. The Company will strictly follow the provisions of the internal control system to control all aspects of the business, and will implement the Management Measures in accordance with the established regulations.</p> <p>(4) The Company will strengthen the training of relevant personnel to enhance their professionalism and overall quality; strengthen research on the futures and derivatives market to grasp market changes and design specific operational plans for trading business.</p> <p>(5) The internal audit department of the Company will conduct regular and irregular inspections of hedging trading business, supervise hedging trading business personnel in the implementation of the risk management system and risk management procedures, and prevent operational risks in the business in a timely manner.</p>                                                |
| Changes in market price or fair value of invested derivatives during the reporting period, where specific methodology used and the settings of relevant assumptions and parameters should be disclosed in the fair value analysis of derivatives | In respect of changes in market prices or fair value of products, gains or losses actually realized from the invested derivatives amounted to RMB-95.3522 million during the reporting period. As for the specific methodology used and the related assumptions and parameter settings: Foreign exchange and interest rate swap forward quotations from financial institutions were used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Litigation case (if applicable)                                                                                                                                                                                                                  | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Disclosure date of announcement in relation to the consideration and approval of derivatives investment by the Board (if any)                                                                                                                    | 28 March 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Disclosure date of announcement in relation to the consideration and the approval of derivatives investment by shareholders' general meeting (if any)                                                                                            | 29 May 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

(2). Derivatives investments for investment purposes during the reporting period

☐ Applicable ☒ Not Applicable

## Section III Management Discussion and Analysis

### (V) Sale of material assets and equity

☐ Applicable ☒ Not Applicable

### (VI) Analysis on major subsidiaries and Investees

☒ Applicable ☐ Not Applicable

#### Major subsidiaries and investees with an impact of more than 10% on the Company's net profit

☐ Applicable ☒ Not Applicable

#### Acquisition and disposal of subsidiaries during the reporting period

☐ Applicable ☒ Not Applicable

There were no acquisitions or disposals of subsidiaries that had a material impact during the reporting period. For details of other changes, please refer to the relevant contents of sections headed "CHANGES OF CONSOLIDATION SCOPE" in "Section VIII Financial Report" of this report.

#### Other explanations

☐ Applicable ☒ Not Applicable

### (VII) Structured entities controlled by the Company

☐ Applicable ☒ Not Applicable

## V. OTHER DISCLOSURES

### (I) Potential risks

☒ Applicable ☐ Not Applicable

1. Risk of decreasing market demand due to macroeconomic slowdown. Sales of white goods and home appliances exhibits inherent cyclicalities tied to discretionary consumer spending patterns and their expectations of future disposable income growth. Economic slowdown will reduce consumer spending and cause headwinds to industry growth. In addition, the persistent sluggish property market will also indirectly affect market demand for home appliances in a negative way.

## Section III Management Discussion and Analysis

2. Risk of price war caused by intensified industry competitions. As industry concentration level continues to increase in recent years, the white goods industry is highly competitive with persistent commoditization pressures across core product categories. However, the increase in inventory level in certain verticals due to demand-supply imbalance may lead to price wars. Furthermore, rapid technological development, scarcity of talents in the industry, shortened product life cycles and relative easiness of copycat increase the difficulty to maintain margin levels. Nevertheless, new products, services and technologies are often associated with higher selling prices. The Company will actively invest more in R&D to sustain the product roll-out, attract more users through continuous innovation, and maintain our brand awareness.
3. Risk of fluctuations in raw material prices. The Company's products and core components use metals such as steel, aluminum, and copper, as well as commodities such as plastics and foams. If raw material prices continue to increase, it will put certain pressures on the production and operations. In addition, the Company relies on third party manufacturers and suppliers for selected raw materials, components, and manufacturing equipment. Any disruption in supply chain or significant price increases will have a negative impact on the Company's business. As a leader in the industry, the Company will take actions and have contingency plans including volume and price adjustment mechanism and hedging to reduce the volatility of raw material prices.
4. Operational risks in overseas markets. As manifested by the increasing percentage of revenue from overseas markets, the Company has developed our global business to a certain extent and established production bases, R&D centers, and marketing centers in key regions of the world. Overseas markets are subject to political and economic events (including events such as military conflicts and wars), different legal systems and regulatory regimes of those countries and regions. Significant changes in these factors will pose certain risks to the Company's local operations. The Company has taken various measures to mitigate the relevant impacts, including collaborating with suppliers and distributors, improving production efficiency to offset the selling expenses, potentially expanding the Company's supply resources to other countries, and adopting safety measures to protect our employees and assets.
5. Risk of tariff increases. Potential tariff policies implemented and/or to be introduced by the U.S. and other major economies could negatively impact the existing supply chains of the industry and the global home appliance players. Higher tariffs would incur extra costs for export and import, reduce profit margins, weaken the consumer sentiment and demand, and intensify market competition in target markets. The increasing uncertainties regarding tariff policies would force home appliance players to reevaluate their supply chain strategies and footprints, increase operational complexities and management costs. To cope with the potential tariff shocks, the Company will actively leverage our localized supply chain resources in respective markets, further optimize supply chain management, enhance production flexibilities, and strengthen regional manufacturing and collaboration capabilities.

## Section III Management Discussion and Analysis

6. Risk of exchange rate fluctuations. In conjunction with the Company's ongoing expansion of global business operations, a material portion of its import/export transactions and cross-border settlements are denominated in foreign currencies including but not limited to the US Dollar (USD), Euro (EUR), and Japanese Yen (JPY). If the exchange rates of these currencies fluctuate to a certain extent, it will impact the Company's financial performance and potentially increase the financial costs. In addition, the Company's consolidated financial statements are denominated in Renminbi, while subsidiaries' financial statements are measured and reported in the local currencies where they operate. To mitigate these exposures, the Company maintains a structured currency risk management program utilizing authorized hedging instruments.
7. Risk of relevant policy changes. The home appliance industry is closely related to the consumer market and property market. Changes in macroeconomic policies, consumption and investment policies, property policies and relevant laws and regulations will affect the product demands, and in turn the sales of the Company. The Company will closely monitor changes in the relevant policies, laws, and regulations, and make forecasts of market changes, in order to ensure further development of the Company.
8. Credit risk. There are possibilities that either the Company may be unable to collect all trade receivables from its distributors, or the distributors are unable to settle the Company's all trade receivables in a timely manner. If that is the case, the Company's business, financial status, and operation performance may be affected negatively. To mitigate this risk, the Company will maintain flexibilities by offering credit period of 30 to 90 days to certain distributors based on their credit history and transaction amount.
9. Inventory risk. Excess inventory might occur as the Company may not accurately predict trends and events at all times and maintain optimal inventory levels. Therefore, the Company may be forced to offer discounts or promotions to accelerate the slow-moving inventory in these extreme cases. On the other hand, inventory shortage may lead to loss of revenues. The Company will actively manage its inventory and adjust levels according to market demand movements, in addition to the regular impairment tests.
10. Capital expenditure risk. In the current macroeconomic environment characterized by slowing global economy and declining consumer demand, the existing production capacities may overwhelm the market in extreme case. This could lead to low utilization rate across the industry, lower down profitability and ROEs. The Company will actively manage the changes in the macroeconomic environment by forecasting and recalibrating market demand trends, optimizing capacity footprint, and improving existing utilization rate, in order to minimize capital expenditure risks.

### (II) Other disclosures

☐ Applicable    ☒ Not Applicable

# Section IV Corporate Governance, Environmental and Social

## I. CHANGES IN DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

√ Applicable    □ Not Applicable

| Name             | Position Held                                         | Description of Change |
|------------------|-------------------------------------------------------|-----------------------|
| Li Huagang       | Chairman, Chief Executive Officer                     | Elected               |
| Kevin Nolan      | Director, vice president                              | Elected               |
| Sun Danfeng      | Director, vice president, Chief Digital Officer       | Elected               |
| Gong Wei         | Vice Chairman                                         | Elected               |
| Li Shaohua       | Director                                              | Elected               |
| Yu Hon To, David | Director                                              | Elected               |
| Chien Da-chun    | Director                                              | Elected               |
| Wong Hak Kun     | Independent director                                  | Elected               |
| Li Shipeng       | Independent director                                  | Elected               |
| Wu Qi            | Independent director                                  | Elected               |
| Wang Hua         | Independent director                                  | Elected               |
| Shao Xinzhi      | Vice Chairman                                         | Resigned              |
| Li Kam Fun       | Director                                              | Resigned              |
| Liu Dalin        | Chairman of the Board of Supervisors                  | Resigned              |
| Yu Miao          | Employee supervisor                                   | Resigned              |
| Liu Yongfei      | Supervisor                                            | Resigned              |
| Xie Juzhi        | Vice president                                        | Resigned              |
| Li Pan           | Vice president                                        | Appointed             |
| Zhao Yanfeng     | Vice president                                        | Appointed             |
| Li Yang          | Vice president                                        | Appointed             |
| Song Yujun       | Vice president                                        | Appointed             |
| Guan Jiangyong   | Vice president                                        | Appointed             |
| Wu Yong          | Vice president                                        | Appointed             |
| Fu Songhui       | Vice president                                        | Appointed             |
| Huang Decheng    | Vice president                                        | Appointed             |
| Sun Jiacheng     | Vice president, Chief Financial Officer               | Appointed             |
| JAMES QUN LIU    | Vice president, Chief Compliance Officer              | Appointed             |
| Huang Xiaoyu     | Vice president, Chief Sustainable Development Officer | Appointed             |
| Liu Xiaomei      | Secretary to the Board of Directors                   | Appointed             |

## Section IV Corporate Governance, Environmental and Social

Explanation of changes in Directors, Supervisors and senior management of the Company

☒ Applicable ☐ Not Applicable

During the reporting period, due to the expiration of terms of office and re-election of the Company's Board of Directors and senior management, and the repeal of the Board of Supervisors in accordance with the regulations, there were changes in the Company's Directors, Supervisors and senior management.

### II. PROPOSAL OF PROFIT DISTRIBUTION OR CAPITALIZATION OF CAPITAL RESERVE

#### Proposal for interim profit distribution and proposal for conversion of capital reserve into share capital

|                                                                                         |      |
|-----------------------------------------------------------------------------------------|------|
| Whether distributed or converted                                                        | Yes  |
| Number of bonus shares for every 10 shares (shares)                                     | 0    |
| Dividend per every 10 shares (RMB) (tax inclusive)                                      | 2.69 |
| Number of shares converted for every 10 shares (shares)                                 | 0    |
| Description of the proposal of profit distribution or capitalization of capital reserve |      |

Proposal of profit distribution for the reporting period are examined and reviewed by the Board: to declare a cash dividend of RMB2.69 per 10 shares (tax inclusive) to all shareholders based on the total number of shares held on record date and after deducting the repurchased shares from the repurchase account upon the execution of distribution proposal, with proposed distribution amounting to RMB2,506,684,210.62 (tax inclusive). The proportion of cash distribution is 20.83% of the net profit attributable to shareholder of parent company of the Company for the half year. If there is any change in the total share capital of the Company during the period from the date of this report to the record date of the equity distribution, the total distribution amount will be remained unchanged with corresponding adjustment to the proportion of distribution per share.

### III. EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVES AND EFFECTS THEREOF

#### (I) Relevant incentive events disclosed in temporary announcements and without any subsequent progress or change

√ Applicable    ☐ Not Applicable

| Summary of Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Query Index                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Cancellation of certain 2021 and 2022 equity incentive options: In view of the fact that the fourth exercise period of the first/reserved grant portion of the 2021 A Share Option Incentive Scheme and the third exercise period of the 2022 A Share Option Incentive Scheme of the Company did not meet the exercise conditions, and due to the resignation or redesignation of some of the incentive recipients, the Company cancelled the corresponding 9,652,135 share options and 25,262,727 share options that had been granted but had not yet been exercised.</p>                                                                                                                                                                                                                                                                                                                                                                    | <p>For details, please refer to the Announcement of Haier Smart Home Co., Ltd on the Cancellation of Certain Share Options in the 2021 A Share Option Incentive Scheme, the 2022 A Share Option Incentive Scheme disclosed by the Company on 30 April 2025, the Announcement of Haier Smart Home Co., Ltd on the Completion of Cancellation of Certain Share Options in the 2021 A Share Option Incentive Scheme, the 2022 A Share Option Incentive Scheme and relevant contents disclosed by the Company on 10 May 2025.</p> |
| <p>Introduction of New Phase of A Share and H Share Employee Stock Ownership Plan: In order to further improve the governance mechanism of the Company, create shareholder value and promote the comprehensive implementation of the Company's IoT smart home ecological brand strategy, the Company considered and introduced the 2025 H Share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd (Draft) and the 2025 A Share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd (Draft) at the 14th meeting of the 11th session of the Board of Directors held by the Company on 29 April 2025 and the 2024 Annual General Meeting held by the Company on 28 May 2025. During the reporting period, the establishment of positions for 2025 A Share Employee Stock Ownership Plan has been completed, while the establishment of positions for 2025 H Share Employee Stock Ownership Plan is still in progress.</p> | <p>For details, please refer to the 2025 A Share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd (Draft), the 2025 H Share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd (Draft), the Announcement of Resolutions at the General Meeting disclosed on 29 May 2025, the Announcement of the Completion of the Establishment of Positions for A Share Employee Stock Ownership Plan disclosed on 21 June 2025 and relevant contents.</p>                                                      |

## Section IV Corporate Governance, Environmental and Social

### (II) Incentive events not disclosed in provisional announcements or with subsequent development

#### Equity incentive

☐ Applicable    ☒ Not Applicable

#### Other explanations

☐ Applicable    ☒ Not Applicable

#### Employee stock ownership plan

☐ Applicable    ☒ Not Applicable

#### Other Incentives

☐ Applicable    ☒ Not Applicable

## Section IV Corporate Governance, Environmental and Social

### IV. ENVIRONMENTAL INFORMATION OF LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES THAT DISCLOSE ENVIRONMENTAL INFORMATION IN ACCORDANCE WITH THE LAW

☒ Applicable   ☐ Not Applicable

|                                                                                                                                     |                                                                                  |                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Number of enterprises included in the list of enterprises that disclose environmental information in accordance with the law (unit) |                                                                                  | 6                                                                                                                   |
| No.                                                                                                                                 | Name of enterprise                                                               | Query index for reports on legal disclosure of environmental information                                            |
| 1                                                                                                                                   | Hefei Haier Refrigerator Co., Ltd.                                               | <a href="https://39.145.37.16:8081/zhhb/yfplpub_html/#/home">https://39.145.37.16:8081/zhhb/yfplpub_html/#/home</a> |
| 2                                                                                                                                   | Qingdao Haier Special Refrigerator Co., Ltd.                                     | <a href="http://221.214.62.226:8090/EnvironmentDisclosure/">http://221.214.62.226:8090/EnvironmentDisclosure/</a>   |
| 3                                                                                                                                   | Qingdao Haier Washing Appliance Co., Ltd.                                        | <a href="http://221.214.62.226:8090/EnvironmentDisclosure/">http://221.214.62.226:8090/EnvironmentDisclosure/</a>   |
| 4                                                                                                                                   | Qingdao Economic and Technological Development Zone Haier Water Heater Co., Ltd. | <a href="http://221.214.62.226:8090/EnvironmentDisclosure/">http://221.214.62.226:8090/EnvironmentDisclosure/</a>   |
| 5                                                                                                                                   | Qingdao Haier Smart ElectricsEquipment Co. Ltd.                                  | <a href="http://221.214.62.226:8090/EnvironmentDisclosure/">http://221.214.62.226:8090/EnvironmentDisclosure/</a>   |
| 6                                                                                                                                   | Zhengzhou Haier Air-conditioning Co., Ltd.                                       | <a href="http://222.143.24.250:8247/home/home">http://222.143.24.250:8247/home/home</a>                             |

#### Other explanations

☐ Applicable   ☒ Not Applicable

### V. PARTICULARS ON THE EFFORTS TO CONSOLIDATE AND EXPAND ITS ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL AREA INVIGORATION

☒ Applicable   ☐ Not Applicable

The Company attaches importance to the work of poverty alleviation and rural revitalization. In accordance with the series of national planning and filing requirements and within the scope of authorization of the general meeting on donations and other matters, the Company has provided targeted support to support technology development and rural revitalization. In the first half of 2025, the Company's capital expenditure on targeted poverty alleviation amounted to approximately RMB6,780,000, which was mainly used for supporting technology development, educational poverty alleviation, etc. The Company has actively responded to the call of the government to fulfill its social responsibilities.

During the reporting period, an earthquake struck Tingri, Shigatse, the Tibet Autonomous Region, leaving residents in urgent need of essential cold-weather supplies and food, sparking widespread concern. Haier immediately responded to develop relevant relief initiatives, partnering with the Tibet Kezong Technology\* (西藏科棕科技) Haier store to provide assistance to the disaster area. We donated electric water heaters and daily necessities to the Shigatse Red Cross Society, working against time to provide assistance to the affected people and help residents of Tingri, Shigatse, quickly resume their lives and rebuild their homes.

# Section V Significant Issues

## I. FULFILLMENT STATUS OF UNDERTAKINGS

### (I) The undertakings made by the ultimate controllers, shareholders, related parties, acquirer as well as the Company and other relevant parties during or up to the reporting period

☒ Applicable ☐ Not Applicable

| Background of undertakings                                  | Type of undertakings                              | Covenanter                 | Contents of undertakings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Date of undertakings | Any deadline for performance | Term of undertakings | Whether performed in a timely and strict way |
|-------------------------------------------------------------|---------------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------|----------------------|----------------------------------------------|
| Undertaking related to significant reorganization of assets | Eliminate the property right defects in land etc. | Haier Group Corporation    | During the period from September 2006 to May 2007, the Company issued shares to Haier Group Corporation ("Haier Group") to purchase the controlling equity in its four subsidiaries, namely Qingdao Haier Air-Conditioner Electronics Co., Ltd. (青岛海尔空调电子有限公司), Hefei Haier Air-conditioning Co., Limited (合肥海尔空调器有限公司), Wuhan Haier Electronics Co., Ltd. (武汉海尔电器股份有限公司), Guizhou Haier Electronics Co., Ltd. (贵州海尔电器股份有限公司). With regard to the land and property required in the operation of Qingdao Haier Air-Conditioner Electronics Co., Ltd. (青岛海尔空调电子有限公司), Hefei Haier Air-conditioning Co., Limited (合肥海尔空调器有限公司), Wuhan Haier Electronics Co., Ltd. (武汉海尔电器股份有限公司) (the "Covenantees"), Haier Group made an undertaking (the "2006 Undertaking"). According to the content of 2006 Undertaking and then condition of each Covenantantee, Haier Group will constantly assure that Covenanttees will lease the land and property owned by Haier Group for free. Haier Group will make compensation in the event that the Covenanttees suffer loss due to the unavailability of such land and property. | 27 September 2006    | Yes                          | Long-term            | Yes                                          |
|                                                             | Address peer competition                          | Haier Smart Home Co., Ltd. | Prior to the Transaction (hereinafter "the Transaction" refers to the transaction in relation to the privatisation of Haier Electronics by Haier Smart Home), Haier Electric was a controlling subsidiary of the Company and did not compete with the Company; after the completion of the Transaction, Haier Electric became a wholly-owned or controlling subsidiary of the Company and no new competition with the Company existed or will arise. There is no new peer competition or potential competition between the Company and other related parties controlled by the controlling shareholders or the de facto controllers of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 31 July 2020         | Yes                          | Long-term            | Yes                                          |

## Section V Significant Issues

| Background of undertakings | Type of undertakings           | Covenanter              | Contents of undertakings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Date of undertakings | Any deadline for performance | Term of undertakings | Whether performed in a timely and strict way |
|----------------------------|--------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------|----------------------|----------------------------------------------|
|                            | Address connected transactions | Haier Group Corporation | 1. The Transaction constitutes a connected transaction and the connected transaction procedures performed under the Transaction are in compliance with the relevant regulations. The pricing of the connected transaction is fair and there are no circumstances under which the interests of the listed company and the non-connected shareholders are prejudiced. 2. Upon completion of the Transaction, the Company and its affiliates will take lawful and effective measures to minimize and regulate the connected transactions with the listed company, take the initiative to safeguard the interests of the listed company and all shareholders, and refrain from taking advantages of connected transactions for improper benefits. 3. Provided that there is no conflict with laws and regulations, if connected transactions between the Company and its affiliates and the listed company occur or exist which cannot be avoided or for which there are reasonable reasons, the Company and its affiliates will legally enter into a transaction agreement with the listed company to ensure strict compliance with the procedures of connected transactions required by the laws, regulations, regulatory documents and the articles of association of the Company, conduct transactions in accordance with the principles of marketability and fair prices to ensure the fairness and compliance of connected transactions, and refrain from taking advantages of such connected transactions to engage in any acts that are detrimental to the interests of the listed company or its minority shareholders, and at the same time, comply with the information disclosure obligations in accordance with relevant regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 29 July 2020         | Yes                          | Long-term            | Yes                                          |
|                            | Address peer competition       | Haier Group Corporation | 1. The Company and its controlling subsidiary, Haier COSMO Co., Ltd., were principally engaged in investment business during the reporting period, and the Company and its controlling subsidiary, Haier COSMO Co., Ltd. (including its subsidiaries and entities with more than 30% shareholding), have no real or potential competition with Haier Smart Home; 2. the domestic and overseas white goods businesses and assets held by the Company (including the Company's subsidiaries and entities with more than 30% shareholding) have been injected into Haier Smart Home through asset consolidation and equity transfer in accordance with the commitments made by the Company in January 2011 and the requirements for adjusting such commitments as considered and approved by Haier Smart Home at its 2014 annual general meeting; 3. Since the acquisition of 100% of Haier New Zealand Investment Holding Company Limited (which holds 100% of the shares in Fisher & Paykel Appliances Holdings Limited) by Haier Smart Home's offshore subsidiary, Haier Singapore Investment Holding Co., Ltd., following the completion in July 2018, the Company (including the Company's subsidiaries and entities with more than 30% shareholding) and Haier Smart Home do not have any competing relationship in any business areas both within and outside the PRC. During the reporting period, the Company (including the Company's subsidiaries and entities with more than 30% shareholding) did not have any new peer competition with Haier Smart Home; 4. Upon completion of the Transaction, the Company (including the Company's subsidiaries and entities with more than 30% shareholding) and its affiliates do not have any new or potential peer competition with Haier Smart Home; 5. During the period when the Company is the controlling shareholder of Haier Smart Home and the shares of Haier Smart Home are listed on the Hong Kong Stock Exchange, the Company and its other subsidiaries and entities with more than 30% shareholding will not operate any business that competes with the business engaged by Haier Smart Home and will not engage in real or potential competition with Haier Smart Home. | 29 July 2020         | Yes                          | Long-term            | Yes                                          |

## Section V Significant Issues

| Background of undertakings | Type of undertakings           | Covenanter                                  | Contents of undertakings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Date of undertakings | Any deadline for performance | Term of undertakings | Whether performed in a timely and strict way |
|----------------------------|--------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------|----------------------|----------------------------------------------|
|                            | Others                         | Haier Group Corporation                     | Upon completion of the Transaction, the Company will strictly comply with the Company Law, the Securities Law, the relevant regulations of the China Securities Regulatory Commission, the Shanghai Stock Exchange and the articles of association of Haier Smart Home, etc., fairly exercise shareholders' rights and fulfill shareholders' obligations, refrain from taking advantage of its shareholding position for improper benefits, ensure the listed company will continue to be completely separate from the Company and other enterprises on which the Company exercises control and exerts significant influence in terms of management, personnel, assets, finance, organization and business operations, and maintain the continued independence of the listed company in terms of management, personnel, assets, finance, organization and business operations. Upon completion of the Transaction, the Company will comply with the provisions of the Notice on Several Issues concerning Regulating Fund Transactions between Listed Companies and Their Affiliates and the External Guarantee of Listed Companies and the Circular of China Securities Regulatory Commission and China Banking Regulatory Commission on Regulating the External Guaranties Provided by Listed Companies to regulate the external guarantees by listed companies and their subsidiaries, and will not misappropriate the funds of the listed company and their subsidiaries. The Company undertakes to strictly fulfill the above commitments. In the event that the interests of the listed company are damaged as a result of any breach of the above commitments by the Company and other enterprises on which the Company exercises control and exerts significant influence, the Company will legally bear the corresponding liability for damage.                                                                                                                                                                                                                                                                                                | 29 July 2020         | Yes                          | Long-term            | Yes                                          |
|                            | Address connected transactions | HCH (HK) INVESTMENT MANAGEMENT CO., LIMITED | 1. The Transaction constitutes a connected transaction and the connected transaction procedures performed under the Transaction are in compliance with the relevant regulations. The pricing of the connected transaction is fair and there are no circumstances under which the interests of the listed company and the non-connected shareholders are prejudiced. 2. Upon completion of the Transaction, the Company and other enterprises on which the Company exercises control will take lawful and effective measures to minimize and regulate the connected transactions with the listed company, take the initiative to safeguard the interests of the listed company and all shareholders, and refrain from taking advantages of connected transactions for improper benefits. 3. Provided that there is no conflict with laws and regulations, if connected transactions between the Company and other enterprises on which the Company exercise control and the listed company occur or exist which cannot be avoided or for which there are reasonable reasons, the Company and other enterprises on which the Company exercises control will legally enter into a transaction agreement with the listed company to ensure strict compliance with the procedures of connected transactions required by the laws, regulations, regulatory documents and the articles of association of the Company, conduct transactions in accordance with the principles of marketability and fair prices, and refrain from taking advantages of such connected transactions to engage in any acts that are detrimental to the interests of the listed company or its minority shareholders, and at the same time, comply with the information disclosure obligations in accordance with relevant regulations. 4. Any covenants and arrangements between the Company and other enterprises on which the Company exercise control and the listed company in relation to connected transactions shall not prevent the other party from conducting business or dealing with any third party for its own benefit and on equal competitive terms in the market. | 29 July 2020         | Yes                          | Long-term            | Yes                                          |

## Section V Significant Issues

| Background of undertakings               | Type of undertakings                              | Covenanter                | Contents of undertakings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Date of undertakings           | Any deadline for performance | Term of undertakings                              | Whether performed in a timely and strict way |
|------------------------------------------|---------------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------------|---------------------------------------------------|----------------------------------------------|
| Undertaking related to refinancing       | Eliminate the property right defects in land etc. | Haier Group Corporation   | Haier Group Corporation undertakes that it will assure Haier Smart Home and its subsidiaries of the constant, stable and unobstructed use of the leased property. In the event that Haier Smart Home or any of its subsidiaries suffers any economic loss due to the fact that leased property has no relevant ownership certificate, Haier Group Corporation will make compensation to impaired party in a timely and sufficient way and take all reasonable and practicable measures to support the impaired party to recover to normal operation before the occurrence of loss. Upon the expiration of relevant leasing period, Haier Group Corporation will grant or take practicable measures to assure Haier Smart Home and its subsidiaries of priority to continue to lease the property at a price not higher than the rent in comparable market at that time. Haier Group Corporation will assure Haier Smart Home and its subsidiaries of the constant, stable, free and unobstructed use of self-built property and land of the Group. In the event that Haier Smart Home or any of its subsidiaries fails to continue to use self-built property according to its own will or in original way due to the fact that self-built property has no relevant ownership certificate, Haier Group Corporation will take all reasonable and practicable measures to eliminate obstruction and impact, or will support Haier Smart Home or its affected subsidiary to obtain alternative property as soon as possible, if Haier Group Corporation anticipates it is unable to cope with or eliminate the external obstruction and impact with its reasonable effort. For details, please refer to the Announcement of Qingdao Haier Co., Ltd. on the Formation, Current Situation of the Defective Property, the Influence on Operation of Issuer Caused by Uncertainty of Ownership, Solution for the Defect and Guarantee Measures (L2014-005) published by the Company on the four major securities newspapers and the website of Shanghai Stock Exchange on 29 March 2014. | 24 December 2013               | Yes                          | Long-term                                         | Yes                                          |
| Undertakings related to equity incentive | Others                                            | Haier Smart Home Co., Ltd | The Company will not provide loans or any other forms of financial assistance, including guaranteeing their loans, to any incentive recipient for acquiring relevant stock options under this incentive plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 15 September 2021/28 June 2022 | Yes                          | The completion of equity incentive implementation | Yes                                          |
| Other undertakings                       | Asset injection                                   | Haier Group Corporation   | Inject the assets of Haier Photoelectric to the Company or dispose such assets through other ways according to the requirements of the domestic supervision before June 2030. For more details, please refer to the Announcement of Haier Smart Home Co., Ltd. on the Changes in Commitments of Certain Asset Injection (L2025-013) published by the Company on the four major securities newspapers and the website of Shanghai Stock Exchange on 28 March 2025, the Announcement of relevant general meeting resolutions disclosed on 29 May 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | December 2015/March 2025       | Yes                          | 30 June 2030                                      | Yes                                          |

## Section V Significant Issues

### II. NON-OPERATING UTILIZATION OF FUNDS BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD.

☐ Applicable    ☒ Not Applicable

### III. INFORMATION ON NON-COMPLIANCE GUARANTEES

☐ Applicable    ☒ Not Applicable

### IV. INFORMATION ON INTERIM AUDIT

☐ Applicable    ☒ Not Applicable

### V. CHANGES IN MATTERS COVERED BY THE NON-STANDARD AUDIT OPINION ON THE PREVIOUS YEAR'S ANNUAL REPORT AND ITS HANDLING

☐ Applicable    ☒ Not Applicable

### VI. MATTERS RELATING TO BANKRUPTCY AND RESTRUCTURING

☐ Applicable    ☒ Not Applicable

### VII. MATERIAL LITIGATION AND ARBITRATION MATTERS

☐ Material litigation and arbitration matter during the reporting period

☒ No material litigation and arbitration matters during the reporting period

### VIII. PUNISHMENT AND CORRECTION ON THE LISTED COMPANY AND ITS DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND ULTIMATE CONTROLLERS DUE TO SUSPECT OF LAW VIOLATIONS AND THE ISSUE OF RECTIFICATION

☐ Applicable    ☒ Not Applicable

### IX. EXPLANATION OF THE INTEGRITY STATUS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND ULTIMATE CONTROLLER DURING THE REPORTING PERIOD

☐ Applicable    ☒ Not Applicable

## X. SIGNIFICANT RELATED-PARTY TRANSACTIONS

### (I) Related-party transactions relating to daily operation

#### 1. Matters that have been disclosed in temporary announcements and with no subsequent progress or change

√ Applicable    ☐ Not Applicable

| Summary of matters                                                                                                                                                                                                                                                                                                                                                          | Query index                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Renewal of the Framework Agreement on Regular Related-Party Transaction and the Estimated Related-Party Transaction Limit: During the reporting period, the Company renewed its regular related-party transaction with the related parties for the procurement of products and materials for the period from 2026 to 2028, which was approved by the shareholders' meeting. | For details, please refer to the Announcement on the Renewal of the Framework Agreement on Regular Related-Party Transaction and the Estimated Related-Party Transaction Limit of Haier Smart Home Co., Ltd. disclosed by the Company on 28 March 2025, and other related announcements, as well as the Announcement of Resolutions at the Shareholders' Meeting disclosed on 29 May 2025. |

#### 2. Matters that have been disclosed in temporary announcements and with subsequent progress or change

√ Applicable    ☐ Not Applicable

Pursuant to, among others, the “Product and Materials Procurement Framework Agreement between Haier Smart Home Co., Ltd. and Haier Group Corporation” (《海尔智家股份有限公司与海尔集团公司之产品及物料采购框架协议》) and the “Services Procurement Framework Agreement between Haier Smart Home Co., Ltd. and Haier Group Corporation” (《海尔智家股份有限公司与海尔集团公司之服务采购框架协议》) considered and approved at the 28th meeting of the 10th session of the Board of Directors and the 2021 Annual General Meeting, and the “Resolution of Haier Smart Home Co., Ltd. on Renewing the Framework Agreement on Financial Services with Haier Group Corporation and Haier Group Finance Co., Ltd. and Estimated Amount of Connected Transactions” (《海尔智家股份有限公司关于与海尔集团公司、海尔集团财务有限责任公司续签〈金融服务框架协议〉暨预计关联交易额度的议案》) considered and approved at the 4th meeting of the 11th session of the Board of Directors and the 2022 Annual General Meeting, the Company has made estimation on the connected transactions for the next three years, as detailed in the aforesaid announcements regarding the resolutions of the meetings.

For the actual performance of the Company's connected transactions during the half year of 2025, please refer to “Related parties and related-party transactions” under Section VIII. Financial Report set out in this regular report.

## Section V Significant Issues

### 3. Matters not disclosed in temporary announcements

☐ Applicable ☒ Not Applicable

## (II) Related-party transactions regarding acquisition or disposal of assets/equity

### 1. Matters disclosed in temporary announcements and with no subsequent progress or change

☒ Applicable ☐ Not Applicable

| Summary of matters                                                                                                                                                                                                                                                                                                                             | Query index                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Acquisition of the Real Estate of Haier White Goods R&D Centre and Related-party Transaction: Qingdao Haier Air Conditioner Gen Corp., Ltd., the Company's wholly-owned subsidiary, purchased the Real Estate of Haier White Goods R&D Centre from Haier Group Corporation to meet its office needs. The purchase price was RMB267.24 million. | For details, please refer to the Announcement on the Acquisition of the Real Estate of Haier White Goods R&D Centre and Related-party Transaction of Haier Smart Home Co., Ltd. disclosed by the Company on 28 March 2025. |

### 2. Matters that have been disclosed in temporary announcements and with subsequent progress or change

☐ Applicable ☒ Not Applicable

### 3. Matters not disclosed in temporary announcements

☐ Applicable ☒ Not Applicable

### 4. If performance agreement is involved, the performance achieved during the reporting period shall be disclosed

☐ Applicable ☒ Not Applicable

### (III) Significant related-party transactions of joint external investment

#### 1. Matters that have been disclosed in temporary announcements and with no subsequent progress or change

☒ Applicable   ☐ Not Applicable

| Overview of the matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Query index                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Haier Group Finance Co., Ltd. (hereinafter, the "Finance Company") planned to increase its capital by converting undistributed profits into capital, with a total capital increase of RMB3 billion. Upon completion of the capital increase, Qingdao Haier Air-Conditioner Electronics Co., Ltd. and Qingdao Haier Air Conditioner Gen Corp., Ltd., the Company's subsidiaries, as well as Haier Group Corporation and Qingdao Haikeda Electronics Co., Ltd., the Company's related parties, will increase their capital contributions to the Finance Company in proportion to their existing shareholding, and the shareholding of each party in the Finance Company will remain unchanged. | For more details, please refer to the Announcement on the Proportional Capital Increase of the Joint-stock Company, Haier Group Finance Co., Ltd. by Converting Undistributed Profits into Capital and Related-Party Transaction of Haier Smart Home Co., Ltd.' (L2025-008) disclosed by the Company on 28 March 2025. |

#### 2. Matters that have been disclosed in temporary announcements and with subsequent progress or change

☐ Applicable   ☒ Not Applicable

#### 3. Matters not disclosed in temporary announcements

☐ Applicable   ☒ Not Applicable

## Section V Significant Issues

### (IV) Amounts due to or from related parties

**1. Matters that have been disclosed in temporary announcements and with no subsequent progress or change**

☐ Applicable ☒ Not Applicable

**2. Matters that have been disclosed in temporary announcement and with subsequent progress or change**

☐ Applicable ☒ Not Applicable

**3. Matters not disclosed in temporary announcements**

☐ Applicable ☒ Not Applicable

### (V) Financial business between the Company and the finance company with which it has a related relationship, the company's controlling finance company and related parties

☒ Applicable ☐ Not Applicable

**1. Deposit business**

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Related party                | Relationship              | Maximum daily deposit limit | Range of deposit interest | Balance as at the beginning of the period | Changes of the period                    |                                          | Balance as at the end of the period |
|------------------------------|---------------------------|-----------------------------|---------------------------|-------------------------------------------|------------------------------------------|------------------------------------------|-------------------------------------|
|                              |                           |                             |                           |                                           | Total amount deposited during the period | Total amount withdrawn during the period |                                     |
| Haier Group Finance Co., Ltd | Subsidiary of Haier Group | 34 billion                  | 0.00012%-4.1%             | 33,884,585,069.50                         | 265,681,947,201.56                       | 265,600,323,759.92                       | 33,966,208,511.13                   |
| Total                        | /                         | /                           | /                         | 33,884,585,069.50                         | 265,681,947,201.56                       | 265,600,323,759.92                       | 33,966,208,511.13                   |

## Section V Significant Issues

### 2. Lending business

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Related party                | Relationship              | Loan limit | Range of loan interest | Balance as at the beginning of the period | Changes of the period                    |                                          | Balance as at the end of the period |
|------------------------------|---------------------------|------------|------------------------|-------------------------------------------|------------------------------------------|------------------------------------------|-------------------------------------|
|                              |                           |            |                        |                                           | Total amount deposited during the period | Total amount withdrawn during the period |                                     |
| Haier Group Finance Co., Ltd | Subsidiary of Haier Group | 10 billion | 1.828%-4.9%            | 196,200,183.66                            | 2,126,324,323.00                         | 28,461,903.15                            | 2,294,062,603.51                    |
| Total                        | /                         | /          | /                      | 196,200,183.66                            | 2,126,324,323.00                         | 28,461,903.15                            | 2,294,062,603.51                    |

### 3. Trustee business or other finance businesses

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Related party                | Relationship              | Type of business                      | Total amount | Actual number of occurrence |
|------------------------------|---------------------------|---------------------------------------|--------------|-----------------------------|
| Haier Group Finance Co., Ltd | Subsidiary of Haier Group | Foreign exchange derivatives products | 5.5 billion  | 724,141,204.80              |
| Haier Group Finance Co., Ltd | Subsidiary of Haier Group | Service charge                        | 80 million   | 4,336,109.25                |

### 4. Other explanations

☐ Applicable ☒ Not Applicable

### (VI) Other material related transactions

☐ Applicable ☒ Not Applicable

### (VII) Others

☐ Applicable ☒ Not Applicable

## Section V Significant Issues

### XI. SIGNIFICANT CONTRACTS AND THEIR EXECUTION

#### (I) Trusteeship, contracting and leasing

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no material escrow matters. Up to now, the following entrusted assets that have been approved by the Company's shareholders' meeting are still in effect:

According to Haier Group's commitment on further supporting the development of Qingdao Haier and resolving peer competition to reduce connected transactions, based on the fact that Qingdao Haier Optoelectronics Co., Ltd. (青岛海尔光电有限公司) and its subsidiaries, the main body of Haier Group engaging in the color television business, are still in a period of transformation and integration, and their financial performance has not yet met the Company's expectations, Haier Group is unable to complete the transfer before the aforesaid commitment period. Haier Group intends to entrust the Company with the operation and management of the escrow assets and pay the Company an annual escrow fee of RMB1 million during the escrow period.

#### (II) Significant guarantees performed and outstanding during the reporting period

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB'0,000

| External guarantees provided by the Company (excluding guarantees for subsidiaries)                                          |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------|---------------------|---------------------------------------------------------|--------------------------------|------------------------------|-------------------|---------------------|---------------------|------------------------------------------|----------------------------------|---------------------------------|--------------------------------------|----------------------------------------|--------------|
| Guarantor                                                                                                                    | Relationship between the guarantor and the listed company | Secured party | Amount of guarantee | Date of occurrence of the guarantee (date of agreement) | Commencement date of guarantee | Expiration date of guarantee | Type of guarantee | Main debt situation | Collateral (if any) | Whether the guarantee has been fulfilled | Whether the guarantee is overdue | Overdue amount of the guarantee | Whether there is a counter-guarantee | Whether Related-party guarantee or not | Relationship |
| Total amount of guarantee occurred during the reporting period (excluding guarantees for subsidiaries)                       |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Total balance of guarantee at the end of the reporting period (A) (excluding guarantees for subsidiaries)                    |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Guarantees provided by the Company for subsidiaries                                                                          |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Total amount of guarantees for subsidiaries occurred during the reporting period                                             |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Total balance of guarantees for subsidiaries at the end of the reporting period (B)                                          |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Total amount of guarantees provided by the Company (including guarantees for subsidiaries)                                   |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Total amount of guarantee (A + B)                                                                                            |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Ratio of total amount of guarantees to net assets of the Company (%)                                                         |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Including:                                                                                                                   |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Amount of guarantees for shareholders, ultimate controllers and their related parties (C)                                    |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Amount of debt guarantees provided directly or indirectly for the secured party with asset-liability ratio exceeding 70% (D) |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| The amount of total amount of guarantee in excess of 50% of net assets (E)                                                   |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Total amount of the above three guarantees (C + D + E)                                                                       |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Explanation of possibly bearing related discharge duty for premature guarantees                                              |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |
| Explanation of guarantee status                                                                                              |                                                           |               |                     |                                                         |                                |                              |                   |                     |                     |                                          |                                  |                                 |                                      |                                        |              |

#### (III) Other major contracts

☐ Applicable ☒ Not Applicable

### XII. EXPLANATION OF PROGRESS IN USE OF PROCEEDS

☐ Applicable    ☒ Not Applicable

### XIII. STATEMENT ON OTHER SIGNIFICANT EVENTS

☒ Applicable    ☐ Not Applicable

Entrusted wealth management: By the end of the reporting period, the balance of the Company's entrusted wealth management amounted to RMB8.280 billion. 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.

# Section VI Changes in Shares and Information About Shareholders

## I. CHANGES IN SHARE CAPITAL

### (I) Table of Changes in shares

#### 1. Table of Changes in shares

During the reporting period, there was no change in the total number of shares and share capital structure of the Company.

#### 2. Statement on the changes in shares

☐ Applicable ☒ Not Applicable

#### 3. Effect of changes in shares on the financial indicators such as earnings per share and net assets per share (if any) after the reporting period to the disclosure date of interim report

☐ Applicable ☒ Not Applicable

#### 4. Other disclosure deemed necessary by the Company or required by securities regulatory authorities

☐ Applicable ☒ Not Applicable

### (II) Changes in shares with selling restrictions

☐ Applicable ☒ Not Applicable

## II. INFORMATION ON SHAREHOLDERS

### (I) Total number of shareholders:

Total number of ordinary shareholders by the end of the reporting period 207,505

Total numbers of preferential shareholders with restoration of voting rights 0  
by the end of the reporting period

## Section VI Changes in Shares and Information About Shareholders

### (II) Table of shareholdings of top ten shareholders, top ten shareholders of tradable shares (or shares without selling restrictions) by the end of the reporting period

Unit: share

#### Shareholdings of top ten shareholders (excluding shares lent out under refinancing)

| Name of shareholder<br>(full name)                                                                                                                                                                 | Increase/<br>decrease<br>during the<br>reporting<br>period | Number of<br>shares held<br>at the end of<br>the period | Percentage<br>(%) | Number of<br>shares held<br>with selling<br>restrictions | Status of shares pledged,<br>marked or frozen |        | Nature of<br>shareholder                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------|-------------------|----------------------------------------------------------|-----------------------------------------------|--------|-------------------------------------------|
|                                                                                                                                                                                                    |                                                            |                                                         |                   |                                                          | Status                                        | Number |                                           |
| HKSCC NOMINEES LIMITED<br>(note)                                                                                                                                                                   |                                                            | 2,313,497,562                                           | 24.66             |                                                          | Unknown                                       |        | Unknown                                   |
| Haier COSMO Co., Ltd. (海尔卡<br>奥斯股份有限公司)                                                                                                                                                            |                                                            | 1,258,684,824                                           | 13.41             |                                                          | None                                          |        | Domestic non-state-<br>owned legal entity |
| Haier Group Corporation                                                                                                                                                                            |                                                            | 1,072,610,764                                           | 11.43             |                                                          | None                                          |        | Domestic non-state-<br>owned legal entity |
| HCH (HK) INVESTMENT<br>MANAGEMENT CO., LIMITED                                                                                                                                                     |                                                            | 538,560,000                                             | 5.74              |                                                          | None                                          |        | Foreign legal entity                      |
| Hong Kong Securities Clearing<br>Co., Ltd.                                                                                                                                                         |                                                            | 449,764,199                                             | 4.79              |                                                          | None                                          |        | Unknown                                   |
| China Securities Finance<br>Corporation Limited                                                                                                                                                    |                                                            | 182,592,654                                             | 1.95              |                                                          | None                                          |        | Unknown                                   |
| Qingdao Haier Venture &<br>Investment Information Co.,<br>Ltd. (青岛海尔创业投资咨询有<br>限公司)                                                                                                                |                                                            | 172,252,560                                             | 1.84              |                                                          | None                                          |        | Domestic non-state-<br>owned legal entity |
| Qingdao Haichuangzhi<br>Management Consulting<br>Enterprise (Limited Partnership)<br>(青岛海创智管理咨询企业(有<br>限合夥))                                                                                       |                                                            | 133,791,058                                             | 1.43              |                                                          | None                                          |        | Domestic non-state-<br>owned legal entity |
| Industrial and Commercial Bank<br>of China-SSE 50 Exchange<br>Traded Open-End Index<br>Securities Investment Fund<br>(中国工商银行—上证50交易<br>型开放式指数证券投资基金)                                               |                                                            | 73,636,698                                              | 0.78              |                                                          | None                                          |        | Unknown                                   |
| Industrial and Commercial Bank of<br>China Limited—Huatai-<br>PineBridge CSI 300 Exchange<br>Traded Open-End Index<br>Securities Investment Fund<br>(中国工商银行股份有限公司<br>—华泰柏瑞沪深300交易型开<br>放式指数证券投资基金) |                                                            | 66,918,128                                              | 0.71              |                                                          | None                                          |        | Unknown                                   |

## Section VI Changes in Shares and Information About Shareholders

### Shareholdings of top ten shareholders without selling restrictions (excluding shares lent out under refinancing and executive lock-up shares)

| Name of shareholder                                                                                                                                                           | Number of tradable shares held without selling restrictions | Class and number of shares     |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------|---------------|
|                                                                                                                                                                               |                                                             | Class                          | Number        |
| HKSCC NOMINEES LIMITED                                                                                                                                                        | 2,313,497,562                                               | Overseas listed foreign shares | 2,313,497,562 |
| Haier COSMO Co., Ltd. (海尔卡奥斯股份有限公司)                                                                                                                                           | 1,258,684,824                                               | RMB ordinary                   | 1,258,684,824 |
| Haier Group Corporation                                                                                                                                                       | 1,072,610,764                                               | RMB ordinary                   | 1,072,610,764 |
| HCH (HK) INVESTMENT MANAGEMENT CO., LIMITED                                                                                                                                   | 538,560,000                                                 | Overseas listed foreign shares | 538,560,000   |
| Hong Kong Securities Clearing Co., Ltd.                                                                                                                                       | 449,764,199                                                 | RMB ordinary                   | 449,764,199   |
| China Securities Finance Corporation Limited                                                                                                                                  | 182,592,654                                                 | RMB ordinary                   | 182,592,654   |
| Qingdao Haier Venture & Investment Information Co., Ltd. (青岛海尔创业投资咨询有限公司)                                                                                                     | 172,252,560                                                 | RMB ordinary                   | 172,252,560   |
| Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership) (青岛海创智管理咨询企业(有限合伙))                                                                               | 133,791,058                                                 | RMB ordinary                   | 133,791,058   |
| Industrial and Commercial Bank of China -SSE 50 Exchange Traded Open-End Index Securities Investment Fund (中国工商银行—上证50交易型开放式指数证券投资基金)                                         | 73,636,698                                                  | RMB ordinary                   | 73,636,698    |
| Industrial and Commercial Bank of China Limited — Huatai-Pine Bridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund (中国工商银行股份有限公司—华泰柏瑞沪深300交易型开放式指数证券投资基金) | 66,918,128                                                  | RMB ordinary                   | 66,918,128    |

## Section VI Changes in Shares and Information About Shareholders

| Name of shareholder                                                                                                | Number of tradable shares held without selling restrictions                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Class and number of shares<br>Class Number |
|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| Explanation on repurchase account of top ten shareholders                                                          | As at the end of the reporting period, the repurchase accounts of the Company held a total of 60,269,270 shares.                                                                                                                                                                                                                                                                                                                                                                                                       |                                            |
| Explanation on delegated voting rights, entrusted voting rights, abstained voting rights of the above shareholders | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                            |
| Related parties or parties acting in concert among the aforesaid shareholders                                      | (1) Haier COSMO Co., Ltd. (海尔卡奥斯股份有限公司) is a subsidiary of Haier Group Corporation. Haier Group Corporation holds 51.20% of its equity. Qingdao Haier Venture & Investment Information Co., Ltd. (青岛海尔创业投资咨询有限公司), HCH (HK) INVESTMENT MANAGEMENT CO., LIMITED and Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership) (青岛海创智管理咨询企业(有限合伙)) are parties acting in concert with Haier Group Corporation; (2) The Company is not aware of the existence of any connections of other shareholders. |                                            |
| Explanation of preferential shareholders with restoration of voting rights and their shareholdings                 | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                            |

Note: HKSCC NOMINEES LIMITED is the Banking Collection Account for the shareholders of the Company's H-shares, which is the original data provided by China Hong Kong securities registration agency to the Company after the merger according to local market practices and technical settings, not representing the ultimate shareholder.

## Section VI Changes in Shares and Information About Shareholders

Shareholders holding more than 5% of the shares, top ten shareholders and top ten holders of outstanding shares without selling restrictions participating in the lending of shares under the refinancing business

☐ Applicable ☒ Not Applicable

Changes in top ten shareholders and top ten holders of outstanding shares without selling restrictions due to lending/returning under refinancing as compared to the previous period.

☐ Applicable ☒ Not Applicable

Number of shares held by top ten shareholders with selling restrictions and the selling restrictions

☐ Applicable ☒ Not Applicable

### **(III) Strategic investors or general legal persons who became the top ten shareholders due to placing of new shares**

☐ Applicable ☒ Not Applicable

## **III. DIRECTORS, SENIOR MANAGEMENT**

### **(I) Changes of shareholding of current and retired directors and senior management during the reporting period**

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

## Section VI Changes in Shares and Information About Shareholders

### (II) Incentive share option granted to directors and senior management during the reporting period

☒ Applicable ☐ Not Applicable

Unit: '0,000 Shares

| Name           | Position          | Number of options held at the beginning of the period | Number of newly granted options during the reporting period | Shares of exercisable rights during the reporting period | Shares subject to option exercise during the reporting period | Number of options held at the end of the period |
|----------------|-------------------|-------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------|
| Li Huagang     | Director          | 36.56                                                 | 0                                                           | 0                                                        | -18.28                                                        | 18.28                                           |
| Gong Wei       | Director          | 18.28                                                 | 0                                                           | 0                                                        | -9.14                                                         | 9.14                                            |
| Li Shaohua     | Director          | 6.24                                                  | 0                                                           | 0                                                        | -3.12                                                         | 3.12                                            |
| Sun Danfeng    | Director          | 3.75                                                  | 0                                                           | 0                                                        | -1.87                                                         | 1.87                                            |
| Li Pan         | Senior management | 18.28                                                 | 0                                                           | 0                                                        | -9.14                                                         | 9.14                                            |
| Zhao Yanfeng   | Senior management | 18.73                                                 | 0                                                           | 0                                                        | -9.36                                                         | 9.36                                            |
| Li Yang        | Senior management | 18.28                                                 | 0                                                           | 0                                                        | -9.14                                                         | 9.14                                            |
| Song Yujun     | Senior management | 12.49                                                 | 0                                                           | 0                                                        | -6.24                                                         | 6.24                                            |
| Guan Jiangyong | Senior management | 9.14                                                  | 0                                                           | 0                                                        | -4.57                                                         | 4.57                                            |
| Wu Yong        | Senior management | 9.14                                                  | 0                                                           | 0                                                        | -4.57                                                         | 4.57                                            |
| Fu Songhui     | Senior management | 7.49                                                  | 0                                                           | 0                                                        | -3.75                                                         | 3.75                                            |
| Huang Decheng  | Senior management | 9.99                                                  | 0                                                           | 0                                                        | -4.99                                                         | 4.99                                            |
| Sun Jiacheng   | Senior management | 9.99                                                  | 0                                                           | 0                                                        | -4.99                                                         | 4.99                                            |
| JAMES QUN LIU  | Senior management | 10.24                                                 | 0                                                           | 0                                                        | -10.24                                                        | 0                                               |
| Huang Xiaowu   | Senior management | 18.28                                                 | 0                                                           | 0                                                        | -9.14                                                         | 9.14                                            |
| Liu Xiaomei    | Senior management | 5.82                                                  | 0                                                           | 0                                                        | -2.91                                                         | 2.91                                            |
| Total          | /                 | 212.70                                                | 0                                                           | 0                                                        | -111.45                                                       | 101.21                                          |

Note: The "shares subject to stock option exercised during the reporting period" in the table above refer to the changes resulting from the partial cancellation of share options by the Company during the reporting period (for details, please refer to the disclosure in "(I) Relevant incentive events disclosed in temporary announcements and without any subsequent progress or change" in SECTION IV — "III. EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVES AND EFFECTS THEREOF".

### (III) Other explanations

☐ Applicable ☒ Not Applicable

## **Section VI Changes in Shares and Information About Shareholders**

### **IV. CHANGES IN CONTROLLING SHAREHOLDER AND THE ULTIMATE CONTROLLER**

☐ Applicable    ☒ Not Applicable

### **V. RELEVANT INFORMATION OF PREFERRED SHARES**

☐ Applicable    ☒ Not Applicable

# Section VII Relevant Information of Corporate Bonds

## I. CORPORATE BOND (INCLUDING ENTERPRISE BOND) AND NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENTS

√ Applicable    ☐ Not Applicable

### (I) Corporate bonds (including enterprise bonds)

☐ Applicable    √ Not Applicable

### (II) Funds raised by corporate bonds

☐ Corporate bonds involved the use or rectification of raised funds during the reporting period

√ All corporate bonds of the Company did not involve the use or rectification of raised funds during the reporting period.

### (III) Other matters that should be disclosed for special purpose bonds

☐ Applicable    √ Not Applicable

### (IV) Important matters related to corporate bonds during the reporting period

☐ Applicable    √ Not Applicable

### (V) Debt financing instruments of non-financial enterprises in the interbank bond market

√ Applicable    ☐ Not Applicable

#### 1. Basic information on debt financing instruments of non-financial enterprises

Unit and Currency: RMB'00,000,000

| Bond name                                                                                               | Abbreviation                                             | Code      | Release date     | Interest date    | Expiration date  | Bond balance | Interest rate (%) | Principal and interest repayment method                           | Trading venues        | Investor suitability arrangements (if any) | Trading mechanism | Whether there is a risk of termination of listing and trading |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------|------------------|------------------|------------------|--------------|-------------------|-------------------------------------------------------------------|-----------------------|--------------------------------------------|-------------------|---------------------------------------------------------------|
| 2025 First Tranche of Green two-New Medium-term Notes of Haier Smart Home Co., Ltd.                     | 25 Haier Smart Home MTN001 (Green Two-New)               | 102580830 | 25 February 2025 | 26 February 2025 | 26 February 2028 | 15           | 1.99              | Annual interest payment with the principal repayment at maturity. |                       | None                                       | /                 | NO                                                            |
| 2025 Second Tranche of Green Two-new Science and Technology Innovation Bonds Haier Smart Home Co., Ltd. | 25 Haier Smart Home MTN002 (Science and Innovation Bond) | 102582498 | 17 June 2025     | 18 June 2025     | 18 June 2028     | 20           | 1.66              |                                                                   | Interbank bond market | None                                       | /                 | NO                                                            |

## Section VII Relevant Information of Corporate Bonds

### ***The Company's response to the risk of termination of listing and trading of bonds***

☐ Applicable    ☒ Not Applicable

### ***Overdue bonds***

☐ Applicable    ☒ Not Applicable

### ***Explanation of overdue debts***

☐ Applicable    ☒ Not Applicable

### **2. Triggering and enforcement of company or investor option clauses and investor protection clauses**

☐ Applicable    ☒ Not Applicable

### **3. Adjustment of credit rating results**

☐ Applicable    ☒ Not Applicable

### **4. The implementation and changes of guarantees, debt repayment plans and other debt repayment safeguard measures during the reporting period and their impacts**

☐ Applicable    ☒ Not Applicable

### **5. Explanation of other situations of debt financing instruments of non-financial enterprises**

☐ Applicable    ☒ Not Applicable

### **(VI) The Company's consolidated losses during the reporting period exceeded 10% of its net assets at the end of the previous year**

☐ Applicable    ☒ Not Applicable

## Section VII Relevant Information of Corporate Bonds

### (VII) Key accounting data and financial indicators

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Main indicators                                           | At the end of the reporting period      | At the end of last year               | Increase/decrease at the end of the reporting period compared with the end of last year (%)        |
|-----------------------------------------------------------|-----------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------|
| Current ratio                                             | 1.06                                    | 1.02                                  | 4.56                                                                                               |
| Quick ratio                                               | 0.78                                    | 0.73                                  | 6.62                                                                                               |
| Gearing ratio (%)                                         | 59.37                                   | 59.14                                 | 0.39                                                                                               |
|                                                           | For the reporting period (January-June) | The corresponding period of last year | Increase/decrease for the reporting period compared with the corresponding period of last year (%) |
| Net profit after deducting non-recurring gains and losses | 11,702,408,556.70                       | 10,160,504,902.38                     | 15.18                                                                                              |
| EBITDA to total debt ratio                                | 24.58%                                  | 23.30%                                | 5.51                                                                                               |
| Interest coverage ratio                                   | 11.37                                   | 11.36                                 | 0.03                                                                                               |
| Cash interest coverage ratio                              | 7.70                                    | 6.73                                  | 14.49                                                                                              |
| EBITDA interest coverage ratio                            | 14.26                                   | 14.54                                 | -1.94                                                                                              |

## II. CONVERTIBLE CORPORATE BOND

□ Applicable    √ Not Applicable

# Section VIII Financial Report

## I. AUDIT REPORT

☐ Applicable    ☒ Not Applicable

## II. FINANCIAL STATEMENTS

### Consolidated Balance Sheet

30 June 2025

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB

| Items                                              | Notes  | 30 June 2025       | 31 December 2024   |
|----------------------------------------------------|--------|--------------------|--------------------|
| <b>Current assets:</b>                             |        |                    |                    |
| Monetary funds                                     | VII.1  | 55,357,102,536.82  | 55,597,554,622.83  |
| Provision of settlement fund                       |        |                    |                    |
| Funds lent                                         |        |                    |                    |
| Financial assets held for trading                  | VII.2  | 8,815,448,315.62   | 1,236,017,839.53   |
| Derivative financial assets                        | VII.3  | 79,365,117.40      | 142,709,716.91     |
| Bills receivable                                   | VII.4  | 6,907,611,901.39   | 12,179,856,870.01  |
| Accounts receivable                                | VII.5  | 31,125,796,665.70  | 26,494,845,510.56  |
| Financing receivables                              | VII.6  | 1,248,197,448.34   | 412,922,615.25     |
| Prepayments                                        | VII.7  | 1,861,233,589.08   | 2,378,144,459.47   |
| Premiums receivable                                |        |                    |                    |
| Reinsurance accounts receivable                    |        |                    |                    |
| Reinsurance contract reserves receivable           |        |                    |                    |
| Other receivables                                  | VII.8  | 4,228,793,070.44   | 3,601,357,495.02   |
| Including: Interest receivables                    |        | 904,741,268.55     | 771,591,076.67     |
| Dividends receivables                              |        |                    |                    |
| Financial assets purchased under resale agreements |        |                    |                    |
| Inventories                                        | VII.9  | 43,517,272,732.84  | 43,189,855,697.96  |
| Including: Data resources                          |        |                    |                    |
| Contract assets                                    | VII.10 | 1,496,159,397.94   | 997,963,705.67     |
| Assets held for sale                               |        |                    |                    |
| Non-current assets due within one year             | VII.11 | 2,307,574,005.86   | 1,439,758,652.55   |
| Other current assets                               | VII.12 | 4,330,601,827.06   | 4,443,274,038.03   |
| Total current assets                               |        | 161,275,156,608.49 | 152,114,261,223.79 |
| <b>Non-current assets:</b>                         |        |                    |                    |
| Loans and advances granted                         |        |                    |                    |
| Debt investments                                   | VII.13 | 14,590,918,331.42  | 15,474,759,856.99  |
| Other debt investments                             |        |                    |                    |
| Long-term receivables                              |        | 139,022,168.65     | 224,724,107.31     |
| Long-term equity investments                       | VII.14 | 21,413,900,164.48  | 20,932,439,255.93  |
| Investments in other equity instruments            | VII.15 | 5,650,156,251.25   | 6,073,680,870.82   |

## Section VIII Financial Report

| Items                                              | Notes  | 30 June 2025       | 31 December 2024   |
|----------------------------------------------------|--------|--------------------|--------------------|
| Other non-current financial assets                 |        |                    |                    |
| Investment properties                              | VII.16 | 665,377,401.85     | 246,161,259.83     |
| Fixed assets                                       | VII.17 | 38,733,351,465.18  | 37,613,215,769.46  |
| Construction in progress                           | VII.18 | 5,677,443,291.08   | 5,686,050,990.48   |
| Biological assets for production                   |        |                    |                    |
| Oil and gas assets                                 |        |                    |                    |
| Right-of-use assets                                | VII.19 | 6,324,384,910.10   | 5,841,869,564.36   |
| Intangible assets                                  | VII.20 | 14,455,019,794.04  | 14,042,940,068.17  |
| Including: Data resources                          |        |                    |                    |
| Development cost                                   | VIII.2 | 236,103,656.27     | 267,267,592.92     |
| Including: Data resources                          |        |                    |                    |
| Goodwill                                           | VII.21 | 27,834,626,137.04  | 27,384,007,599.06  |
| Long-term prepaid expenses                         | VII.22 | 604,735,820.92     | 598,216,433.64     |
| Deferred income tax assets                         | VII.23 | 2,441,521,911.44   | 2,477,206,492.36   |
| Other non-current assets                           | VII.24 | 1,658,350,424.87   | 1,759,556,893.63   |
| Total non-current assets                           |        | 140,424,911,728.59 | 138,622,096,754.96 |
| Total assets                                       |        | 301,700,068,337.08 | 290,736,357,978.75 |
| <b>Current liabilities:</b>                        |        |                    |                    |
| Short-term borrowings                              | VII.25 | 16,127,614,637.24  | 13,784,367,443.93  |
| Borrowings from central bank                       |        |                    |                    |
| Funds borrowed                                     |        |                    |                    |
| Financial liabilities held for trading             |        |                    |                    |
| Derivative financial liabilities                   | VII.26 | 440,096,398.09     | 71,011,310.01      |
| Bills payable                                      | VII.27 | 25,408,488,465.99  | 21,220,364,311.81  |
| Accounts payables                                  | VII.28 | 53,257,299,256.55  | 54,665,277,420.32  |
| Receipts in advance                                |        |                    |                    |
| Contract liabilities                               | VII.29 | 5,710,603,667.36   | 10,865,337,767.67  |
| 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                  | VII.30 | 4,438,435,647.30   | 5,057,260,277.99   |
| Taxes payable                                      | VII.31 | 3,608,609,516.38   | 3,915,219,916.17   |
| Other payables                                     | VII.32 | 30,240,547,430.91  | 21,746,135,764.08  |
| Including: Interest payables                       |        |                    |                    |
| Dividends payables                                 |        | 8,995,192,390.93   | 14,082,609.41      |
| Fees and commissions payable                       |        |                    |                    |
| Reinsurance Accounts payables                      |        |                    |                    |
| Liabilities held for sale                          |        |                    |                    |
| Non-current liabilities due within one year        | VII.33 | 11,148,785,048.80  | 16,530,040,461.37  |
| Other current liabilities                          | VII.34 | 1,468,735,367.99   | 1,899,945,460.39   |
| Total current liabilities                          |        | 151,849,215,436.61 | 149,754,960,133.74 |

## Section VIII Financial Report

| Items                                                                       | Notes  | 30 June 2025       | 31 December 2024   |
|-----------------------------------------------------------------------------|--------|--------------------|--------------------|
| <b>Non-current liabilities:</b>                                             |        |                    |                    |
| Deposits for insurance contracts                                            |        |                    |                    |
| Long-term borrowings                                                        | VII.35 | 10,595,616,602.87  | 9,665,074,313.67   |
| Bonds payable                                                               | VII.36 | 3,500,000,000.00   |                    |
| Including: Preference shares                                                |        |                    |                    |
| Perpetual bonds                                                             |        |                    |                    |
| Lease liabilities                                                           | VII.37 | 4,916,252,581.97   | 4,480,895,997.36   |
| Long-term payables                                                          | VII.38 | 138,177,568.54     | 188,220,056.59     |
| Long-term payables for staff's remuneration                                 | VII.39 | 2,659,860,931.78   | 2,561,647,446.35   |
| Estimated liabilities                                                       | VII.40 | 2,404,338,137.69   | 2,386,261,752.92   |
| Deferred income                                                             | VII.41 | 1,311,378,644.13   | 1,252,216,590.03   |
| Deferred income tax liabilities                                             | VII.23 | 1,623,752,433.04   | 1,547,287,169.00   |
| Other non-current liabilities                                               |        | 122,217,515.04     | 98,073,333.45      |
| Total non-current liabilities                                               |        | 27,271,594,415.06  | 22,179,676,659.37  |
| Total liabilities                                                           |        | 179,120,809,851.67 | 171,934,636,793.11 |
| <b>Owners' equity (or shareholders' equity):</b>                            |        |                    |                    |
| Paid-in capital (or share capital)                                          | VII.42 | 9,382,913,334.00   | 9,382,913,334.00   |
| Other equity instruments                                                    |        |                    |                    |
| Including: Preference shares                                                |        |                    |                    |
| Perpetual bonds                                                             |        |                    |                    |
| Capital reserve                                                             | VII.43 | 19,844,397,232.25  | 20,310,218,222.04  |
| Less: treasury stock                                                        | VII.44 | 4,367,132,060.90   | 3,510,728,776.44   |
| Other comprehensive income                                                  | VII.45 | 2,280,700,601.57   | 825,502,860.47     |
| Special reserve                                                             |        |                    |                    |
| Surplus reserve                                                             | VII.46 | 5,296,602,892.45   | 5,296,602,892.45   |
| General risk provisions                                                     |        |                    |                    |
| Undistributed profits                                                       | VII.47 | 82,456,809,019.18  | 79,474,366,234.70  |
| Total equity attributable to owners (or shareholders) of the Parent Company |        | 114,894,291,018.55 | 111,778,874,767.22 |
| Minority shareholders' interests                                            |        | 7,684,967,466.86   | 7,022,846,418.42   |
| Total owners' equity (or shareholders' equity)                              |        | 122,579,258,485.41 | 118,801,721,185.64 |
| Total liabilities and owners' equity (or shareholders' equity)              |        | 301,700,068,337.08 | 290,736,357,978.75 |

Person in charge of the Company: Li Huagang

Person in charge of accounting function: Sun Jiacheng

Person in charge of accounting department: Ying Ke

## Section VIII Financial Report

### Balance Sheet of the Parent Company

30 June 2025

Prepared by: Haier Smart Home Co., Ltd.

Unit and Currency: RMB

| Items                                   | Notes | 30 June 2025      | 31 December 2024  |
|-----------------------------------------|-------|-------------------|-------------------|
| <b>Current Assets:</b>                  |       |                   |                   |
| Monetary funds                          |       | 10,337,792,458.42 | 8,721,089,765.37  |
| Financial assets held for trading       |       | 6,094,300,111.12  |                   |
| Derivative financial assets             |       |                   |                   |
| Bills receivable                        |       |                   |                   |
| Accounts receivable                     | XIX.1 | 2,547,209,298.18  | 2,089,263,590.36  |
| Financing receivables                   |       |                   |                   |
| Prepayments                             |       | 3,124,793.19      | 3,124,793.19      |
| Other receivables                       | XIX.2 | 62,239,070,610.58 | 35,309,208,101.73 |
| Including: Interest receivables         |       | 66,600,316.50     | 137,951,583.62    |
| Dividends receivables                   |       | 3,615,317,738.91  | 955,746,044.23    |
| Inventories                             |       | 58,324,395.52     | 9,092,410.78      |
| Including: Data resources               |       |                   |                   |
| Contract assets                         |       |                   |                   |
| Assets held for sale                    |       |                   |                   |
| Non-current assets due within one year  |       | 321,325,000.00    | 1,105,291,666.67  |
| Other current assets                    |       | 9,264,931.90      | 174,671,080.16    |
| Total current assets                    |       | 81,610,411,598.91 | 47,411,741,408.26 |
| <b>Non-current assets:</b>              |       |                   |                   |
| Debt investments                        |       | 7,029,527,912.19  | 7,243,616,935.47  |
| Other debt investments                  |       |                   |                   |
| Long-term receivables                   |       |                   |                   |
| Long-term equity investments            | XIX.3 | 62,575,577,386.31 | 62,193,654,756.17 |
| Investments in other equity instruments |       | 1,602,852,951.00  | 1,602,852,951.00  |
| Other non-current financial assets      |       |                   |                   |
| Investment properties                   |       |                   |                   |
| Fixed assets                            |       | 119,811,886.16    | 131,874,644.27    |
| Construction in progress                |       | 3,620,405.74      | 490,452.83        |
| Biological assets for production        |       |                   |                   |
| Oil and gas assets                      |       |                   |                   |
| Right-of-use assets                     |       |                   |                   |
| Intangible assets                       |       | 32,137,672.64     | 35,196,337.86     |
| Including: Data resources               |       |                   |                   |
| Development cost                        |       |                   |                   |
| Including: Data resources               |       |                   |                   |
| Goodwill                                |       |                   |                   |
| Long-term prepaid expenses              |       | 2,652,341.22      | 3,502,636.81      |

## Section VIII Financial Report

| Items                                            | Notes | 30 June 2025       | 31 December 2024   |
|--------------------------------------------------|-------|--------------------|--------------------|
| Deferred income tax assets                       |       |                    |                    |
| Other non-current assets                         |       | 2,557,619,709.23   | 1,738,121,667.23   |
| Total non-current assets                         |       | 73,923,800,264.49  | 72,949,310,381.64  |
| Total assets                                     |       | 155,534,211,863.40 | 120,361,051,789.90 |
| <b>Current liabilities:</b>                      |       |                    |                    |
| Short-term borrowings                            |       | 3,700,000,000.00   | 2,000,000,000.00   |
| Financial liabilities held for trading           |       |                    |                    |
| Derivative financial liabilities                 |       |                    |                    |
| Bills payable                                    |       |                    |                    |
| Accounts payables                                |       | 2,015,053,240.92   | 1,526,611,034.49   |
| Receipts in advance                              |       |                    |                    |
| Contract liabilities                             |       | 12,597,148.63      | 12,597,148.63      |
| Payables for staff's remuneration                |       | 7,979,314.64       | 7,798,419.39       |
| Taxes payable                                    |       | 565,822.40         | 884,572.31         |
| Other payables                                   |       | 99,347,694,829.86  | 63,004,946,189.17  |
| Including: Interest payable                      |       |                    | 1,234,444.45       |
| Dividends payable                                |       | 8,991,794,045.13   |                    |
| Liabilities held for sale                        |       |                    |                    |
| Non-current liabilities due within one year      |       | 1,716,211,250.00   | 1,495,350,000.00   |
| Other current liabilities                        |       | 11,440,662.32      | 18,881,166.43      |
| Total current liabilities                        |       | 106,811,542,268.77 | 68,067,068,530.42  |
| <b>Non-current liabilities:</b>                  |       |                    |                    |
| Long-term borrowings                             |       | 2,271,500,000.00   | 3,292,370,000.00   |
| Bonds payable                                    |       | 3,500,000,000.00   |                    |
| Including: Preference shares                     |       |                    |                    |
| Perpetual bonds                                  |       |                    |                    |
| Lease liabilities                                |       |                    |                    |
| Long-term payable                                |       |                    |                    |
| Long-term payables for staff's remuneration      |       |                    |                    |
| Estimated liabilities                            |       |                    |                    |
| Deferred income                                  |       | 16,814,070.50      | 14,265,249.50      |
| Deferred income tax liabilities                  |       | 394,292,088.98     | 394,292,088.98     |
| Other non-current liabilities                    |       |                    |                    |
| Total non-current liabilities                    |       | 6,182,606,159.48   | 3,700,927,338.48   |
| Total liabilities                                |       | 112,994,148,428.25 | 71,767,995,868.90  |
| <b>Owners' equity (or Shareholders' equity):</b> |       |                    |                    |
| Paid-in capital (or share capital)               |       | 9,382,913,334.00   | 9,382,913,334.00   |
| Other equity instruments                         |       |                    |                    |
| Including: Preference shares                     |       |                    |                    |
| Perpetual bonds                                  |       |                    |                    |
| Capital reserve                                  |       | 25,843,919,017.13  | 25,680,561,451.57  |
| Less: treasury stock                             |       | 1,505,380,117.76   | 1,467,523,464.56   |

## Section VIII Financial Report

| Items                                                          | Notes | 30 June 2025       | 31 December 2024   |
|----------------------------------------------------------------|-------|--------------------|--------------------|
| Other comprehensive income                                     |       | 675,788,147.41     | 618,368,749.67     |
| Special reserve                                                |       |                    |                    |
| Surplus reserve                                                |       | 4,691,456,667.00   | 4,691,456,667.00   |
| Undistributed profits                                          |       | 3,451,366,387.37   | 9,687,279,183.32   |
| Total owners' equity (or shareholders' equity)                 |       | 42,540,063,435.15  | 48,593,055,921.00  |
| Total liabilities and owners' equity (or shareholders' equity) |       | 155,534,211,863.40 | 120,361,051,789.90 |

Person in charge of the Company: Li Huagang

Person in charge of accounting function: Sun Jiacheng

Person in charge of accounting department: Ying Ke

## Section VIII Financial Report

### Consolidated Profit Statement

January-June 2025

Unit and Currency: RMB

| Items                                                                                                                  | Notes  | 2025 Interim       | 2024 Interim       |
|------------------------------------------------------------------------------------------------------------------------|--------|--------------------|--------------------|
| I. Total operating revenue                                                                                             |        | 156,494,034,448.85 | 141,982,482,605.75 |
| Including: Operating revenue                                                                                           | VII.48 | 156,494,034,448.85 | 141,982,482,605.75 |
| Interest income                                                                                                        |        |                    |                    |
| Insurance premiums earned                                                                                              |        |                    |                    |
| Fee and commission income                                                                                              |        |                    |                    |
| II. Total cost of operations                                                                                           |        | 142,264,928,563.02 | 129,691,089,346.09 |
| Including: Operating cost                                                                                              | VII.48 | 114,437,933,108.76 | 103,945,159,570.63 |
| Interest expenses                                                                                                      |        |                    |                    |
| Fee and commission expenses                                                                                            |        |                    |                    |
| Insurance withdrawal payment                                                                                           |        |                    |                    |
| Net payment from indemnity                                                                                             |        |                    |                    |
| Net provisions withdrew for insurance contract liability                                                               |        |                    |                    |
| Insurance policy dividend paid                                                                                         |        |                    |                    |
| Reinsurance cost                                                                                                       |        |                    |                    |
| Taxes and surcharges                                                                                                   | VII.49 | 679,554,803.08     | 610,302,317.06     |
| Selling expenses                                                                                                       | VII.50 | 15,816,814,510.07  | 14,517,816,334.58  |
| Administrative expenses                                                                                                | VII.51 | 5,891,046,898.48   | 5,382,166,653.05   |
| R&D expenses                                                                                                           | VII.52 | 5,790,436,804.10   | 5,182,598,681.20   |
| Financial expenses                                                                                                     | VII.53 | -350,857,561.47    | 53,045,789.57      |
| Including: Interest expenses                                                                                           |        | 1,446,615,689.51   | 1,252,571,601.13   |
| Interest income                                                                                                        |        | 908,582,647.56     | 947,056,127.00     |
| Add: Other income                                                                                                      | VII.54 | 775,214,508.42     | 585,424,373.34     |
| Investment income (losses are represented by '-')                                                                      | VII.55 | 917,258,503.36     | 931,730,990.63     |
| Including: investment income of associates and joint ventures                                                          |        | 850,409,233.36     | 913,969,362.35     |
| Income generated from the derecognition of financial assets measured at amortized cost (losses are represented by '-') |        |                    |                    |
| 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 '-')                                                       | VII.56 | 34,753,540.63      | -29,565,597.82     |
| Loss on credit impairment (losses are represented by '-')                                                              | VII.57 | -71,912,087.85     | -69,794,942.03     |

## Section VIII Financial Report

| Items                                                                                                | Notes  | 2025 Interim      | 2024 Interim      |
|------------------------------------------------------------------------------------------------------|--------|-------------------|-------------------|
| Loss on assets impairment (losses are represented by '-')                                            | VII.58 | -744,113,044.82   | -706,437,535.88   |
| Gain from disposal of assets (losses are represented by '-')                                         | VII.59 | -7,368,037.54     | -1,569,698.49     |
| III. Operating profit (losses are represented by '-')                                                |        | 15,132,939,268.03 | 13,001,180,849.41 |
| Add: non-operating income                                                                            | VII.60 | 121,855,656.14    | 76,490,746.47     |
| Less: non-operating expenses                                                                         | VII.61 | 257,738,776.06    | 96,898,224.12     |
| IV. Total profit (total losses are represented by '-')                                               |        | 14,997,056,148.11 | 12,980,773,371.76 |
| Less: income tax expense                                                                             | VII.62 | 2,511,940,348.67  | 2,207,175,817.26  |
| V. Net profit (net losses are represented by '-')                                                    |        | 12,485,115,799.44 | 10,773,597,554.50 |
| (1) Classification by continuous operation                                                           |        |                   |                   |
| 1. Net profit from continuous operation (net losses are represented by '-')                          |        | 12,485,115,799.44 | 10,773,597,554.50 |
| 2. Net profit from discontinued operation (net losses are represented by '-')                        |        |                   |                   |
| (2) Classification by ownership of the equity                                                        |        |                   |                   |
| 1. Net profit attributable to shareholders of the Parent Company (net losses are represented by '-') |        | 12,032,995,820.27 | 10,409,642,540.63 |
| 2. Profit or loss attributable to minority shareholders (net losses are represented by '-')          |        | 452,119,979.17    | 363,955,013.87    |
| VI. Other comprehensive income, net of tax                                                           | VII.63 | 1,452,271,379.89  | -334,806,467.13   |
| (I) Other comprehensive income attributable to owners of the Parent Company, net of tax              |        | 1,455,197,741.10  | -335,021,596.15   |
| 1. Other comprehensive income that cannot be reclassified into the profit or loss                    |        | -158,056,399.69   | -128,316,608.25   |
| (1) Changes arising from re-measurement of defined benefit plans                                     |        | 135,857,881.73    | -2,491,664.07     |
| (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                                 |        | -293,914,281.42   | -125,824,944.18   |

## Section VIII Financial Report

| Items                                                                                             | Notes | 2025 Interim      | 2024 Interim      |
|---------------------------------------------------------------------------------------------------|-------|-------------------|-------------------|
| (4) Changes in fair value of credit risks of the enterprise                                       |       |                   |                   |
| 2. Other comprehensive income to be reclassified into the profit or loss                          |       | 1,613,254,140.79  | -206,704,987.90   |
| (1) Other comprehensive income that can be transferred into profit or loss under equity method    |       | 28,468,182.86     | 23,160,537.38     |
| (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                                                                 |       | -130,457,670.38   | -30,039,858.31    |
| (6) Exchange differences on translation of financial statements denominated in foreign currencies |       | 1,715,243,628.31  | -199,825,666.97   |
| (7) Others                                                                                        |       |                   |                   |
| (II) Other comprehensive income attributable to minority shareholders, net of tax                 |       | -2,926,361.21     | 215,129.02        |
| VII. Total comprehensive income                                                                   |       | 13,937,387,179.33 | 10,438,791,087.37 |
| (I) Total comprehensive income attributable to the owners of Parent Company                       |       | 13,488,193,561.37 | 10,074,620,944.48 |
| (II) Total comprehensive income attributable to the minority shareholders                         |       | 449,193,617.96    | 364,170,142.89    |
| VIII. Earnings per share:                                                                         |       |                   |                   |
| (I) Basic earnings per share (RMB/share)                                                          | XXI.1 | 1.30              | 1.13              |
| (II) Diluted earnings per share (RMB/share)                                                       | XXI.1 | 1.29              | 1.12              |

For business combination under common control occurring in the current period, the net profit of the acquiree before the combination was RMB3,593,306.97, and the net profit of the acquiree for the previous period was RMB-10,575,848.59.

Person in charge of the Company: Li Huagang  
Person in charge of accounting function: Sun Jiacheng  
Person in charge of accounting department: Ying Ke

## Section VIII Financial Report

### Profit Statement of the Parent Company

January-June 2025

Unit and Currency: RMB

| Items                                                                                               | Notes | 2025 Interim     | 2024 Interim    |
|-----------------------------------------------------------------------------------------------------|-------|------------------|-----------------|
| I. Operating income                                                                                 |       | 453,790,319.36   | 251,601,614.76  |
| Less: operating cost                                                                                | XIX.4 | 421,626,827.34   | 223,444,233.50  |
| Taxes and surcharges                                                                                |       | 4,975,640.95     | 2,634,526.12    |
| Selling expenses                                                                                    |       | 6,114,834.66     | 21,861,602.21   |
| Administration expenses                                                                             |       | 230,730,912.40   | 379,191,355.33  |
| R&D expenses                                                                                        |       | 3,468,437.28     | 7,802,548.59    |
| Financial expenses                                                                                  |       | -82,235,139.76   | -179,030,129.87 |
| Including: interest expenses                                                                        |       | 94,567,133.67    | 52,482,308.39   |
| Interest income                                                                                     |       | 173,636,781.09   | 233,381,967.37  |
| Add: other income                                                                                   |       | 3,036,529.45     | 4,280,121.77    |
| Investment income (losses are represented by '-')                                                   | XIX.5 | 2,871,560,525.29 | 508,175,341.20  |
| Including: investment income of associates and joint ventures                                       |       | 182,219,429.45   | 180,476,867.12  |
| Derecognition income on financial assets measured at amortized cost (losses are represented by '-') |       |                  |                 |
| Gains on net exposure hedges (losses are represented by '-')                                        |       |                  |                 |
| Income from change in fair value (losses are represented by '-')                                    |       | 13,176,519.93    |                 |
| Loss on credit impairment (losses are represented by '-')                                           |       | -700,000.00      |                 |
| Loss on assets impairment (losses are represented by '-')                                           |       |                  |                 |
| Gain from disposal of assets (losses are represented by '-')                                        |       | -241,461.19      |                 |
| II. Operating profit (losses are represented by '-')                                                |       | 2,755,940,919.97 | 308,152,941.85  |
| Add: non-operating income                                                                           |       | 200.00           |                 |
| Less: non-operating expenses                                                                        |       | 59,870.79        | 134,512.56      |
| III. Total profit (total losses are represented by '-')                                             |       | 2,755,881,249.18 | 308,018,429.29  |
| Less: income tax expenses                                                                           |       |                  |                 |
| IV. Net profit (net losses are represented by '-')                                                  |       | 2,755,881,249.18 | 308,018,429.29  |

## Section VIII Financial Report

| Items                                                                                                  | Notes | 2025 Interim     | 2024 Interim   |
|--------------------------------------------------------------------------------------------------------|-------|------------------|----------------|
| (I) Net profit from continuous operations<br>(net losses are represented by '-')                       |       | 2,755,881,249.18 | 308,018,429.29 |
| (II) Net profit from discontinued operations<br>(net losses are represented by '-')                    |       |                  |                |
| V. Other comprehensive income, net of tax                                                              |       | 57,419,397.74    | 38,468,441.16  |
| (I) Other comprehensive income that<br>cannot be reclassified into the profit or<br>loss               |       |                  |                |
| 1. Changes arising from re-<br>measurement of defined benefit<br>plans                                 |       |                  |                |
| 2. Other comprehensive income that<br>cannot be transferred into profit or<br>loss under equity method |       |                  |                |
| 3. Changes in fair value of investments<br>in other equity instruments                                 |       |                  |                |
| 4. Changes in fair value of credit risks<br>of the enterprise                                          |       |                  |                |
| (II) Other comprehensive income to be<br>reclassified into the profit or loss                          |       | 57,419,397.74    | 38,468,441.16  |
| 1. Other comprehensive income that<br>can be transferred into profit or loss<br>under equity method    |       | 57,419,397.74    | 38,468,441.16  |
| 2. Changes in fair value of other debt<br>investments                                                  |       |                  |                |
| 3. Reclassified financial assets that are<br>credited to other comprehensive<br>income                 |       |                  |                |
| 4. Credit impairment provision for other<br>debt investments                                           |       |                  |                |
| 5. Reserve for cash flow hedging                                                                       |       |                  |                |
| 6. Exchange differences on translation<br>of financial statements denominated<br>in foreign currencies |       |                  |                |
| 7. Others                                                                                              |       |                  |                |
| VI. Total comprehensive income                                                                         |       | 2,813,300,646.92 | 346,486,870.45 |
| VII. Earnings per share:                                                                               |       |                  |                |
| (I) Basic earnings per share (RMB/share)                                                               |       |                  |                |
| (II) Diluted earnings per share<br>(RMB/share)                                                         |       |                  |                |

Person in charge of the Company: Li Huagang

Person in charge of accounting function: Sun Jiacheng

Person in charge of accounting department: Ying Ke

**Consolidated Cash Flow Statement**

January-June 2025

Unit and Currency: RMB

| Items                                                                | Notes  | 2025 Interim       | 2024 Interim       |
|----------------------------------------------------------------------|--------|--------------------|--------------------|
| <b>I. Cash flow from operating activities:</b>                       |        |                    |                    |
| Cash received from the sale of goods and rendering services          |        | 166,973,160,557.73 | 144,804,449,491.40 |
| Net increase in distributor 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 cash borrowed                                        |        |                    |                    |
| Net increase in cash received from repurchase operation              |        |                    |                    |
| Net cash received from customer deposits for trading in securities   |        |                    |                    |
| Refunds of taxes                                                     |        | 1,265,635,650.92   | 1,067,732,811.42   |
| Cash received from other related operating activities                | VII.64 | 1,512,184,469.60   | 1,435,678,595.14   |
| Sub-total of cash inflows from operating activities                  |        | 169,750,980,678.25 | 147,307,860,897.96 |
| Cash paid on purchase of goods and services                          |        | 118,785,453,051.35 | 103,618,664,285.75 |
| Net increase in loans and advances of distributors                   |        |                    |                    |
| Net increase in deposits in the PBOC and inter bank                  |        |                    |                    |
| Cash paid for compensation payments under original insurance contact |        |                    |                    |
| Net increase in cash lent                                            |        |                    |                    |
| Cash paid for interest, bank charges and commissions                 |        |                    |                    |
| Cash paid for insurance policy dividend                              |        |                    |                    |

## Section VIII Financial Report

| Items                                                                                             | Notes  | 2025 Interim       | 2024 Interim       |
|---------------------------------------------------------------------------------------------------|--------|--------------------|--------------------|
| Cash paid to and on behalf of employees                                                           |        | 18,846,597,606.70  | 16,435,257,033.85  |
| Cash paid for all types of taxes                                                                  |        | 9,435,218,293.50   | 7,917,809,512.74   |
| Cash paid to other operation related activities                                                   | VII.64 | 11,544,665,945.36  | 10,912,069,462.19  |
| Sub-total of cash outflows from operating activities                                              |        | 158,611,934,896.91 | 138,883,800,294.53 |
| Net cash flow from operating activities                                                           | VII.65 | 11,139,045,781.34  | 8,424,060,603.43   |
| <b>II. Cash flow from investing activities:</b>                                                   |        |                    |                    |
| Cash received from recovery of investments                                                        |        | 20,072,795,541.03  | 9,707,697,079.51   |
| Cash received from return on investments                                                          |        | 449,498,890.02     | 480,559,603.84     |
| Net cash received from the disposal of fixed assets, intangible assets and other long-term assets |        | 17,203,877.85      | 9,279,434.48       |
| Net cash received from disposal of subsidiaries and other operating entities                      |        |                    |                    |
| Other cash received from investment activities                                                    | VII.64 | 131,428,806.14     |                    |
| Sub-total of cash inflows from investing activities                                               |        | 20,670,927,115.04  | 10,197,536,117.83  |
| Cash paid on purchase of fixed assets, intangible assets and other long-term assets               |        | 3,764,462,806.18   | 4,204,198,714.75   |
| Cash paid for investments                                                                         |        | 26,928,024,657.46  | 15,184,939,467.03  |
| Net increase in secured loans                                                                     |        |                    |                    |
| Net cash paid on acquisition of subsidiaries and other operating entities                         |        |                    |                    |
| Other cash paid on investment activities                                                          |        |                    |                    |
| Sub-total of cash outflows from investing activities                                              |        | 30,692,487,463.64  | 19,389,138,181.78  |
| Net cash flow from investing activities                                                           |        | -10,021,560,348.60 | -9,191,602,063.95  |
| <b>III. Cash flow from financing activities:</b>                                                  |        |                    |                    |
| Cash received from capital contributions                                                          |        | 47,830,000.00      | 268,875,731.22     |
| Including: cash received from capital contributions by minority shareholders of subsidiaries      |        |                    |                    |
| Cash received from borrowings                                                                     |        | 13,818,811,428.03  | 6,237,610,857.45   |
| Cash received from issuance of bonds                                                              |        | 3,500,000,000.00   |                    |
| Other cash received from financing activities                                                     | VII.64 | 111,646,384.65     | 115,332,534.00     |

## Section VIII Financial Report

| Items                                                                             | Notes  | 2025 Interim      | 2024 Interim      |
|-----------------------------------------------------------------------------------|--------|-------------------|-------------------|
| Sub-total of cash inflows from financing activities                               |        | 17,478,287,812.68 | 6,621,819,122.67  |
| Cash paid on repayment of loans                                                   |        | 14,319,613,817.74 | 4,633,695,648.37  |
| Cash paid on distribution of dividends, profits or repayment of interest expenses |        | 1,318,338,742.42  | 1,191,435,719.30  |
| Including: dividend and profit paid to minority shareholders by subsidiaries      |        |                   |                   |
| Other cash paid to financing activities                                           | VII.64 | 3,905,562,240.98  | 1,299,349,689.85  |
| Sub-total of cash outflows from financing activities                              |        | 19,543,514,801.14 | 7,124,481,057.52  |
| Net cash flow from financing activities                                           |        | -2,065,226,988.46 | -502,661,934.85   |
| <b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>  |        | 467,537,948.61    | -41,638,689.56    |
| <b>V. Net increase in cash and cash equivalents</b>                               |        | -480,203,607.11   | -1,311,842,084.93 |
| Add: balance of cash and cash equivalents at the beginning of the period          | VII.65 | 54,994,595,280.18 | 56,715,672,668.25 |
| <b>VI. Balance of cash and cash equivalents at the end of the period</b>          | VII.65 | 54,514,391,673.07 | 55,403,830,583.32 |

Person in charge of the Company: Li Huagang

Person in charge of accounting function: Sun Jiacheng

Person in charge of accounting department: Ying Ke

## Section VIII Financial Report

### Cash Flow Statement of the Parent Company

January-June 2025

Unit and Currency: RMB

| Items                                                                                             | Notes | 2025 Interim      | 2024 Interim      |
|---------------------------------------------------------------------------------------------------|-------|-------------------|-------------------|
| <b>I. Cash flow from operating activities:</b>                                                    |       |                   |                   |
| Cash received from the sale of goods and rendering of services                                    |       | 142,867,762.31    | 219,993,729.62    |
| Refunds of taxes                                                                                  |       | 3,291,819.49      | 38,214.96         |
| Other cash received from operating activities                                                     |       | 136,466,207.24    | 164,614,625.43    |
| Sub-total of cash inflows from operating activities                                               |       | 282,625,789.04    | 384,646,570.01    |
| Cash paid on purchase of goods and services                                                       |       | 133,785,234.50    |                   |
| Cash paid to and on behalf of employees                                                           |       | 19,501,379.07     | 27,649,816.71     |
| Cash paid for all types of taxes                                                                  |       | 12,863,251.19     | 11,299,372.62     |
| Other cash paid to operation activities                                                           |       | 124,465,778.03    | 104,532,697.84    |
| Sub-total of cash outflows from operating activities                                              |       | 290,615,642.79    | 143,481,887.17    |
| Net cash flow from operating activities                                                           |       | -7,989,853.75     | 241,164,682.84    |
| <b>II. Cash flow from investing activities:</b>                                                   |       |                   |                   |
| Cash received from recovery of investments                                                        |       | 13,152,000,000.00 | 7,222,000,000.00  |
| Cash received from return on investments                                                          |       | 80,944,929.78     | 88,433,946.88     |
| 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                                                    |       | 1,726,172,255.14  | 389,573,294.54    |
| Sub-total of cash inflows from investing activities                                               |       | 14,959,117,184.92 | 7,700,007,241.42  |
| Cash paid on purchase of fixed assets, intangible assets and other long-term assets               |       | 4,390,059.31      | 2,692,652.09      |
| Cash paid for investments                                                                         |       | 18,278,117,869.26 | 12,422,000,000.00 |
| Net cash paid on acquisition of subsidiaries and other operating entities                         |       |                   |                   |

## Section VIII Financial Report

| Items                                                                             | Notes | 2025 Interim      | 2024 Interim      |
|-----------------------------------------------------------------------------------|-------|-------------------|-------------------|
| Other cash paid on investment activities                                          |       | 1,434,000,000.00  |                   |
| Sub-total of cash outflows from investing activities                              |       | 19,716,507,928.57 | 12,424,692,652.09 |
| Net cash flow from investing activities                                           |       | -4,757,390,743.65 | -4,724,685,410.67 |
| <b>III. Cash flow from financing activities:</b>                                  |       |                   |                   |
| Cash received from capital injections                                             |       |                   |                   |
| Cash received from borrowings                                                     |       | 2,515,000,000.00  | 940,000,000.00    |
| Cash received from issuance of bonds                                              |       | 3,500,000,000.00  |                   |
| Other cash received from financing activities                                     |       | 2,941,508,886.50  | 7,717,935,238.95  |
| Sub-total of cash inflows from financing activities                               |       | 8,956,508,886.50  | 8,657,935,238.95  |
| Cash paid on repayment of borrowings                                              |       | 1,626,480,000.00  | 14,000,000.00     |
| Cash paid on distribution of dividends, profits or repayment of interest expenses |       | 87,281,645.03     | 50,962,018.77     |
| Other cash paid on financing activities                                           |       | 857,354,695.20    | 466,600,210.43    |
| Sub-total of cash outflows from financing activities                              |       | 2,571,116,340.23  | 531,562,229.20    |
| Net cash flow from financing activities                                           |       | 6,385,392,546.27  | 8,126,373,009.75  |
| <b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>  |       | -3,309,255.82     | -120,980.13       |
| <b>V. Net increase in cash and cash equivalents</b>                               |       | 1,616,702,693.05  | 3,642,731,301.79  |
| Add: balance of cash and cash equivalents at the beginning of the period          |       | 8,721,089,765.37  | 7,579,640,524.79  |
| <b>VI. Balance of cash and cash equivalents at the end of the period</b>          |       | 10,337,792,458.42 | 11,222,371,826.58 |

Person in charge of the Company: Li Huagang

Person in charge of accounting function: Sun Jiacheng

Person in charge of accounting department: Ying Ke

## Section VIII Financial Report

### Consolidated Statement of Changes in Owner's Equity

January-June 2025

Unit and Currency: RMB

| Items                                                                          | Other equity instruments              |                      |                    |        | Equity attributable to owners of the Parent Company |                         |                                  |                    |                    |                           |                          |        |                    |                                        | 2025 Interim            |  |
|--------------------------------------------------------------------------------|---------------------------------------|----------------------|--------------------|--------|-----------------------------------------------------|-------------------------|----------------------------------|--------------------|--------------------|---------------------------|--------------------------|--------|--------------------|----------------------------------------|-------------------------|--|
|                                                                                | Paid-in capital<br>(or share capital) | Preference<br>shares | Perpetual<br>bonds | Others | Capital<br>reserve                                  | Less: treasury<br>stock | Other<br>comprehensive<br>income | Special<br>reserve | Surplus<br>reserve | General risk<br>provision | Undistributed<br>profits | Others | Sub-total          | Minority<br>shareholders'<br>interests | Total owners'<br>equity |  |
| I. Closing balance for the previous period                                     | 9,382,913,334.00                      |                      |                    |        | 20,115,355,921.93                                   | 3,510,728,776.44        | 793,828,357.47                   |                    | 5,296,602,892.45   | —                         | 79,288,144,269.76        |        | 111,365,116,999.17 | 7,022,846,418.42                       | 118,388,965,417.59      |  |
| Add: changes in accounting policies                                            |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| Error correction for prior period                                              |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| Business combination under common control                                      |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| Others                                                                         |                                       |                      |                    |        | 194,859,320.11                                      |                         | 31,674,503.00                    |                    |                    |                           | 186,221,964.94           |        | 412,755,789.05     |                                        | 412,755,789.05          |  |
| II. Opening balance for the current year                                       | 9,382,913,334.00                      |                      |                    |        | 20,310,219,222.04                                   | 3,510,728,776.44        | 825,502,860.47                   |                    | 5,296,602,892.45   |                           | 79,474,366,234.70        |        | 111,778,874,767.22 | 7,022,846,418.42                       | 118,801,721,185.64      |  |
| III. Increase/decrease for the current period (decrease is represented by "-") |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| (I) Total comprehensive income                                                 |                                       |                      |                    |        | -465,820,969.79                                     | 856,403,284.46          | 1,455,197,741.10                 |                    |                    |                           | 2,982,442,764.48         |        | 3,115,416,251.33   | 682,121,048.44                         | 3,777,537,299.77        |  |
| (II) Capital injection and reduction by owners                                 |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           | 12,032,995,820.27        |        | 13,488,193,561.37  | 449,139,617.96                         | 13,937,387,179.33       |  |
| 1. Ordinary shares invested by owners                                          |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| 2. Capital contribution by holders of other equity instruments                 |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| 3. Share-based payment included in owners' equity                              |                                       |                      |                    |        | -465,820,969.79                                     | 856,403,284.46          |                                  |                    |                    |                           |                          |        | -1,322,224,274.25  | 220,334,331.09                         | -1,101,889,943.16       |  |
| 4. Others                                                                      |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        | 220,334,331.09     | 220,334,331.09                         |                         |  |
| (III) Profit distribution                                                      |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| 1. Withdrawal of surplus reserves                                              |                                       |                      |                    |        | 221,073,939.39                                      |                         |                                  |                    |                    |                           |                          |        | 221,073,939.39     |                                        | 221,073,939.39          |  |
| 2. Withdrawal of general risk provision                                        |                                       |                      |                    |        | -686,594,929.18                                     | 856,403,284.46          |                                  |                    |                    |                           |                          |        | -1,543,286,213.64  |                                        | -1,543,286,213.64       |  |
| 3. Distribution to owners (or shareholders)                                    |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        | -8,991,794,045.13  | -7,406,900.61                          | -9,999,200,945.74       |  |
| 4. Others                                                                      |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| (IV) Internal transfer of owner's equity                                       |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| 1. Transfer of capital reserves into capital (or share capital)                |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| 2. Transfer of surplus reserves into capital (or share capital)                |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| 3. Surplus reserves used for renewing loss                                     |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| 4. Changes in defined benefit plans carried forward to related earnings        |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| 5. Other comprehensive income carried forward to related earnings              |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| 6. Others                                                                      |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| (V) Special reserve                                                            |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| 1. Withdrawal for the period                                                   |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| 2. Utilization for the period                                                  |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| (VI) Others                                                                    |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |  |
| IV. Closing balance for the period                                             | 9,382,913,334.00                      |                      |                    |        | 19,844,397,232.25                                   | 4,367,132,060.90        | 2,280,700,601.57                 |                    | 5,296,602,892.45   |                           | -58,758,990.66           |        | -8,991,794,045.13  | -7,406,900.61                          | -8,999,200,945.74       |  |
|                                                                                |                                       |                      |                    |        |                                                     |                         |                                  |                    |                    |                           | 82,459,809,019.18        |        | 114,884,291,018.55 | 7,684,467,466.86                       | 122,579,258,485.41      |  |

## Section VIII Financial Report

| Items                                                                             | Other equity instruments              |                      |                    | Equity attributable to owners of the Parent Company |                    |                         |                                  |                    |                    |                           |                          |        |                    | 2024 Interim                           |                         |
|-----------------------------------------------------------------------------------|---------------------------------------|----------------------|--------------------|-----------------------------------------------------|--------------------|-------------------------|----------------------------------|--------------------|--------------------|---------------------------|--------------------------|--------|--------------------|----------------------------------------|-------------------------|
|                                                                                   | Paid-in capital<br>(or share capital) | Preference<br>shares | Perpetual<br>bonds | Others                                              | Capital<br>reserve | Less: treasury<br>stock | Other<br>comprehensive<br>income | Special<br>reserve | Surplus<br>reserve | General risk<br>provision | Undistributed<br>profits | Others | Sub-total          | Minority<br>shareholders'<br>interests | Total owners'<br>equity |
| I. Closing balance for the previous period                                        | 9,438,114,893.00                      |                      |                    |                                                     | 21,514,544,884.54  | 5,034,065,107.42        | 1,993,365,062.65                 |                    | 4,842,338,543.80   |                           | 68,535,688,494.60        |        | 101,265,984,771.17 | 6,284,355,202.17                       | 107,550,339,973.34      |
| Add: changes in accounting policies                                               |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| Error correction for prior period                                                 |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| Business combination under common control                                         |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| Others                                                                            |                                       |                      |                    |                                                     | 194,859,300.11     |                         | 15,866,719.90                    |                    |                    |                           | 306,256,814.70           |        | 517,011,833.71     |                                        | 517,011,833.71          |
| II. Opening balance for the current year                                          | 9,438,114,893.00                      |                      |                    |                                                     | 21,709,404,194.65  | 5,034,065,107.42        | 1,985,221,791.55                 |                    | 4,842,338,543.80   |                           | 68,841,982,309.30        |        | 101,782,886,604.88 | 6,284,355,202.17                       | 108,047,351,807.05      |
| III. Increase/decrease for the current period<br>(decrease is represented by "-") |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| (I) Total comprehensive income                                                    |                                       |                      |                    |                                                     | 144,594,822.81     | 466,600,210.43          | -334,178,995.99                  |                    |                    |                           | 2,755,755,351.36         |        | 2,099,570,967.75   | 500,251,942.91                         | 2,599,822,910.66        |
| (II) Capital injection and reduction by owners                                    |                                       |                      |                    |                                                     |                    |                         | -335,021,596.15                  |                    |                    |                           | 10,409,642,540.63        |        | 10,074,620,944.48  | 384,170,142.89                         | 10,438,791,087.37       |
| 1. Ordinary shares invested by owners                                             |                                       |                      |                    |                                                     | 145,437,422.97     | 466,600,210.43          |                                  |                    |                    |                           |                          |        | -321,162,787.46    | 149,901,492.31                         | -171,261,265.15         |
| 2. Capital contribution by holders of other equity instruments                    |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    | 149,901,492.31                         | 149,901,492.31          |
| 3. Share-based payment included in owners' equity                                 |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 4. Others                                                                         |                                       |                      |                    |                                                     | 201,405,574.94     |                         |                                  |                    |                    |                           |                          |        | 201,405,574.94     |                                        | 201,405,574.94          |
| (III) Profit distribution                                                         |                                       |                      |                    |                                                     | -55,968,151.97     | 466,600,210.43          |                                  |                    |                    |                           |                          |        | -522,568,362.40    |                                        | -522,568,362.40         |
| 1. Withdrawal of surplus reserves                                                 |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 2. Withdrawal of general risk provision                                           |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 3. Distribution to owners for shareholders                                        |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 4. Others                                                                         |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| (IV) Internal transfer of owner's equity                                          |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 1. Transfer of capital reserves into capital (or share capital)                   |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 2. Transfer of surplus reserves into capital (or share capital)                   |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 3. Surplus reserves used for remedying loss                                       |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 4. Charges in defined benefit plans carried forward to related earnings           |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 5. Other comprehensive income carried forward to related earnings                 |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 6. Others                                                                         |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| (V) Special reserve                                                               |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 1. Withdrawal for the period                                                      |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| 2. Utilization for the period                                                     |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| (VI) Others                                                                       |                                       |                      |                    |                                                     |                    |                         |                                  |                    |                    |                           |                          |        |                    |                                        |                         |
| IV. Closing balance for the period                                                | 9,438,114,893.00                      |                      |                    |                                                     | -842,800.16        | 5,500,665,317.85        | 842,600.16                       |                    | 4,842,338,543.80   |                           | -139,920,094.58          |        | -139,920,094.58    |                                        | -139,920,094.58         |
| M. Opening balance for the period                                                 |                                       |                      |                    |                                                     | 21,853,999,007.46  | 1,651,042,785.56        |                                  |                    |                    |                           |                          |        | 103,882,567,572.63 | 6,764,607,145.08                       | 110,647,174,717.71      |

Legal representative of the Company: Li Huangang  
Person in charge of accounting function: Sun Jiacheng  
Person in charge of accounting department: Ying Ke

## Section VIII Financial Report

### Statement of Changes in Owners' Equity of the Parent Company

January-June 2025

Unit and Currency: RMB

| Items                                                                          | 2025 Interim                       |                   |                          |                      |                            |                       |
|--------------------------------------------------------------------------------|------------------------------------|-------------------|--------------------------|----------------------|----------------------------|-----------------------|
|                                                                                | Paid-in capital (or share capital) | Preference shares | Other equity instruments | Less: treasury stock | Other comprehensive income | Total owners' equity  |
|                                                                                |                                    |                   | Perpetual bonds          | Capital reserve      | Surplus reserve            | Undistributed profits |
| I. Closing balance for the previous period                                     | 9,382,913,334.00                   |                   |                          | 25,680,561,451.57    | 4,691,456,667.00           | 9,687,279,183.32      |
| Add: changes in accounting policies                                            |                                    |                   |                          |                      |                            |                       |
| Error correction for prior period                                              |                                    |                   |                          |                      |                            |                       |
| Others                                                                         |                                    |                   |                          |                      |                            |                       |
| II. Opening balance for the current year                                       | 9,382,913,334.00                   |                   |                          | 25,680,561,451.57    | 4,691,456,667.00           | 9,687,279,183.32      |
| III. Increase/decrease for the current period (decrease is represented by "-") |                                    |                   |                          |                      |                            |                       |
| (I) Total comprehensive income                                                 |                                    |                   |                          |                      |                            |                       |
| (II) Capital injection and reduction by owners                                 |                                    |                   |                          | 163,357,585.56       |                            | -6,235,912,795.95     |
| 1. Ordinary shares invested by owners                                          |                                    |                   |                          |                      |                            | 2,755,881,249.18      |
| 2. Capital contribution by holders of other equity instruments                 |                                    |                   |                          | 163,357,585.56       |                            | 125,500,912.36        |
| 3. State-based payment included in owners' equity                              |                                    |                   |                          |                      |                            |                       |
| 4. Others                                                                      |                                    |                   |                          | 187,782,906.31       |                            | 187,782,906.31        |
| (III) Profit distribution                                                      |                                    |                   |                          | -24,425,340.75       |                            | -82,281,983.95        |
| 1. Withdrawal of surplus reserves                                              |                                    |                   |                          |                      |                            |                       |
| 2. Distribution to owners (or shareholders)                                    |                                    |                   |                          |                      |                            | -8,991,794,045.13     |
| 3. Others                                                                      |                                    |                   |                          |                      |                            |                       |
| (IV) Internal transfer of owner's equity                                       |                                    |                   |                          |                      |                            |                       |
| 1. Transfer of capital reserves into capital (or share capital)                |                                    |                   |                          |                      |                            |                       |
| 2. Transfer of surplus reserves into capital (or share capital)                |                                    |                   |                          |                      |                            |                       |
| 3. Surplus reserves used for remedying loss                                    |                                    |                   |                          |                      |                            |                       |
| 4. Changes in defined benefit plans carried forward to retained earnings       |                                    |                   |                          |                      |                            |                       |
| 5. Other comprehensive income carried forward to retained earnings             |                                    |                   |                          |                      |                            |                       |
| 6. Others                                                                      |                                    |                   |                          |                      |                            |                       |
| (V) Special reserve                                                            |                                    |                   |                          |                      |                            |                       |
| 1. Withdrawal for the period                                                   |                                    |                   |                          |                      |                            |                       |
| 2. Utilization for the period                                                  |                                    |                   |                          |                      |                            |                       |
| (VI) Others                                                                    |                                    |                   |                          |                      |                            |                       |
| IV. Closing balance for the period                                             | 9,382,913,334.00                   |                   |                          | 25,643,919,017.13    | 4,691,456,667.00           | 3,451,366,387.37      |
|                                                                                |                                    |                   |                          | 1,505,380,117.76     |                            | 42,540,063,435.15     |

## Section VIII Financial Report

| Items                                                                          | 2024 Interim                       |                   |                          |                   |                      |                            |                       |
|--------------------------------------------------------------------------------|------------------------------------|-------------------|--------------------------|-------------------|----------------------|----------------------------|-----------------------|
|                                                                                | Paid-in capital (or share capital) | Preference shares | Other equity instruments | Capital reserve   | Less: treasury stock | Other comprehensive income | Total owners' equity  |
|                                                                                |                                    |                   | Perpetual bonds          | Others            |                      | Special reserve            | Undistributed profits |
| I. Closing balance for the previous period                                     | 9,438,114,883.00                   |                   |                          | 27,263,651,777.44 | 3,175,293,942.36     | 630,674,691.95             | 7,484,026,291.62      |
| Add: changes in accounting policies                                            |                                    |                   |                          |                   |                      |                            |                       |
| Error correction for prior period                                              |                                    |                   |                          |                   |                      |                            |                       |
| Others                                                                         |                                    |                   |                          |                   |                      |                            |                       |
| II. Opening balance for the current year                                       | 9,438,114,883.00                   |                   |                          | 27,263,651,777.44 | 3,175,293,942.36     | 630,674,691.95             | 7,484,026,291.62      |
| III. Increase/decrease for the current period (decrease is represented by "-") |                                    |                   |                          |                   |                      |                            |                       |
| (I) Total comprehensive income                                                 |                                    |                   |                          |                   |                      |                            |                       |
| (II) Capital injection and reduction by owners                                 |                                    |                   |                          | 182,744,999.21    | 466,600,210.43       | 38,468,441.16              | -7,205,946,665.40     |
| 1. Ordinary shares invested by owners                                          |                                    |                   |                          |                   |                      | 38,468,441.16              | 308,018,429.29        |
| 2. Capital contribution by holders of other equity instruments                 |                                    |                   |                          | 182,744,999.21    | 466,600,210.43       |                            | -283,855,211.22       |
| 3. Share-based payment included in owners' equity                              |                                    |                   |                          |                   |                      |                            |                       |
| 4. Others                                                                      |                                    |                   |                          | 182,744,999.21    | 466,600,210.43       |                            | 182,744,999.21        |
| (III) Profit distribution                                                      |                                    |                   |                          |                   |                      |                            |                       |
| 1. Withdrawal of surplus reserves                                              |                                    |                   |                          |                   |                      |                            | -466,600,210.43       |
| 2. Distribution to owners (or shareholders)                                    |                                    |                   |                          |                   |                      |                            | -7,513,967,094.69     |
| 3. Others                                                                      |                                    |                   |                          |                   |                      |                            |                       |
| (IV) Internal transfer of owner's equity                                       |                                    |                   |                          |                   |                      |                            |                       |
| 1. Transfer of capital reserves into capital (or share capital)                |                                    |                   |                          |                   |                      |                            | -7,513,967,094.69     |
| 2. Transfer of surplus reserves into capital (or share capital)                |                                    |                   |                          |                   |                      |                            | -7,513,967,094.69     |
| 3. Surplus reserves used for remedying loss                                    |                                    |                   |                          |                   |                      |                            |                       |
| 4. Changes in defined benefit plans carried forward to related earnings        |                                    |                   |                          |                   |                      |                            |                       |
| 5. Other comprehensive income carried forward to retained earnings             |                                    |                   |                          |                   |                      |                            |                       |
| 6. Others                                                                      |                                    |                   |                          |                   |                      |                            |                       |
| (V) Special reserve                                                            |                                    |                   |                          |                   |                      |                            |                       |
| 1. Withdrawal for the period                                                   |                                    |                   |                          |                   |                      |                            |                       |
| 2. Utilization for the period                                                  |                                    |                   |                          |                   |                      |                            |                       |
| (VI) Others                                                                    |                                    |                   |                          |                   |                      |                            |                       |
| IV. Closing balance for the period                                             | 9,438,114,883.00                   | -                 | -                        | 27,446,396,776.65 | 3,641,894,152.79     | 669,143,133.11             | 278,077,626.22        |
|                                                                                |                                    |                   |                          | -                 |                      |                            | 4,237,192,318.35      |
|                                                                                |                                    |                   |                          |                   |                      |                            | 38,427,030,594.54     |

Legal representative of the Company: Li Huagang  
Person in charge of accounting function: Sun Jiacheng  
Person in charge of accounting department: Ying Ke

## Section VIII Financial Report

### III. GENERAL INFORMATION OF THE COMPANY

#### 1. Overview of the Company

√ Applicable    ☐ Not Applicable

The predecessor of Haier Smart Home Co., Ltd (hereinafter referred to as the Company) was Qingdao Refrigerator Factory, which was established in 1984. As permitted to offering by People's Bank of China, Qingdao Branch on 16 December 1989, with the document of Qing Ti Gai [1989] No. 3 issued on 24 March 1989, based on the reconstruction of the original Qingdao Refrigerator Factory, a limited company was set up by directional fund raising of RMB150 million. In March and September 1993, as approved by the document of Qing Gu Ling Zi [1993] No. 2 and No. 9 issued by the pilot leading team of Qingdao joint stock company, the Company was converted from a directional offering company to a public subscription company and issued additional 50 million shares to the public and listed with trading on Shanghai Stock Exchange in November 1993. In October 2018, D-shares in issue of the Company were listed on the China Europe International Exchange AG. In December 2020, H-shares in issue of the Company were listed on the Stock Exchange of Hong Kong Limited by way of introduction.

The Company's registered office is located at the Haier Science and Technology Innovation Ecological Park of Laoshan District, Qingdao, Shandong Province, and the headquarters is located at the Haier Science and Technology Innovation Ecological Park of Laoshan District, Qingdao, Shandong Province.

The Company is mainly engaged in research and development, manufacturing and sales of home appliances including refrigerators/freezers, kitchen appliances, air-conditioners, laundry appliances and water appliances, and other smart home business, as well as providing smart home packaged solutions.

The ultimate controlling parent company of the Company is Haier Group Corporation.

These financial statements have been approved for publication by the Board of the Company on 28 August 2025.

#### 2. Scope of consolidated statements

For details of changes in the scope of consolidated financial statements for the current period, please refer to "IX. Changes in Consolidation Scope" and "X. Interest in Other Entities" of this note.

**IV. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS****1. Basis of preparation**

The financial statements of the Company were prepared on the going concern basis according to the transactions and matters actually occurred, in accordance with the Accounting Standards for Enterprises — Basic Standards published by the Ministry of Finance, specific accounting standards, and guidance on application of accounting standards for enterprises, interpretations to accounting standards for enterprises and other relevant requirements (hereinafter collectively referred to as the “Accounting Standards for Enterprises”) which issued subsequently, and in combination with the disclosure provisions of the Rules for the Information Disclosure and Compilation of Companies Publicly Issuing Securities No. 15: General Provisions for Financial Report (Revised in 2023) of CSRC as well as the following significant accounting policies and accounting estimation.

**2. Going Concern**

☒ Applicable   ☐ Not Applicable

The Company has ability to continue its operation for at least 12 months since the end of the reporting period and there are no significant events affecting its ability to continue as a going concern.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**

☒ Applicable   ☐ Not Applicable

According to the characteristics of its production and operation, the Company formulated a series of specific accounting policies and accounting estimates, including the provisions for impairment for accounts receivable (Note V.11); the measurement of inventories (Note V.12); the depreciation and amortization of the investment properties (Note V.15); the depreciation of fixed assets (Note V.16), the amortization of intangible assets (Note V.19), the criterion for determining of long-term assets impairment (Note V.20); and the date of revenue recognition (Note V.26), etc.

**1. Statement of compliance with Accounting Standards for Enterprises**

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Enterprises, which accurately and completely reflected information relating to the financial position, results of operations, changes in shareholders’ equity and cash flows of the Company.

**2. Accounting period**

The accounting year of the Company is from 1 January each year to 31 December of the same year in solar calendar.

**3. Operating period**

☒ Applicable   ☐ Not Applicable

## Section VIII Financial Report

The Company takes the period from the acquisition of assets for processing to the ultimate realization of cash or cash equivalents as a normal operating cycle. The Company takes 12 months as an operating period, which is also the classification basis for the liquidity of its assets and liabilities.

### 4. Recording currency

Renminbi is the recording currency of the Company

### 5. Materiality criteria determination method and selection basis

√ Applicable    □ Not Applicable

| Case                                                                         | Materiality criteria                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material receivables for which bad debt provision is individually assessed   | The amount of provision on an individual basis accounts for more than 10% of the total bad debt provisions for various types of receivables and is greater than RMB100 million                                                                                                                  |
| Material receivables and bad debt provisions which are recovered or reversed | The amount of recovery or reversal on an individual basis accounts for more than 10% of the total amount of various types of receivables and is greater than RMB100 million                                                                                                                     |
| Actual write-off of material accounts receivable                             | The amount of write-off on an individual basis accounts for more than 10% of the total bad debt provisions of various types of receivables and is greater than RMB100 million                                                                                                                   |
| Material prepayments aged more than one year                                 | Prepayment aged more than 1 year on an individual basis accounts for more than 10% of the total prepayments and is greater than RMB100 million                                                                                                                                                  |
| Material projects under construction                                         | The ending balance of a project on an individual basis is greater than RMB100 million                                                                                                                                                                                                           |
| Material capitalized R&D projects                                            | The ending balance of a project on an individual basis accounts for more than 10% of the ending balance of development expenditure and is greater than RMB100 million                                                                                                                           |
| Material accounts payable and other payables aged more than one year         | Accounts payable/other payables with aged more than 1 year on an individual basis account for more than 10% of the total accounts payable/other payables and are greater than RMB100 million                                                                                                    |
| Material contract liabilities aged more than one year                        | Contract liabilities aged more than 1 year on an individual basis account for more than 10% of the total contract liabilities and are greater than RMB100 million                                                                                                                               |
| Material non-wholly owned subsidiaries                                       | The net assets of the subsidiaries account for more than 5% of the Company's net assets or the net profits and losses of the subsidiaries account for more than 10% of the Company's consolidated net profit.                                                                                   |
| Material joint ventures or associates                                        | The book value of long-term equity investment in an individual invested unit accounts for more than 5% of the Company's net assets or the investment profits and losses under the long-term equity investment equity method account for more than 10% of the Company's consolidated net profit. |

### 6. Accounting methods of business combinations under common control and not under common control

√ Applicable    ☐ Not Applicable

A business combination is a transaction or event that brings together two or more separate entities into one reporting entity. Business combinations are classified into business combinations under common control and business combinations not under common control.

#### (1) Business combinations under common control

A business combination under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For business combination under common control, the party that obtains the control over the other parties on the combination date is the acquirer, and other parties involving in the business combination are the transferors. The combination date is the date on which the acquiring party effectively obtains the control over the party being acquired.

For business combination under common control, the transferor's assets and liabilities obtained by the Company (as the acquirer) in a business combination are accounted for at the carrying amount of the transferor in the ultimate controller's consolidated financial statements as at the date of combination, except for adjustments due to differences in accounting policies. The difference between the carrying amount of the combination consideration paid by the Company (or the aggregate nominal value of shares issued) and the carrying amount of net assets obtained in a business combination shall be adjusted to capital reserve, in case the capital reserve is insufficient for the elimination, the retained earnings shall be adjusted.

Intermediary fees (such as audit, legal services and valuation consultancy) and other relevant management fees incurred in the business combination by the Company (as the acquirer) are credited in profit or loss in the period when they occurred. Trading expenses in direct relation to the issuance of equity instrument as the consideration for the combination is written down to the capital reserve (share premium), where the capital reserve (share premium) is insufficient, and to surplus reserves and undistributed profits in order. Trading expenses in direct relation to the issuance of debt instrument as the consideration for the combination is included in the initial recognition amount of the debt instrument.

#### (2) Business combinations involving entities not under common control

A business combination not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. For business combination not under common control, the party that obtains the control of the other parties at the combination date is the acquirer; other parties involving in the business combination are the transferors. The combination date is the date on which the acquirer effectively obtains control of the transferors.

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In business combination involving entities not under common control, the cost of combination of the Company (as the acquirer) shall be the sum of the assets paid, obligations incurred or assumed and the fair value of the equity securities issued by the Company for obtaining control of the transferor at the date of acquisition. Intermediary fees (such as audit, legal services and valuation consultancy) and other relevant management fees incurred by the Company for the purpose of business combination are credited in profit or loss in the period when they occurred. Transaction fees for the equity instruments or debt instruments issued by the Company as combination consideration is included in the initial recognition amount of such equity instruments or debt instruments. Contingent consideration involved shall be recorded as the combination cost based on its fair value on the acquisition date. Should any new or further evidence arise within 12 months after the acquisition date and makes it necessary to adjust the contingent consideration on the acquisition date, the goodwill arising from the business combination shall be amended accordingly.

The cost of combination and identifiable net assets obtained by the Company (as the acquirer) in a business combination involving entities not under common control are measured at fair value on the acquisition date. Where the cost of the combination exceeds the acquirer's interest in the fair value of the transferor's identifiable net assets, the difference is recognized as goodwill; where the cost of combination is lower than the acquirer's interest in the fair value of the transferor's identifiable net assets, the difference is initially recognized in profit or loss for the current year after the Company conducted a review of computation for the identifiable assets, liabilities or fair value of contingent liabilities and combination cost, and where the combination cost is still lower than the fair value of the identifiable net assets of the transferor obtained during the course of combination, then the difference is recorded in the profit and loss.

### 7. Judgement Criteria for Control and Preparation of Consolidated Financial Statements

☒ Applicable   ☐ Not Applicable

Judgement Criteria for Control:

The scope of consolidation of consolidated financial statements is on the basis of control. Control means that the Company has the power over the investee, enjoys variable returns by participating in relevant activities of the investee, and has the ability to use its power over the investee to influence the amount of its return. Control refers to the Company's right over the investee to enjoy variable returns through involvement in the investee and have the ability to exert the right to affect those returns. The Company will reassess when changes in relevant facts and circumstances result in changes in the relevant elements involved in the definition of control.

### **Preparation method of consolidated statements:**

#### **(1) *Scope of consolidated financial statements***

The Company incorporated all subsidiaries under its control (including the separate entities controlled by the Company) into the scope of consolidation financial statements, including the enterprises under the Company's control, divisible part in the investees and structured entities. Control refers to the Company having power over the investee and is entitled to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of those return.

#### **(2) *To unify the accounting policies, balance sheets date and accounting periods of the Company and subsidiaries***

When preparing consolidated financial statements, adjustments are made if subsidiaries' accounting policies or accounting periods are different from that of the Company, in accordance with the Company's accounting policies and accounting periods.

#### **(3) *Offset matters in the consolidated financial statements***

The consolidated financial statements shall be prepared by the Company on the basis of the financial statements of the Company and subsidiaries and based on other relevant information. In preparing the consolidated financial statements, all significant balances, transactions and unrealized profits between the Company and subsidiaries and among subsidiaries are eliminated. In preparing the consolidated financial statements, the Company treats the entire enterprise group as one accounting entity and reflects the overall financial position, operating results and cash flows of the Group in accordance with the requirements for recognition, measurement and presentation of relevant accounting standards for enterprises and consistent accounting policies. The owner's equity of the subsidiaries not attributable to the Company shall be presented separately as "minority equity" under the owner's equity item in the consolidated balance sheet. The minority equity attributable to net profit or loss of subsidiaries in the current period shall be presented as "minority interest" under the "net profit" item in the consolidated profit statement. Where the amount of loss of a subsidiary attributable to the minority shareholders exceeds their share of the opening balance of owner's equity of the subsidiary, the excess shall be allocated against minority equity. The long-term equity investment of the Company held by the subsidiaries, deemed as treasury stock of the corporate group as well as the reduction of owners' equity, shall be presented as "Less: Treasury stock" under the owner's equity item in the consolidated balance sheet.

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### **(4) *Accounting treatment of subsidiaries acquired from combination***

For subsidiaries acquired from business combination under common control of the Company, the opening amount of the consolidated balance sheet is adjusted, as if the business combination has taken place since the ultimate controller began its control. The income, expenses and profits of subsidiaries or business combinations from the beginning of the current period to the end of the reporting period are included in the consolidated profit statement. The cash flows from the beginning of the current period to the end of the reporting period of a subsidiary or business combination are included in the consolidated cash flow statement, and the related items in the comparative statements are adjusted. Where control can be exercised over the investee under the same control due to additional investment and other reasons, the Company shall deem the parties participating in the business combination to have made adjustments in their current status when the ultimate controller began its control. Equity investments held by the Company before control of the transferor are recognised for profit or loss, other comprehensive income and other changes in net assets between the later of the date on which the original equity interest is acquired and the date on which the Company and the transferor are under the same control and the date of combination, which are offset against the opening retained earnings or current profit or loss, respectively, in the period of the comparative statements.

For subsidiaries acquired from business combination under non-common control, the opening amount of the consolidated balance sheet is not adjusted. The income, expenses and profits of the subsidiary or business from the date of purchase to the end of the reporting period are included in the consolidated profit statement. The cash flows of the subsidiary or business from the date of purchase to the end of the reporting period are included in the consolidated statement of cash flows. Where control can be exercised over an investee that is not under the same control due to additional investment or other reasons, the Company remeasures the equity interest of the investee held before the purchase date based on the fair value of the equity interest at the purchase date, and the difference between the fair value and its carrying amount is included in the current investment income. Where the equity interest in the transferor held before the purchase date relates to other comprehensive income under the equity method and other changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution, other comprehensive income and other changes in owner's equity relating thereto are transferred to investment income of the current period as at the purchase date, except for other comprehensive income arising from the remeasurement of net liabilities or changes in net assets of defined benefit plans by the investee.

### **(5) *Dispose of equity interests in subsidiaries achieved in stages until losing control***

#### **① *General treatment***

During the reporting period, when the Company disposes of a subsidiary or business, the income, expenses and profits of that subsidiary or business from the beginning of the period to the date of disposal are included in the consolidated income statement of the Company; The cash flows from the beginning of the period to the disposal date of the subsidiary or operation are included in the consolidated statement of cash flows of the Company.

When control over the investee is lost due to the disposal of part of the equity investment or other reasons, the Company remeasures the remaining equity investment after disposal at its fair value at the date when control is lost. The difference between the sum of the consideration obtained on disposal of the equity interest and the fair value of the remaining equity interest, less the sum of the share of the net assets of the original subsidiary calculated by the Company based on the original shareholding ratio and goodwill calculated on a continuing basis from the date of purchase or consolidation, is included in investment income in the period in which control is lost and goodwill is written off. The Company converts other comprehensive income relating to the equity investment in the original subsidiary, etc. to investment income in the current period when control is lost.

#### **② *Disposal of subsidiaries step by step***

Where the Company disposed of equity investment in a subsidiary step by step through multiple transactions until control is lost, for example, the terms, conditions and economic impact of each transaction that disposes of the equity investment in a subsidiary meet one or more of the following conditions, the Company accounts for multiple transactions as a single transaction:

- i. The transactions were entered into simultaneously or with mutual influence in mind;
- ii. The transactions as a whole are capable of achieving a complete commercial outcome;
- iii. The occurrence of one transaction depends on the occurrence of at least one other transaction;
- iv. The transaction is uneconomical by itself but economic when considered in conjunction with other transactions.

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Where each transaction that disposes of an equity investment in a subsidiary until control is lost is a blanket transaction, the Company accounts for each transaction as a transaction that disposes of the subsidiary and loses control; However, the Company recognises the difference between each disposal price before the loss of control and the share of net assets of the subsidiary corresponding to the disposal of the investment as other comprehensive income in the consolidated financial statements and is transferred to profit or loss in the period in which control is lost when control is lost.

Where each transaction that disposes of an equity investment in a subsidiary until the loss of control is not a blanket transaction, the relevant policy for partial disposal of an equity investment in a subsidiary without loss of control is accounted for before the loss of control by the Company; When control is lost, accounting is performed in the same manner as would be done for a disposal subsidiary.

**(6) Purchase of minority interests in subsidiaries**

The difference between the Company's costs of newly acquired long-term equity investment resulting from the purchase of minority interests and the share of net assets attributable to the subsidiary calculated on an ongoing basis from the date of purchase (or the date of combination) based on the newly increased shareholding ratio, the equity premium in the capital reserve in the consolidated balance sheet is adjusted, and if the equity premium in the capital reserve is insufficient to offset, the retained earnings is adjusted.

**(7) Partial disposal of equity investments in subsidiaries without loss of control**

The Company adjusts the equity premium in the capital reserve in the consolidated balance sheet for the difference between the disposal price obtained from the partial disposal of the long-term equity investment in the subsidiary without loss of control and the share of the net assets of the subsidiary that would continue to be calculated from the purchase date or the combination date corresponding to the disposal of the long-term equity investment, or adjust the retained earnings if the equity premium in the capital reserve is insufficient to offset.

### **8. Classification of joint arrangement and accounting methods of joint operations**

☒ Applicable   ☐ Not Applicable

A joint arrangement refers to an arrangement jointly controlled by two or more parties. In accordance with the Company's rights and obligations under a joint arrangement, the Company classifies joint arrangements into joint operations and joint ventures.

**(1) Joint operations**

Joint operations refer to a joint arrangement in which the Company is a party and is entitled to relevant assets and obligations of this arrangement.

The Company recognizes the following items in relation to its interest in a joint operation, and accounts the same in accordance with relevant accounting standards for business enterprises: ① recognize the assets held solely by the Company, and recognize assets held jointly by the Company in appropriation to the share of the Company; ② recognize the obligations assumed solely by the Company, and recognize obligations assumed jointly by the Company in appropriation to the share of the Company; ③ recognize revenue from disposal of joint operations in appropriation to the share of the Company; ④ recognize revenue from disposal of joint operations in appropriation to the share of the Company; ⑤ recognize fees solely occurred by the Company and recognize fees from joint operations in appropriation to the share of the Company.

When the Company, as a joint venture, invests or sells assets to or purchase assets (the assets do not constitute a business, the same below) from joint operations, the Company shall only recognize the part of profit or lost from this transaction attributable to other parties of joint operations before these assets are sold to a third party. In case of an impairment loss incurred on these assets which meets the requirements as set out in Accounting Standards for Business Enterprises No. 8 — Asset Impairment, the Company shall full recognize the amount of this loss in relation to its investment in or sale of assets to joint operations or recognize the loss according to the Company's share of commitment in relation to the its purchase of assets from joint operations.

### **(2) Joint ventures**

Joint ventures refer to a joint arrangement during which the Company only is entitled to net assets of this arrangement. Investment in joint venture is accounted for using the equity method according to the accounting policies referred to under “14. Long-term equity investment” of Note V.

## **9. Recognition standard for cash and cash equivalents**

Cash recognized in the cash flow statements represents the cash on hand and deposits available for payment of the Company at any time.

Cash equivalents recognized in the cash flow statements refer to short-term, highly liquid investments held by the Company that are readily convertible to known amounts of cash and which are subject to an insignificant risk on change in value.

## **10. Foreign currency businesses and translation of foreign currency statements**

☒ Applicable   ☐ Not Applicable

### **(1) Foreign currency transactions**

If foreign currency transactions occur, they are translated into the amount of functional currency by applying the exchange rate at the transaction date.

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Monetary items denominated in foreign currencies are translated by the Company into functional currencies at the rates of exchange ruling at the balance sheet date. All foreign exchange difference are credited in the profit or loss of the current period, except those arising from the funds denominated in foreign currency specially borrowed for the establishment of the qualifying assets are treated based on the principal of capitalization of borrowing costs.

Non-monetary items in foreign currency measured at historical cost are translated by the Company using the spot exchange rate prevailing on the date when transaction occurred and its functional currency shall remain unchanged. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the exchange differences between the translated and original amounts of functional currencies are recognized in the statement of profit or loss or other comprehensive income as changes in fair value (including changes in exchange rate).

### **(2) Translation of foreign currency financial statements**

If the functional currencies used as the bookkeeping base currency by the subsidiaries, joint ventures and associates under the control of the Company are different from that of the Company, their financial statements denominated in foreign currencies shall be translated to perform accounting and prepare the consolidated financial statements.

The assets and liabilities of the foreign currency balance sheet of the Company are translated using the spot exchange rate at the balance sheet date; all items except for “undistributed profits” of the owner’s equity are translated at the spot exchange rate on the transaction date. The revenue and expenses in the foreign currency income statement of the Company are translated using the approximate rate of the spot exchange rate on the transaction date. Exchange differences on translation of financial statements denominated in foreign currencies are presented as the “other comprehensive income” in the owner’s equity of the balance sheet.

Foreign currency cash flow and cash flows of a foreign subsidiary of the Company is translated using the approximate rate of the spot exchange rate on the date of the cash flows. The impact of exchange rate changes on cash amount is regarded as a reconciliation item and reflected separately in the cash flow.

When disposing overseas operations, the translation difference in the foreign currency financial statements as shown in the owner’s equity of the balance sheet and related to the overseas operation shall be transferred from owner’s equity to profit or loss in the current period of disposal. If part of the overseas operations is disposed of, the translation difference in the foreign currency financial statements of the disposal part shall be calculated based on the proportion of the disposal and transferred to profit or loss in the current period of disposal.

### 11. Financial instruments

√ Applicable    ☐ Not Applicable

A financial instrument refers to any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or financial liability and equity instrument is recognized when the Company becomes a party to the contract of a financial instrument.

#### (1) Classification, recognition and measurement of financial assets

On initial recognition of a financial asset, according to the business model for managing financial assets and the contractual cash flow characteristics of financial assets, the Company classifies financial assets into: Financial assets measured at amortized cost; financial assets measured at fair value through other comprehensive income; financial assets measured at fair value through profit or loss of the current period.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value through profit and loss of the current period, related transaction costs are directly included in profit and loss of the current period; for other types of financial assets, related transaction costs are included in their initial recognized amounts. For the accounts receivable or bills receivable arising from the sale of products or the provision of labor services that do not contain or consider the significant financing components, etc., the Company shall take the consideration amount entitled to be received as the initial recognized amount.

#### 1) The debt instruments held by the Company:

##### ① Financial assets measured at amortized cost

The Company's business model for managing such financial assets is: With the aim of obtaining contractual cash flow, the contractual cash flow characteristics of such financial assets shall be consistent with the basic lending arrangements, that is, the cash flow generated on a specific date is only the payment for the principal and the interest based on the outstanding principal amount. For such financial assets, the Company recognizes the interest income in accordance with the effective interest method. Such financial assets are subsequently measured at amortised cost. The gains or losses arising from amortisation or impairment are recognised in profit or loss of the current period. Such financial assets of the Company mainly include cash and cash equivalents, bills receivable, accounts receivable, other receivables, creditor's right investment and long-term receivables. The Company lists the creditor's rights investments and long-term receivables matured within one year (inclusive) from the balance sheet date as non-current assets matured within one year; the creditor's rights investments matured within one year (inclusive) when being obtained are listed as other current assets.

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② *Financial assets measured at fair value through other comprehensive income*

The Company's business mode for managing such financial assets is: With the aim of obtaining contractual cash flow and selling the financial assets, the contractual cash flow characteristics of such financial assets shall be consistent with the basic lending arrangements. Such financial assets are measured at fair value through other comprehensive income, but impairment gains and losses, exchange gains and losses, and interest income calculated by the effective interest method are included in profit and loss of the current period. Such financial assets of the Company mainly include financing receivables and other creditor's rights investments. The Company lists other creditor's rights investments matured within one year (inclusive) from the balance sheet date as non-current assets matured within one year; other creditor's rights investments matured within one year (inclusive) when being obtained are listed as other current assets.

③ *Financial assets measured at fair value through profit or loss of the current period*

The Company classifies financial assets other than those above measured at amortized cost and those measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss of the current period. In addition, at the time of initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Company designated some financial assets as financial assets measured at fair value through profit or loss of the current period. Such financial assets are subsequently measured at fair value and changes in fair value are included in profit or loss of the current period. Such financial assets that are matured more than one year and are expected to be held for more than one year from the balance sheet date are listed as other non-current financial assets.

**2) *Equity instrument investments of the Company:***

The Company classifies equity instrument investments that have no control, joint control and significant influence on itself as financial assets measured at fair value through profit or loss of the current period; investments that are expected to be held for more than one year from the balance sheet date are listed as other non-current financial assets.

In addition, the Company designated some non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income, which are listed as other equity instrument investments. Such designation cannot be revoked once made. The Company includes the relevant dividends and interest income of such financial assets in profit and loss of the current period, and changes in fair value are included in other comprehensive income. When the financial asset is derecognised, the Company transfers the cumulative gain or loss previously included in other comprehensive income directly to retained earnings and is not included in profit or loss of the current period.

### **(2) Classification, recognition and measurement of financial liabilities**

On initial recognition, financial instruments or their components issued by the Company are classified into financial liabilities or equity instruments based on the contractual terms of the financial instruments and the economic nature, rather than solely on its legal form, together with the definition of financial liability and equity instruments.

The Company classifies financial liabilities as financial liabilities at fair value through profit and loss of the current period and other financial liabilities at initial recognition.

Financial liabilities at fair value through profit and loss of the current period are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any interest expenses related to the financial liabilities are recognized in profit or loss of the current period. The financial liabilities at fair value through profit and loss of the current period of the Company mainly consist of financial liabilities held for trading.

Other financial liabilities are subsequently measured at amortized costs using effective interest method. Other financial liabilities of the Company are financial liabilities measured at amortized cost, including bills payable, accounts payable, other payables, borrowings, bonds payable, etc. Such financial liabilities are recognized initially at fair value less transaction costs and subsequently measured using the effective interest method. Financial liabilities with a maturity of less than one year (inclusive) are listed as current liabilities; those with maturity of more than one year but are mature within one year from the balance sheet date (inclusive) are listed as non-current liabilities due within one year; the rest are presented as non-current liabilities.

### **(3) Classification and treatment of financial liabilities and equity instruments**

The Company classifies financial liabilities and equity instruments on the following principles: (1) Where the Company is unable to unconditionally avoid delivering cash or another financial asset to fulfil a contractual obligation, the contractual obligation meets the definition of a financial liability. Although some financial instruments do not explicitly include the terms and conditions imposing the contractual obligation to deliver cash or another financial asset, they may indirectly give rise to the contractual obligation through other terms and conditions. (2) Where a financial instrument shall or may be settled in the Company's own equity instrument, consideration shall be given to whether the Company's own equity instrument as used to settle the instrument is a substitute of cash or another financial asset or the residual interest in the assets of the Company after deducting all of its liabilities. In the former case, the instrument shall be the Company's financial liability; in the latter case, the instrument shall be the equity instrument of the Company. Under certain circumstances whereby a financial instrument contract stipulates that the Company shall or may use its own equity instrument to settle the financial instrument, and the amount of the contractual right or obligation equal to the number of its own equity instruments to be received or delivered multiplied by their fair value at the time of settlement, the contract shall be classified as a financial liability, regardless of whether the amount of the contractual right or obligation is fixed, or fluctuates in full or in partly in response to changes in a variable other than the market price of the Company's own equity instruments (for example an interest rate, a commodity price or a financial instrument price).

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When classifying a financial instrument (or a component thereof) in consolidated financial statements, the Company shall consider all terms and conditions agreed between members of the Group and the holders of the financial instrument. If the Group as a whole has an obligation in respect of the instrument to settle it by delivering cash or another financial asset or in such a way that it would be a financial liability, such instrument shall be classified as a financial liability.

If the financial instrument or its component is attributable to the financial liability, the relevant interests, dividends, gains or losses, and gains or losses arising from redemption or refinancing, shall be recorded in the profit or loss of the current period.

If the financial instrument or its component is attributable to equity instrument, the Company treats it as change in equity when it is issued (including refinanced), repurchased, sold or cancelled. Changes in fair value of equity instrument is not recognized by the Company. Transaction costs related to equity transactions are deducted from equity. The Company recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders' equity.

### **(4) Recognition and measurement on transfer of financial assets**

A financial asset shall be de-recognized when one of the following conditions is met: ① the contractual right for receiving cash flows from the financial asset is terminated; ② the financial asset is transferred, and the risk and rewards of ownership of the financial asset have been substantially transferred to the transferee; and ③ the financial asset is transferred; the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but ceases the control over the financial asset. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and the control over the financial asset is not ceased, the financial asset and the related financial liabilities should be recognized based on the degree of continuing involvement. The degree of continuing involvement means the level of risks borne by the Company resulting from the change in value of the financial asset.

On de-recognition of other equity instruments investment, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognized directly in other comprehensive income is recognized in the retained earnings. On de-recognition of other financial assets, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognized directly in other comprehensive income is recognized in current profit or loss.

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For financial assets that are sold with recourse or endorsement, the Company needs to determine whether the risk and rewards of ownership of the financial asset have been substantially transferred. If the risk and rewards of ownership of the financial asset have been substantially transferred, the financial asset shall be derecognized. If the risk and rewards of ownership of the financial asset have been substantially retained, the financial asset shall not be de-recognized. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Company shall assess whether the control over the financial asset is retained, and the financial assets shall be accounted for according to the above paragraphs.

### **(5) Derecognition of financial liabilities**

If the current obligation of a financial liability (or part of it) has been discharged, the Company derecognizes the financial liability (or part of the financial liability). The Company (borrower) enters into an agreement with the lender to replace the original financial liability in the form of a new financial liability, and if the new financial liability is substantially different from the original financial liability, the original financial liability is derecognized and the new financial liability is recognized. If the Company makes substantial changes to the contractual terms of the original financial liability (or a part thereof), the original financial liability is derecognized and the new financial liability is recognized in accordance with the revised terms.

If the financial liability (or a part thereof) is derecognized, the difference between the carrying amount and the consideration paid (including the transferred non-cash assets or liabilities assumed) is recognized in current profit or loss.

### **(6) Offsetting financial assets and financial liabilities**

When the Company has the legal right to offset recognized financial assets and financial liabilities, and the legal right can be executed at present, and the Company has a plan to settle the financial assets and financial liabilities at the same time or at net amount, the financial assets and financial liabilities can be presented in the balance sheet at net amount after offsetting. Except for the above circumstances, financial assets and financial liabilities cannot be offset and shall be presented separately in the balance sheet.

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### (7) Determination of fair value of financial assets and financial liabilities

Fair value is the amount at which an asset could be sold or a liability could be transferred between willing parties in an orderly transaction on a measurement date. The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. Quoted price in the active market represents quoted price which can be easily obtained periodically from exchange market, brokers, industry associations or pricing services agency, etc., which is the transactions amount in arm's length transactions. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. Valuation techniques include using prices of recent market transactions between knowledgeable and willing parties, reference to the current fair value of another financial asset that is substantially the same with this instrument, discounted cash flow analysis and option pricing models, etc. During the valuation, the Company adopts an applicable valuation technique under current conditions and there are enough available data and other information to support. Those inputs should be consistent with the inputs a market participant would use when pricing the asset or liability, and the Company should maximize the use of relevant observable inputs. When related observable inputs can't be acquired or are not feasible to be acquired, then use unobservable inputs.

In summary, the Company categorizes inputs for fair value measurement into three levels and uses the inputs by the order of Level 1, Level 2 and Level 3. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date. Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3: unobservable inputs for the asset or liability.

### (8) Impairment of financial assets

For financial assets measured at amortized cost and debt instrument investments measured at fair value through other comprehensive income, contract assets and financial guarantee contracts, the Company recognizes the loss provision based on the expected credit losses.

The Company considers reasonable and reliable information about past events, current conditions and forecasts of future economic conditions, and takes the risk of default as a weight, and calculates the probability-weighted amount of the present value of the difference between the cash flow receivable and the cash flow expected to be received of the contract to confirm the expected credit losses.

On each balance sheet date, the Company measures the expected credit losses of financial instruments in different phases. If the credit risk has not increased significantly since the initial recognition, the financial instruments are in the first phase. The Company measures the loss provision according to the expected credit losses in the next 12 months; if credit risk has increased significantly but credit impairment has not yet occurred since the initial recognition, the financial instruments are in the second phase. The Company measures the loss provision according to the expected credit losses of the instruments during the entire duration; if credit impairment has occurred since the initial recognition, the financial instruments are in the third phase. The Company measures the loss provision according to the expected credit losses of the instruments during the entire duration.

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For financial instruments with lower credit risk on the balance sheet date, the Company measures the loss provision according to the expected credit losses in the next 12 months, assuming that its credit risk has not increased significantly since the initial recognition.

For financial instruments in the first phase and second phase and financial instruments with relatively lower credit risk, the Company calculates interest income based on their book balance before the deduction of provisions and effective interest rate. For financial instruments in the third phase, the Company calculates interest income based on their amortized cost after the impairment provision has been deducted from the book balance and effective interest rate.

For bills receivable, accounts receivable and contract assets, whether there exist significant financing components, the Company measures loss provision based on expected credit loss over the entire duration.

The Company classifies accounts receivable into groups on the basis of shared credit risk characteristics, and calculates the expected credit losses on groups, the bases of group determination are as follows:

For each group of bills receivable, the Company applies exposure at default and expected credit losses rate over the entire duration to calculate the expected credit losses by taking into account the historical credit losses experience, the existing conditions and forecast of future economic conditions.

For each group of accounts receivable, the Company makes the comparison of expected credit losses rates of accounts receivable in overdue days and over the entire duration to calculate the expected credit losses by taking into account the historical credit losses experience, the existing conditions and forecast of future economic conditions.

For each group of other accounts receivable, the Company applies exposure at default and expected credit losses rate within the next 12 months or over the entire duration to calculate the expected credit losses by taking into account the historical credit losses experience, the existing conditions and forecast of future economic conditions.

The Company recognizes the loss impairment provision or reversed in profit or loss of the current period. For held debt instruments at fair value through other comprehensive income, the Company recognizes loss/gain on impairment in profit or loss of the current period, and adjusts other comprehensive income at the same time.

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### 12. Inventory

☒ Applicable   ☐ Not Applicable

#### (1) Classification of inventory

Inventory refers to finished products and commodities held by the Company in daily activities for sale, products in progress, materials and supplies consumed in the process of production or provision of labour services, including mainly raw materials, turnover materials, materials for commissioned processing work, packaging materials, products in progress, semi-finished products through in-house manufacturing, finished products (products in stock) and project construction, among others.

#### (2) Pricing of dispatch of inventory

The actual cost of inventories upon delivery is calculated using the weighted average method.

#### (3) Impairment provision for inventory

At the balance sheet date, inventory is measured at the lower of cost and net realisable value.

The net realisable value of inventories that can be directly put to sale, including finished products, commodities and materials for sale is determined as the estimated selling price of such inventory less estimated selling expenses and related tax expenses; the net realisable value of or inventories held for production, is determined as the estimated selling price of finished products manufactured less estimated cost incurred upon completion, estimated selling expenses and related tax expenses; the net realisable value of inventory held for the execution of sales contract or labour contract is computed on the basis of the contract price. If the quantity of inventories held by the Company is more than the quantity ordered under a sales contract, the net realisable value of the inventories in excess is computed on the basis of the general selling price.

Inventory impairment provision is made on the basis of individual inventory items, provided that if certain inventories are related to a series of products manufactured and sold in the same region with identical or similar end uses or purposes and are difficult to measure separately with other items, their cost and net realisable value may be measured on an aggregate basis. Inventories The cost and net realizable value of inventories in large quantity with low unit prices are measured according to inventory types.

At the balance sheet date, if the cost of inventory of the Company is higher than its net realisable value, impairment provision is made and charged to current profit or loss. If the factor causing the write-down of inventory value has been removed, the amount of write-down should be reversed and transferred out of the previous inventory impairment provision amount. The reversed amount is included in current profit or loss.

### **(4) Inventory system**

The Company adopts the perpetual inventory system as its inventory system.

### **(5) Amortisation of low-value consumables and packaging materials**

The Company adopts one-off amortisation of its low-value consumables and packaging materials.

## **13. Contract assets**

☒ Applicable   ☐ Not Applicable

The Company presents the right of the Company to charge consideration from the customer unconditionally (i.e. only depends on the passage of time) as a receivable, while the consideration that the Company has the right (and this right depends on factors other than passage of time) to receive for goods transferred to customers is presented as a contract assets. If the Company sells two clearly distinguishable goods to the customer, and it has the right to receive payment because one of the goods has been delivered, but the receipt of such payment is conditioned on the delivery of another goods, the Company shall recognise such right to receive payment as contract asset.

For the determination and accounting treatment methods of the expected credit loss of contract assets, please see note V.11 “Impairment of financial assets”.

## **14. Long-term equity investments**

☒ Applicable   ☐ Not Applicable

Long-term equity investments hereunder refer long-term equity investments in which the Company exercises control, joint control or significant influence over the investee.

### **(1) Determination of initial investment cost**

- ① The initial cost of long-term equity investments acquired through business combination involving parties under common control should be recognised as the share of the carrying value of the owner's equity of the acquired party; the initial cost of long-term equity investments acquired through business combination involving parties not under common control should be recognised as the combination costs determined at the date of acquisition;
- ② The Company invested in other equity investment other than long-term equity investments acquired through combination, the initial investment cost of long-term equity investments acquired with cash payment is the acquisition price actually paid; the initial investment cost of long-term equity investments acquired with the issuance of equity- based securities is represented by the fair value of equity-based securities; the initial investment cost of long-term equity investments acquired through debt restructuring is determined in accordance with relevant provisions under Accounting Standards for Business Enterprises No.12 — Debt Restructuring; the initial investment cost acquired in exchange for non-monetary assets shall be determined in accordance with relevant provisions of the standard.

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### (2) Subsequent measurement and recognition of profit or loss

#### ① *Cost method*

Long-term equity investments in which the Company is able to exercise control over the investee is accounted for using the cost method. Under the cost method, the carrying value of long-term equity investments, other than additional investment or recouped investment, shall remain constant. The Company declared the distribution of profit or cash dividend to the investee and calculated the portion of entitlement, which is recognised as investment income.

#### ② *Equity method*

The equity method is used by the Company to account for long-term equity investments in associates and joint ventures. Under the equity method, the initial investment cost is not adjusted for any excess of the initial investment cost over the share of the net fair value of the investee's identifiable assets. When the initial investment cost is less than the share of the fair value of the investment's identifiable net assets, the difference is recognised in current profit or loss and the cost of long-term equity investment is adjusted accordingly.

Under the equity method, share of net profit or losses and other comprehensive income of the investee are recognised by the Company as investment income and other comprehensive income, respectively, and the carrying amount of the long-term equity investment is adjusted accordingly. Share of profit or cash dividend declared by the investee is charged against the carrying value of the long-term equity investment; changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution are adjusted against the carrying value of long-term equity investment and included in capital reserve. Share of net profit or loss of the investee is recognised by the Company on the basis of the fair value of the identifiable assets of the investee when the investment is acquired and adjusted against the net profit of the investee. If the accounting policy and accounting period of the investee are inconsistent with those of the Company, the financial statements of the investee is adjusted to align with the accounting policy and accounting period of the Company, and investment income and other comprehensive income is recognised accordingly.

Net losses of the investee is recognised by the Company by deducting the carrying value of the long-term equity investment together with long-term equity that in substance forms part of the net investment in the investee until it reaches zero. Moreover, if the Company has incurred obligations to assume additional losses of the investee, estimated liabilities are recognised according to the obligation expected to be assumed and charged to current investment loss. If the investee records net profit in future periods, the Company shall recognise its share of gains after applying such share of gains to make up for the unrecognised share of loss.

### (3) Change of accounting method for long-term equity investment

- ① Change from fair value measurement to the equity method: If an equity investment in the investee not previously affording control, joint control or significant influence and accounted for in accordance with the standard for recognition and measurement of financial instruments becomes capable of affording joint control or significant influence over the investee as a result of increased shareholding following additional investment, the accounting method should be changed to the equity method, and the fair value of the original equity investment determined according to the standard for recognition and measurement of financial instruments plus the fair value of consideration paid for the acquisition of the new investment shall be changed the initial investment cost under the equity method.
- ② Change from fair value measurement or equity method to cost method: if an equity investment previously held in the investee not previously affording control, joint control or significant influence and accounted for in accordance with the standard for recognition and measurement of financial instruments, or a long-term equity investment previously held in associates or joint ventures becomes capable of affording control over the investee, it is accounted for long-term equity investment formed through business combination.
- ③ Change from equity method to fair value measurement: if a long-term equity investment previously held in the investee affording joint control or significant influence ceases to afford joint control or significant influence as a result of decrease in shareholding percentage following partial disposal, the remaining equity investment is recognised in accordance with the standard for recognition and measurement of financial instruments, and the difference between the fair value at the date of loss of joint control or significant influence and the carrying value is included in current profit or loss.
- ④ Change from cost method to equity method or fair value measurement: when preparing separate financial statements, if the Company loses control over an investee due to disposal of some equity-based investment and other reasons, the Company accounts for the remaining equity affording joint control or significant influence over an investee as a result of disposal based on the equity method, and the remaining equity will be adjusted as if it is accounted for using the equity method from the date of acquisition; for the remaining equity not affording joint control or significant influence over an investee as a result of disposal, it is accounted for in accordance with relevant requirements of Accounting Standards for Business Enterprises No. 22— Recognition and measurement of financial assets, and the differences between the fair value and book value on the date when control is lost are included in profit or loss. When preparing consolidated financial statements, it shall be accounted for in accordance with relevant requirements of Accounting Standards for Business Enterprises No.33— Consolidated financial statements.

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### (4) Bases for determining joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control over an arrangement, which relevant activities of such arrangement must be decided by unanimously agreement from parties who share control. If all the parties or a group of parties must act in concert to decide on the relevant activities of certain arrangement, it can be considered that all parties or a group of parties have collective control over the arrangement. When determining if there is any joint control, it should first be determined if the arrangement is controlled collectively by all parties or a combination of parties, and then determined whether decisions about activities related to the arrangement must be made by the unanimous agreement of those parties who have collective control over the arrangement. If there are two or more party groups that can collectively control certain arrangement, it does not constitute joint control. When determining if there is any joint control, the relevant protection rights will not be taken into account.

Significant influence is the power of the investor to participate in the decision-making of an investee's financial and operational policies, but neither control nor jointly control the formulation of such policies with other parties. When determining if there is any significant influence on the investee, the influence of the voting shares of the investee held directly or indirectly and the potential voting rights held by the Company and other parties which are exercisable in the current period and converted to the equity of the investee, including the warrants, stock options and convertible bonds that are issued by the investee and can be converted in the current period, shall be taken into account by the Company.

When the Company holds directly or indirectly through the subsidiary 20% (inclusive) to 50% of the voting shares of the investee, it is generally considered to have significant influence on the investee, unless there is concrete evidence to prove that it cannot participate in the production and operational decisions of the investee and cannot pose significant influence in this situation.

The Company usually determines whether there is significant influence on the investee through the following one or several circumstances:

- ① Representation at the board or similar authority of the investee.
- ② Participation in the decision-making process of the investee's financial and operational policies.
- ③ Having important transactions with the investee.
- ④ Posting of management personnel at the investee.
- ⑤ Providing key technical data to the investee.

Having one or several of the above circumstances does not mean that the Company must have significant influence on the investee. The Company needs to comprehensively consider all the facts and circumstances to make an appropriate judgment.

**(5) Methods for impairment test and impairment provision**

At the balance sheet date, the Company inspects whether there are indications of possible impairment of a long-term equity investment. If there are indications of impairment, an impairment test should be performed to ascertain its recoverable amount, and an impairment provision equivalent to the margin by which the recoverable amount is lower than the carrying value should be made. Once recognised, impairment loss will not be reversed in subsequent accounting periods. The recoverable amount is determined as the higher of net fair value of the long-term equity investment on disposal and present value of estimated future cash flow.

**(6) Disposal of long-term equity investments**

Upon the Company's disposal of long-term equity investments, the difference between the carrying value and consideration actually acquired is included in current profit or loss. Upon disposal of long-term equity investment, the portion previously included in other comprehensive income is accounted for according to the relevant percentage on the same basis adopted in the direct disposal of the relevant assets or liabilities by the investee.

### **15. Investment properties**

**(1) Types and measurement models of investment properties**

The Company's investment properties include the following types: leased land-use rights and leased buildings.

The Company's investment properties is initially measured at cost and subsequently on a cost basis.

**(2) Adoption of cost model as accounting policy**

Among the Company's investment properties, leased buildings are subject to depreciation on a straight-line basis in accordance with accounting policies identical with accounting policies for fixed assets. Leased land-use rights and land-use rights held for disposal after appreciation land-use rights in investment properties are amortised using the straight-line method in accordance with accounting policies identical with fixed asset accounting policies for intangible assets.

At the balance sheet date, the Company inspects whether there are indications of possible impairment of an investment property. If there are indications of impairment, an impairment test should be performed to ascertain its recoverable amount, and an impairment provision equivalent to the margin by which the recoverable amount is lower than the carrying value should be made. Once recognised, impairment loss will not be reversed in subsequent accounting periods.

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Where the investment properties are sold, transferred, retired or damaged, the differences from disposal after deducting the carrying amount and related taxes are recognised in profit or loss for the current period by the Company. When the Company has evidence indicating the self-occupied houses and buildings are converted to leasing or leasing out its properties held for sale under operating leases, the carrying amount of such fixed assets, intangible assets or inventories before the conversion are transferred to investment properties. When the Company has evidence indicating the property held to earn rentals or for capital appreciation are converted to self-occupation or the property intended for operating lease purpose are open for sale, the carrying amount of such properties before the conversion are transferred to fixed assets, intangible asset or inventories.

### 16. Fixed assets

#### (1) Recognition criteria

☒ Applicable   ☐ Not Applicable

Fixed assets of the Company refer to tangible assets held for the production of commodities, provision of labour services, lease or operational management with a useful life of more than one accounting year. Fixed assets are recognised if all of the following conditions are met:

- ① Economic benefits relating to such fixed assets are likely to flow into the Company;
- ② The cost of the fixed assets can be reliably measured.

Subsequent expenditure incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditure shall be recognised in profit or loss for the period in which it is incurred.

Fixed assets of the Company are initially measured at cost. The purchase cost of a fixed asset comprises its purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use, such as transportation costs and installation expenses. If the payment for a purchased fixed asset is deferred beyond the normal credit terms, the cost of the fixed asset shall be determined based on the present value of the instalment payments. The difference between the actual payment and the present value of the purchase price is recognised in profit or loss over the credit period, except for such difference that is capitalised according to Accounting Standard for Business Enterprises No. 17 — Borrowing Costs.

**(2) Classification and depreciation of fixed assets**

The Company's fixed assets are mainly classified into: buildings, machinery equipment, transportation equipment and office and other equipment; depreciation is conducted on a straight-line basis. The useful life and estimated net residual value of fixed assets are determined based on the nature and use of the fixed assets. At the end of the year, the useful life and estimated residual value of and depreciation method for fixed assets are reviewed, and adjustment is made for any difference with the original estimated amount. Other than fully depreciated fixed assets which remain in use and the land which is separately priced and recorded, the Company measures depreciation for all fixed assets.

The type, depreciation method, estimated useful lives, estimated residual values and yearly depreciation of the Company's fixed assets are as follows:

| Type of assets             | Depreciation method | Estimated useful lives (years) | Estimated residual values, net |
|----------------------------|---------------------|--------------------------------|--------------------------------|
| Buildings                  | Life average method | 8-40                           | 0-5%                           |
| Machinery equipment        | Life average method | 4-20                           | 0-5%                           |
| Transportation equipment   | Life average method | 5-10                           | 0-5%                           |
| Office and other equipment | Life average method | 3-10                           | 0-5%                           |

**(3) Methods for impairment test and impairment provision for fixed assets**

At the balance sheet date, the Company inspects whether there are indications of possible impairment of fixed assets. If there are indications of impairment, an impairment test should be performed to ascertain its recoverable amount, and an impairment provision equivalent to the margin by which the recoverable amount is lower than the carrying value should be made. Once recognised, impairment loss will not be reversed in subsequent accounting periods.

**(4) Disposal of fixed assets**

Fixed assets are derecognised upon disposal, or when no economic benefits are expected from use or disposal. The difference between gains on disposal, transfer, retirement or damage of fixed assets, net of their book value and related taxes, are included in profit and loss.

**17. Construction in progress**

☒ Applicable ☐ Not Applicable

**(1) Measurement of construction in progress**

The cost of the Company's construction in progress is recognised at actual construction expenses, including all necessary construction expenses incurred during the construction, and borrowing costs capitalized before the work reaches the expected conditions for use and other related costs.

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### (2) Criteria for and timing of the transfer of construction in progress to fixed assets

The Company's construction in progress is transferred to fixed assets when the work is completed and reaches the expected conditions for use. The criteria for judgement of expected conditions for use should meet one of the following:

- ① The physical construction (including installation) of fixed assets has been completed in full or substantially completed in full;
- ② Trial production or operation has commenced and the result indicates that the asset can operate normally or can manufacture compliant products in a consistent manner, or the trial operation indicates that it can operate or conduct business normally;
- ③ The amount of fixed asset expenditure of the construction is minimal or almost certain not be further incurred;
- ④ Fixed assets acquired have reached design or contractual requirements, or are essentially consistent with design and contractual requirements.

### (3) Methods for impairment test and impairment provision for construction in progress

At the balance sheet date, the Company inspects whether there are indications of possible impairment of construction in progress. If there are indications of impairment, an impairment test should be performed to ascertain its recoverable amount, and an impairment provision equivalent to the margin by which the recoverable amount is lower than the carrying value should be made. Once recognised, impairment loss will not be reversed in subsequent accounting periods.

The recoverable amount is determined as the higher of net fair value of the asset less disposal cost and the present value of estimated future cash flow.

## 18. Borrowing costs

☒ Applicable   ☐ Not Applicable

### (1) Principle for recognition of capitalisation of borrowing cost

Borrowing costs incurred by the Company that can be directly attributed to the acquisition or production of assets qualified for capitalisation are capitalised and included in relevant asset costs; other borrowing costs are recognised as cost at the amount incurred at the time of incurrence and charged to current profit or loss. Assets qualified for capitalisation refer to fixed assets, investment properties and inventory that require a considerably long period of acquisition or production activities to reach the expected conditions for use or sale.

### (2) Computation of capitalised amounts

Capitalisation period: from the point of time at which the capitalisation of borrowing costs begins to the point of time at which capitalisation ceases. The period of suspension of capitalisation of borrowing costs is not included.

Period of suspension of capitalisation: In case of abnormal disruption during the acquisition or production process for a consecutive period of more than 3 months, the capitalisation period for borrowing costs should be suspended.

Computation of capitalised amount: ① For specific borrowings, the amount is determined as interest expense incurred for the period in respect of the specific borrowing less interest income received through the deposit of unutilised borrowed funds or investment gains received through provisional investments; ② For general borrowings utilised, the amount is determined as the weighted average amount of the portion of cumulative asset expenses in excess of the asset expense of specific borrowings multiplied by the capitalisation rate for the general borrowings utilised, where the capitalisation rate is the weighted average interest rate of general borrowings; ③ where there is a discount or premium in the borrowings, the amortisation of such discount or premium for each accounting period is determined according to the effective interest rate and the interest amount for each period is adjusted accordingly.

## 19. Intangible assets

Intangible assets are the identifiable non-monetary assets which have no physical form and are possessed or controlled by the Company, and are recognized when the following conditions are met:

- ① it is probable that economic benefits attributable to the intangible assets will flow into the Company;
- ② the costs of the intangible assets can be measured reliably.

### (1) Measurement of intangible assets

Intangible assets of the Company are initially recognized at costs. The actual costs of purchased intangible assets include the consideration and relevant expenses actually paid. For intangible assets contributed by investors, relevant actual costs are determined based on the value agreed in the investment contract or agreement. But if the value agreed in the investment contract or agreement is not a fair value, the actual costs should be determined based on the fair value. The cost of a self-developed intangible asset is the total expenditure incurred in bringing the asset to its intended use. Intangible assets acquired in a business combination not under common control that are owned by the acquiree but not recognised in its financial statements are recognised as intangible assets at fair value on initial recognition of the acquiree's assets.

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Subsequent measurement of intangible assets of the Company: ①Intangible assets with finite useful lives are amortized on a straight-line basis; their useful lives and amortization methods are reviewed at the end of each year, and adjusted accordingly if there is any variance with the previous estimates; ②Intangible assets with indefinite useful lives are not amortized and their useful lives are reviewed at the end of each year. If there is an objective evidence that the useful life of an intangible asset is finite, an estimation should be made on the useful life and the intangible asset should be amortized using the straight-line method.

### **(2) Criterion of determining indefinite useful life**

The useful life of an intangible asset is indefinite if the period in which the asset brings economic benefits for the Company is unforeseeable, or the useful life could not be ascertained.

Criterion of determining indefinite useful lives: ① the period is derived from contractual rights or other legal rights and there are no explicit years of use stipulated in the contract or laws and regulations; ② the period in which the intangible assets generate benefits for the Company still could not be estimated after considering the industrial practice or relevant expert opinions.

At the end of each year, the Company reviews the useful lives of the intangible assets with indefinite useful lives. The assessment is primarily reviewed by relevant departments that use the intangible assets, using the down-to-top approach, to determine if there are changes to the determination basis of indefinite useful lives.

### **(3) Methods of test and provision for impairment of intangible assets**

At the balance sheet date, the Company reviews intangible assets to check whether there is any sign of impairment. If yes, the recoverable amount is recognized through an impairment test and provision for impairment is made based on the difference between the carrying value and the recoverable amount.

Impairment loss will not be reversed in subsequent accounting periods once provision is made for it. The recoverable amount of intangible assets should be based on the higher of the net fair value of the assets less the disposal expense and the present value of estimated future cash flow of the assets.

### **(4) Basis for research and development phases for internal research and development project and basis for capitalization of expenditure incurred in development stage**

As for an internal research and development project, expenditure incurred in the research stage is recognized in the profit or loss as incurred. Expenses incurred in the development stage are capitalized only if all of the following conditions are met: ①the technical feasibility of completing the intangible assets so that they will be available for use or for sale; ②the intention to complete the intangible assets for use or for sale; ③ how the intangible assets will generate economic benefits, including there is evidence that the products produced by the intangible assets has a market or the intangible assets themselves have a market; if the intangible assets are for internal use, there is evidence that there exists usage for the intangible assets; ④ the availability of adequate technical, financial and other resources to complete the development and gain the ability to use or sell the intangible assets; ⑤ the capability to reliably measure the expenditures attributable to the development stage of the intangible assets.

Specific standards for distinguishing research stage and development stage of an internal research and development project: the Company refers to the research stage as the stage of planned investigation and search for obtaining new technology and knowledge, which features planning and exploration; before commercial production or other uses, the Company regards the stage of applying the research achievements and other knowledge in a plan or design to produce new or substantially improved materials, equipment and products as development stage, which features pertinence and is very likely to form results.

All the expenditures incurred on research and development which cannot be distinguished between research stage and development stage are recognized in the profit or loss.

### **20. Impairment of long-term assets**

☒ Applicable   ☐ Not Applicable

Long-term equity investment, investment properties measured based on cost model, fixed assets, construction in progress, intangible assets and other long-term assets are tested for impairment if there is any sign of impairment at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the assets is less than the carrying amount, a provision for impairment will be made based on the difference and will be recorded in impairment loss. The recoverable amount is the higher of the net fair value of the assets less the disposal expense and the present value of estimated future cash flow of the assets. Provision for asset impairment is calculated and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined. An asset group is the smallest asset portfolio that can generate cash inflows independently.

Goodwill arising from a business combination and an intangible asset with an indefinite useful life is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for intended use are tested for impairment each year.

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When the Company carries out impairment test of the goodwill, the carrying amount of the goodwill, arising from business combination, shall be allocated to the related asset groups on reasonable basis since the acquisition date, or to the related asset group portfolios if it is difficult to be allocated to the related asset groups. When the carrying amount of the goodwill is allocated to the related asset groups or asset group portfolios, it shall be allocated in the proportion of the fair value of each asset group or asset group portfolio against the total fair value of related asset groups or asset group portfolios. If it is difficult to measure the fair value reliably, it shall be allocated in the proportion of the carrying amount of each asset group or asset group portfolio against the total carrying amount of related asset groups or asset group portfolios.

When impairment test is made by the Company to the related asset groups or asset group portfolios including goodwill, if there is a sign that the related asset groups or asset group portfolios are prone to impair, the Company shall first conduct impairment test on the asset groups or asset group portfolios excluding goodwill, calculate the recoverable amount and recognize the corresponding impairment loss by comparing with its carrying amount. The Company shall then conduct impairment test on the asset groups or asset group portfolios including goodwill and compare the carrying amount (including the carrying amount of allocated goodwill) of related asset groups or asset group portfolios with the recoverable amount thereof. Impairment loss shall be recognized in accordance with the differences when the recoverable amount of the related asset groups or asset group portfolios is lower than the carrying amount thereof. The amount of the impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each asset.

Once the above impairment loss on assets is recognized, it shall not be reversed by the Company in any subsequent accounting period.

### 21. Long-term prepaid expense

☒ Applicable   ☐ Not Applicable

Long-term prepaid expenses of the Company are expenditures which have incurred but the benefit period of which is more than one year (exclusive). They are amortized by installments over the benefit period based on each item under the expenses. If items under the long-term pre-paid expenses are no longer beneficial to the subsequent accounting periods, the amortized value of such unamortized items is then fully transferred to the profit or loss.

### 22. Contract liabilities

☒ Applicable   ☐ Not Applicable

A contract liability represents the Company's obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If the customer has already paid the contract consideration before the Company transfers goods to the customer or the Company has obtained the unconditional collection right, the Company will recognise such amount received or receivable as contract liabilities at earlier of the actual payment by the customer or the amount payable becoming due. Contract assets and contract liabilities under the same contract are presented on a net basis, and contract assets and contract liabilities under different contracts are not offset.

### 23. Staff's remuneration

Staff's remunerations are all forms of compensation and other relevant expenditure given by the Company in exchange for services rendered by employees, including short-term remunerations, post-employment benefits, termination benefits and other long-term benefits.

#### (1) Accounting treatment of short-term remunerations

☒ Applicable   ☐ Not Applicable

Short-term remunerations provided by the Company include short-term salaries, bonus, allowance, subsidies, employee welfare, housing provident fund, labor union fee and education fee, medical insurance premiums, work-related injury insurance premiums, maternity insurance premiums, short-term compensated leave, short-term profit-sharing plans, etc. During the accounting period when employees render services, the Company shall recognize short-term remunerations that actually incurred as liabilities and credited into the current profit or loss or the cost of relevant assets on an accrual basis by the benefit objects.

#### (2) Accounting treatment of post-employment benefits

☒ Applicable   ☐ Not Applicable

Post-employment benefits mainly include the basic pension insurance, enterprise annuity, etc., In accordance with the risks and obligations undertaken by the Company, the post-employment benefits are classified as defined contribution plans and defined benefit plans.

Defined contribution plans: the Company shall recognize the sinking funds paid on the balance sheet date to individual entities in exchange for services from employees in the accounting period as liabilities, and shall credit such funds into the profit or loss or the cost of relevant assets in accordance with the benefit objects.

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Defined benefit plans: the Company determines the cost for providing benefits using the expected cumulative welfare unit method, with actuarial valuations being carried out by independent actuary at the interim and annual balance sheet date. The costs for staff's remunerations incurred by the defined benefit plans of the Group are categorized as follows: (1) service cost, including current period service cost, past service cost and settlement profit or loss. Specifically, current period service cost means the increase of the present value of defined benefit obligations resulted from the current period services offered by employees. Past service cost means the increase or decrease of the present value of defined benefit obligations resulted from the revision of the defined benefit plans related to the prior period services offered by employees; (2) interest expenses of defined benefit plans; (3) changes caused by the remeasurement of liabilities for defined benefit plans. Unless other accounting standards require or permit the credit of the costs for employee welfare into the cost of assets, the Company will credit (1) and (2) above into the profit or loss; and recognize (3) above as other comprehensive income and will not transfer it back to the profit or loss in subsequent accounting periods.

### **(3) Accounting treatment of termination benefits**

☒ Applicable   ☐ Not Applicable

Termination benefits are the indemnity proposal provided by the Company for employees for the purpose of terminating labor relations with employees before expiry of the labor contracts or encouraging employees to accept downsizing voluntarily. When the Company could not unilaterally withdraw the termination benefits provided as a result of plan for termination of labor relations or the redundancy offer, or upon recognition of costs or expenses related to a restructuring involving the payment of termination benefits, whichever is earlier, the staff's remuneration liabilities arising from such termination benefits are recognized and included in current profit or loss.

## **24. Estimated liability**

☒ Applicable   ☐ Not Applicable

### **(1) Criterion for determining of estimated liability**

If an obligation in relation to contingencies such as external guarantees, discounting of commercial acceptance bills, pending litigation or arbitration and product quality assurance is the present obligation of the Company and the performance of such obligation is likely to lead to an outflow of economic interests and its amount can be reliably measured, such obligation shall be recognized as an estimated liability.

### **(2) Measurement of estimated liability**

The estimated liability shall be initially measured according to the best estimate of the necessary expenses for the performance of the present obligation. If there is a continuous range for the necessary expenses and if all the outcomes within this range are equally likely to occur, the best estimate shall be determined according to the middle estimate within the range; if there are two or more items involved, the best estimate should be determined according to all possible outcomes and relevant probabilities.

At the balance sheet date, the carrying value of estimated liabilities should be reviewed. If there is objective evidence that the carrying value could not reflect in the current best estimate, the carrying value shall be adjusted to reflect the current best estimate.

If all or part of the expense necessary for settling the provisions is expected to be compensated by the third party, the amount of compensation is separately recognized as an asset when it is basically determined to be recoverable, and the recognized amount of the compensation shall not exceed the carrying amount of the provisions.

### 25. Share-based payments

☒ Applicable   ☐ Not Applicable

Share-based payments of the Company are transactions in which equity instruments are granted to employees in exchange for services rendered by employees or for the assumption of liabilities based on equity instruments. Share-based payments of the Company are equity-settled share-based payments and cash-settled share-based payments.

For equity-settled share-based payment transaction in return for services from employees, it shall be measured at the fair value of equity instruments granted to the employees at the date of grant by the Company. On each balance sheet date within the vesting period, the Company makes the best estimation of the number of vested equity instruments based on subsequent information such as the updated changes in the number of employees who are granted to vest and the achievement of specified performance conditions. Based on the above results, the services received in the current period are included in the relevant cost or expenses based on the fair value on the date of grant, with the increase in the capital reserve accordingly. The recognized relevant cost or expenses and the total amount of owners' interest shall no longer be adjusted after the vesting date. However, equity instruments vested immediately after the date of grant shall be included in the relevant cost or expenses based on its fair value on the date of grant, with the increase in the capital reserve accordingly.

The cash-settled share-based payment shall be measured at the fair value of liability assumed by the Company, which is determined based on the shares or other equity instruments. For the cash-settled share-based payment that may be exercised immediately after the grant, the fair value of the liability assumed by the Company shall, on the date of the grant, be recognized in relevant costs or expenses and the liabilities shall be increased accordingly. For cash-settled share-based payment that may be exercised if services are fulfilled during the vesting period or the specified performance condition is achieved, on each balance sheet date within the vesting period, the services acquired in the current period shall, based on the best estimate of exercise, be recognized in relevant costs or expenses at the fair value of the liability assumed by the Company, and the liabilities shall be adjusted correspondingly. At each balanced sheet date and the settlement date prior to the settlement of liabilities, the fair value of the liability is re-measured with its change consolidated in profit/loss.

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When there is changes to the Company's share-based payment plans, if the modification increases the fair value of the equity instruments granted, corresponding recognition of service increase in accordance with the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the increase in fair value of the equity instruments is recognized as a corresponding increase in service achieved. Increase in the fair value of equity instruments refer to the difference between the fair values of the equity instrument on the modified date before or after the modification. If the Company modifies the vesting conditions in such manner conducive to the employees, including the shortening of the vesting period, change or cancellation of the performance conditions (rather than market conditions), the modified vesting conditions are considered upon the disposal of vesting conditions. If the modification reduces the total fair value of shares paid or the Company uses other methods not conducive to employees to modify the terms and conditions of share-based payment plans, the Company will continue to be accounted for the services obtained in the accounting treatment, as if the change had not occurred, unless the Company cancelled some or all of the equity instruments granted.

During the vesting period, if the Company cancel equity instruments granted which will be treated as accelerating the exercise of rights and any amount to be charged over the remaining vesting period should be recognized immediately in the profit or loss, while at the same time recognize the capital reserve. Employees or other parties can choose to meet non-vesting conditions, but for those that are not met in the vesting period, the Company will treat it as cancellation of equity instruments granted.

### 26. Revenue

Revenue is the total inflow of economic benefits formed by the Company and its subsidiaries during day-to-day operations which might lead to increase of shareholders' equity and be irrelevant to capital invested by shareholders.

The Company and its subsidiaries performed performance obligations stated in the contract, i.e., recognized revenue when the client obtains the control right of relevant goods or services.

Where the contract includes two or more performance obligations, during the starting date of the contract, the Company and its subsidiaries allocate transaction price to various single performance obligation in accordance with the relevant proportion of separate selling price of goods or services promised by various single performance obligation, and measure revenue in accordance with transaction price allocated to various single performance obligation.

Transaction price is the amount of consideration that the Company and its subsidiaries are expected to be entitled to collect due to transfer of goods and services transferred to the client, excluding the amount collected for any third party. The transaction price recognized by the Company and its subsidiaries does not exceed the amount of recognized revenue when relevant uncertainties are eliminated and might not incur material carrying back. The amount that is expected to be returned to the client is taken as liability of returned goods and is not recorded in transaction price.

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When one of the following conditions is met, the Company and its subsidiaries perform performance obligations during a certain time horizon, otherwise, it belongs to fulfilling performance obligations at a certain time point:

- ① The client simultaneously obtains and consumes economic benefits as the Company and its subsidiaries perform the contract;
- ② The client is able to control goods under construction during the process of performance of the Company and its subsidiaries;
- ③ Goods produced by the Company and its subsidiaries during the process of performance have no alternative use, and the Company and its subsidiaries are entitled to collect the amount for the cumulative completed and performed portion to date during the entire contractual period.

For the performance obligations performed during a certain time horizon, the Company and its subsidiaries recognize revenue in accordance with the schedule of performance during such time horizon. When the schedule of performance can't be reasonably recognized, where the costs that have been incurred by the Company and its subsidiaries are estimated to be compensated, revenue shall be recognized in accordance with the amount of costs that has been incurred until the schedule of performance can be reasonably confirmed.

For performance obligations performed at a certain time point, the Company and its subsidiaries recognize revenue at the time point when the client obtains the control right of relevant goods or services. When judging whether the client has obtained control right over goods or services, the Company and its subsidiaries will consider the following signs:

- ① The Company and its subsidiaries enjoy the right of instant collection over such goods and services;
- ② The Company and its subsidiaries have transferred the material objects of such goods to the client;
- ③ The Company and its subsidiaries have transferred statutory ownership right of the goods or major risks and rewards of the ownership to the client;
- ④ The client has accepted such goods or service.

The right that the Company and its subsidiaries are entitled to collect the consideration for having transferred goods or services to the client (and such right depends on other factors other than time lapse) is presented as contract asset, and contract asset is provisioned impairment on the basis of expected credit losses. The right owned by and unconditionally collected from the client by the Company and its subsidiaries (only depend on time lapse) shall be presented as accounts receivable. Obligations that the Company and its subsidiaries have collected or shall collect consideration from the client and shall transfer goods or services to the client are presented as contractual obligations.

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Specific accounting policies relating to major activities that the Company and its subsidiaries obtain revenue are described as follows:

### **(1) Sale of goods**

Generally, contracts for sale of goods between the Company and its clients only include performance obligation of transferring the whole machine of home appliance. Generally, on the basis of taking into account the following factors comprehensively, the Company recognizes the revenue at the time point of transfer of control right of goods: the right of instant collection for obtaining goods, transfer of major risks and rewards on ownership of goods, transfer of statutory ownership of goods, transfer of assets of material objects of goods, the client's acceptance of such goods.

### **(2) Construction contract income**

Construction contract between the Company and the client generally includes performance obligations of construction and installation of commercial air-conditioner and smart home, because the client is able to control goods under construction during the Company's performance process, the Company takes them as performance obligations performed during a certain time horizon, and recognizes revenue in accordance with the schedule of performance, and it is an exemption when the schedule of performance can't be reasonably confirmed. The Company confirms the schedule of performance of services provided in accordance with the input method. When the schedule of performance can't be reasonably confirmed, where the costs that have been incurred by the Company are estimated to be compensated, the revenue will be recognized in accordance with the amount of costs that has been incurred until the schedule of performance can be reasonably confirmed.

### **(3) Warranty obligations**

According to contractual agreement and regulations of laws, the Company provides quality assurance for goods sold and project constructed. For guarantee-type quality assurance in order to ensure the client that goods sold comply with existing standards, the Company conducts accounting treatment in accordance with estimated liabilities. For service-type quality assurance in order to ensure the client that we also provide a separate service other than that the goods sold comply with existing standards, the Company takes it as a separate performance obligation, and allocates partial transaction price to service-type quality assurance in accordance with the relevant proportion of separate selling price of goods and service-type quality assurance, and recognizes revenue when the client obtains control right over services. When assessing whether quality assurance provides a separate service other than ensuring the client that the goods sold comply with existing standards, the Company shall consider factors such as whether such quality assurance is under statutory requirements or industrial practices, the term of quality assurance and the nature of the Company's commitment to perform the tasks.

### 27. Government grants

√ Applicable    □ Not Applicable

#### (1) Types of government grants

Government grants refer to the gratuitous monetary assets or non-monetary assets obtained by the Company from the government, excluding the capital invested by the government as an owner. The government grants are mainly divided into asset-related government grants and revenue-related government grants.

#### (2) Accounting treatment of government grants

Asset-related government grants shall be recognized as deferred income in current profit or loss on an even basis over the useful life of relevant assets; government grants measured at nominal amount shall be recognized directly in current profit or loss. Revenue-related government grants shall be treated as follows: ① those used to compensate relevant expenses or losses to be incurred by the enterprise in subsequent periods are recognized as deferred income and recorded in current profit or loss when such expenses are recognized; ② those used to compensate relevant expenses or losses that have been incurred by the enterprise are recorded directly in current profit or loss.

#### (3) Basis for determination of asset-related government grant and revenue-related government grant

If the government grant received by the Company is used for purchase, construction or other project that forms a long-term asset, it is recognized as asset-related government grant.

If the government grant received by the Company is not asset-related, it is recognized as revenue-related government grant.

Government grant received without clear objective shall be classified as asset-related government grant or revenue-related government grant by:

- ① Government grant subject to a certain project shall be separated according to the proportion of expenditure budget and capitalization budget, and the proportion shall be reviewed and modified if necessary on each balance sheet date;
- ② Government grant shall be categorized as revenue-related if its usage is described in general statement and no specific project is specified in the relevant government document.

#### (4) Amortization method and determination of amortization period of deferred revenue related to government grants

Asset-related government grant received by the Company is recognized as deferred revenue and is evenly amortized to the profit or loss in the current period over the estimated useful life of the relevant asset starting from the date when the asset is available for use.

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### (5) Recognition of government grants

Government grant measured at the amounts receivable is recognized at the end of the period when there is clear evidence that the relevant conditions set out in the financial subsidy policies and regulations are fulfilled and the receipt of such financial subsidy is assured.

Other government grants other than those measured at the account receivable is recognized upon actual receipt of such subsidies.

### 28. Deferred tax assets/deferred tax liabilities

☒ Applicable   ☐ Not Applicable

Deferred income tax assets and deferred income tax liabilities of the Company are calculated and recognized based on the differences between the tax bases and the carrying amounts of assets and liabilities (temporary differences).

- (1) Deferred income tax assets are recognized by the Company to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. For deductible losses and tax credits that can be carried forward to future years, deferred income tax assets shall be recognized to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses and tax credits. Save as the exceptions, deferred income tax liabilities shall be recognized for the taxable temporary differences.
- (2) Deferred income tax asset of the Company is recognized to the extent that there is enough taxable income for the deduction of the deductible temporary difference. At the balance sheet date, if there is sufficient evidence that there will be enough taxable income in the future for the deduction of the deductible temporary difference, the deferred income tax asset not recognized in previous accounting period is recognized. If there is no sufficient evidence that there will be enough taxable income in the future for the deduction of the deferred income tax asset, the carrying value of the deferred income tax asset is reduced.
- (3) The Company recognizes deferred income tax liability for taxable temporary difference arising from investments in subsidiaries and associated companies, unless the Company could control the time of reversal of the temporary differences and the temporary differences would not be probably reversed in the foreseeable future. The Company recognizes deferred income tax asset for deductible temporary differences arising from investments in subsidiaries and associated companies, if the temporary difference will be very probably reversed in the foreseeable future and it is highly probable that taxable income will be available in the future to deduct the deductible temporary difference.

- (4) The Company does not recognize deferred income tax liability for a temporary difference arising from the initial recognition of goodwill. No deferred income tax asset or deferred income tax liability is recognized for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable income (or deductible loss). At the balance sheet date, deferred income tax assets and deferred income tax liabilities of the Company are measured at the tax rates that apply to the period when the asset is expected to be recovered or the liability is expected to be settled.
- (5) Deferred income tax assets and deferred income tax liabilities are offset when:
- 1) deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity within the Company;
  - 2) such taxable entity within the Company has a legally enforceable right to settle current income tax assets and current income tax liabilities on a net basis.

### 29. Leases

☒ Applicable   ☐ Not Applicable

Lease is a contract in which the Company transfers or obtains the right of use of an identified asset or several identified assets under control for the exchange or payment of consideration within a certain period of time. At inception of a contract, the Company assesses whether a contract is, or contains, a lease.

#### (1) The Company as the lessee

##### 1) *Initial measurement*

On the commencement date of the lease term, the Company recognizes its right to use leased assets over the lease term as right-of-use assets and recognizes the present value of the lease payments that have not been paid as lease liabilities, except for short-term leases and low-value leases. The lease payments are discounted using the implicit interest rate in the lease when calculating the present value of the lease payments. If that rate cannot be readily determined, the Company uses its incremental borrowing rate as the discount rate.

Right-of-use assets shall be initially measured at costs. The costs include:

- a. initial measurement amount of the lease liabilities;
- b. a lease payment paid on or before the date of commencement of the lease term, where there were lease incentives, such incentives received shall be deducted;
- c. initial direct costs incurred by the lessee;
- d. costs expected to be incurred by the Company for demolition and removal of leased assets, restoration of the premises where the leased assets are located, or restoration of the leased assets to the conditions of the lease terms.

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### **2) Subsequent measurement**

If the Company accrues depreciation for right-of-use assets by reference to the depreciation policy for fixed assets (see this Note V.16 “Fixed assets” for details), and can reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, the Company shall depreciate the leased asset within its remaining useful life. If the Company cannot reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, the Company shall depreciate the leased asset within the lease term or its remaining useful life, whichever is shorter. For lease liabilities, the Company shall calculate the interest expenses for each period over the lease term at the fixed periodic interest rate, and recognize it in current profit or loss or the cost of relevant assets. Variable lease payments that are not included in the measurement of lease liabilities are recognized in current profit or loss or the cost of relevant assets when they are actually incurred. After the commencement date of the lease term, in the event that there is a change in the substantive fixed payments, a change in expected payment under a guaranteed residual value, a change in an index or rate used in determining the lease payments, or a change in the evaluation result or actual exercise of purchase option, extension option or termination option, the Company remeasures the lease liabilities based on the present value of the lease payments after the change and adjusts the carrying value of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset has been reduced to zero, but a further reduction in the measurement of the lease liabilities is still warranted, the Company recognizes the remaining amount of the remeasurement in current profit or loss.

### **3) Short-term leases and leases of low-value assets**

For short-term leases (leases with a term of less than 12 months as of the lease commencement date) and leases of low-value assets, the Company adopts a simplified approach by not recognizing the right-of-use assets and lease liabilities, and instead recognizes the cost of relevant assets or current profit or loss on a straight-line basis for each period over the lease term.

## **(2) The Company as the lessor**

The Company classifies leases into finance leases and operating leases based on the substance of the transaction at the inception date of the lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset. An operating lease is a lease other than a finance lease.

### **1) Operating leases**

The Company uses the straight-line method to recognize lease receipts under operating leases as rental income for each period during the lease term. Variable lease payments relating to operating leases that are not recognized as lease receipts are recognized in current profit or loss when they are actually incurred.

### 2) *Finance leases*

On the commencement date of the lease term, the Company recognizes finance lease receivables and derecognizes finance lease assets. Finance lease receivables are initially measured at the net investment in the lease (the sum of the unguaranteed residual value and the present value of the lease receipts not yet received on the commencement date of the lease term discounted at the interest rate embedded in the lease), and interest income is recognized over the lease term calculated at a fixed periodic interest rate. Variable lease payments acquired by the Company that are not included in the measurement of the net investment in the lease are recognized in current profit or loss when they are actually incurred.

### 30. Other significant accounting policies and accounting estimates

☒ Applicable   ☐ Not Applicable

#### (1) **Asset securitisation**

The Company has securitised certain receivables to entrust the assets to specific-purpose entities which would issue such securities to investors. As asset service provider, the Company is responsible for the provision of maintenance and daily management of the assets, formulation of annual asset disposal plans, formulation and implementation of asset disposal plan, signing of relevant asset disposal agreements and preparation asset service reports on a regular basis.

In applying the accounting policy for the securitisation of financial assets, the Company has considered the extent to which the risk and reward of the assets have been transferred to other entities, and the extent to which the Company exercises control over the entity:

- ① When the Company has transferred substantially all risk and reward relating to the ownership of a financial asset, such financial asset is derecognised;
- ② When the Company retains substantially all risk and reward relating to the ownership of a financial asset, the Company continues to recognise such financial asset;
- ③ If the Company neither transfers nor retains substantially all risk and reward relating to the ownership of a financial asset, the Company considers whether it has control over the financial asset. If the Company does not retain control, the financial asset is derecognised, and the rights and obligations arising from or retained the transfer are recognised as assets and liabilities, respectively. If the Company retains control, the financial asset is recognised according to the extent of continued involvement in the financial assets.

#### (2) **Hedge accounting**

Hedge refers, in respect of the risk exposure arising from the company's management of specific risks such as foreign exchange risks, interest rate risks, price risks and credit risks, to risk management activity of designating financial instruments as hedging instruments such that the change in the fair value or cash flow of the hedging instruments can be expected to set off the change in the fair value or cash flow of the hedged item.

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The hedged item refers to an item designated for hedge against the risk of change in fair value or cash flow that can be reliably measured.

Hedging instruments are financial instruments designated for hedge, the change in fair value or cash flow of which is expected to set off the change in the fair value or cash flow of the hedged item.

The Company assesses whether the hedge relationship fulfills the requirement for hedge effectiveness at the inception date of the hedge and continuously in subsequent periods. The effectiveness of hedge refers to the extent to which the change in the fair value or cash flow of the hedging instruments can offset the change in the fair value or cash flow of the hedged item caused by the risk against which the hedge is made. The change in the fair value or cash flow of a hedging instrument in excess or shortfall of the change in the fair value or cash flow of the hedging instruments can offset the change in the fair value or cash flow of the hedged item represents the ineffective portion of the hedge.

### (3) Significant accounting estimates

In the course of applying accounting policies, the Company is required to make judgements, estimations and assumptions on the carrying values of statement items that cannot be accurately measured owing to uncertainties to which operating activities are subject. Such judgements, estimations and assumptions are made based on the past experience of the management and taking into consideration of other relevant factors. Such judgements, estimations and assumptions affect the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent liabilities as at the balance sheet date. However, the actual outcome resulting from the uncertainty of such estimates could be different from the current estimates of the management, thereby resulting in significant adjustments to the carrying value of the future assets or liabilities affected. The Company regularly reviews such judgements, estimations and assumptions on a going concern basis. If the change in accounting estimates affects only the current period in which the change occurs, the affected amount is recognized for the period in which the change occurs; if both the current period and future periods are affected, the affected amount is recognised for the current period and the future periods.

At the balance sheet date, important aspects in which the Company is required to make judgements, estimations and assumptions on the amount of items on the financial statements are as follows:

#### ① **Estimated liabilities**

The Company estimates and makes provision for product warranty and estimated contract loss according to contract terms, existing knowledge and historical experience. When such contingencies have given rise to a present obligation, and the performance of such present obligation is likely to result in the outflow of economic benefit from the Company, the Company recognises estimated liabilities for the contingencies based on the best estimates of expenses required for the performance of relevant present obligations. The recognition and measurement of estimated liabilities is dependent to a large extent on management judgement. In the course of judgement, the Company is required to assess factors such as risks, uncertainties

and the time value of currency relating to such contingencies. In particular, the Company recognises estimated liabilities in respect of after-sales undertaking to customers for return and replacement, maintenance and installation of goods sold. The recognition of estimated liabilities has taken into account the maintenance experience and data of the Company for recent years, although past experience in maintenance may not reflect maintenance in the future. Any increase or decrease in this provision might affect the profit or loss of future years.

② ***Provision for ECL***

The Company measures ECL through default risk exposure and the ECL rate, which is determined based on the default probability rate and default loss rate. In determining the ECL rate, the Company uses data such as internal historic credit loss experience and adjusts the historic data taking into consideration current conditions and prospective information. When considering prospective information, indicators adopted by the Company include the risk of economic downside, expected growth in unemployment rate, and changes in external market conditions, technical conditions and customer conditions. The Company monitors and reviews the assumptions relating to ECL computation on a regular basis. There was no significant change to aforesaid estimation technique and key assumptions during the year.

③ ***Impairment provisions for inventory***

The Company makes impairment provisions for inventory of which cost is higher than net realisable value and obsolete and slow-moving inventory based on the lower of cost and net realisable value according to its inventory accounting policy. The impairment of inventory to its net realisable value is based on assessment of the sellability of inventory and its net realisable value. The authentication of inventory impairment requires the management to obtain conclusive evidence and make judgment and estimates taking into consideration factors such as the purpose of inventory and post-balance sheet date events. Any difference between the actual outcome and the previous estimate will affect the carrying value of inventory and the charge or reversal of impairment provisions for inventory during the period in which the estimates are modified.

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### ④ ***Fair value of financial instruments***

For financial instruments without an active trading market, the Company determines its fair value using valuation techniques. Such valuation techniques include discounted cash flow model analysis and others. During the assessment, the Company is required to make estimates on future cashflow, credit risk, market volatility rate and relevance and select an appropriate discount rate. Such relevant assumptions are subject to uncertainty, and any change will affect the fair value of financial instruments.

### ⑤ ***Impairment of other equity instrument investments***

The Company's determination of impairment for other equity instrument investments is largely dependent on the management's judgment and assumptions to determine whether impairment should be recognised. In the course of making judgments and assumptions, the Company is required to assess the extent and duration of the fair value of the investment being lower than cost, as well as the financial conditions and short-term business prospects of the investee, including industry conditions, technological revolution, credit rating, default rate and counterparty risks.

### ⑥ ***Impairment provision for long-term assets***

At the balance sheet date, the Company assesses whether there are indications of possible impairment of non-current assets other than financial assets. In addition to the annual impairment test, intangible assets with indefinite useful life are also tested for impairment when there are indications of the same. Impairment tests on non-current assets other than financial assets are conducted when there are indications that its carrying value may not be recoverable. An impairment has occurred when the carrying value of an asset or asset group is higher than the recoverable amount (the higher of net fair value less disposal cost and the present value of estimated future cash flow). The net fair value less disposal cost is determined with reference to the agreed selling price of similar assets in a fair transaction or observable market prices less incremental costs attributable directly to the disposal of such asset. In estimating the present value of future cashflow, significant judgement is required to be made in respect of the production volume and selling price of the asset or (asset group), relevant operating cost and discount rate for the computation of present value. The Company takes into consideration all available relevant information when making estimates on the recoverable amount, including forecasts on production volume, selling price and relevant operating costs based on reasonable and justifiable assumptions. The Company conducts goodwill impairment tests at least annually. This requires estimates on the present value of future cashflow of asset group or portfolio of asset groups to which goodwill has been allocated. When making estimates on the present value of future cashflow, the Company is required to make estimates on cashflow generated from future asset group or portfolio of asset groups, and at the same time select an appropriate discount rate to determine the present value of future cashflow.

⑦ **Depreciation and amortisation**

Depreciation and amortisation of investment properties, fixed assets and intangible assets is charged on a straight-line basis over their useful life after taking their residual values into account. The Company reviews the useful life on a regular basis to determine the amount of depreciation and amortisation charge to be allocated to each reporting period. The useful life is determined based on past experience relating to similar assets taking into consideration expected technological upgrades. If there are significant changes in previous estimates, the depreciation and amortisation charge for future periods will be adjusted.

⑧ **Deferred income tax assets**

The Company recognises deferred income tax assets in respect of all unutilised tax losses, to the extent that it is probable that sufficient taxable profit will be available to offset the loss. This requires the exercise of significant judgement by the Company's management to estimate the timing and amount of future taxable profit, taking into account its tax planning strategy, to determine the amount of deferred income tax assets to be recognised.

⑨ **Income tax**

In the Company's usual operating activities, the final tax treatment and computation of certain transactions are subject to uncertainty. Whether certain items can be presented on a pretax basis is subject to approval of the competent taxation authority. If the final confirmed outcome of such taxation matters is different from the amount of the initial estimates, such difference will affect the current income tax and deferred income tax for the period of final confirmation.

⑩ **Provision for sales rebate**

The Company and its subsidiaries adopt a sales rebate policy for sales agent customers. Based on relevant provisions of the sales agreements, vetting of specific transactions, market conditions, channel inventory level and past experience with reference to the status of completion of agreed appraisal indicators by sales agent customers, the Company and its subsidiaries makes estimates on and provision for sales rebate on a regular basis. The provision of sales rebate involves judgment and estimation by the management. In the event of any material change in previous estimates, the aforesaid difference will affect the sales rebate for the period for which the estimates are changed.

### 31. Changes in significant accounting policies and accounting estimation

☒ Applicable   ☐ Not Applicable

In accordance with the Interpretation No. 18 of Accounting Standards for Business Enterprises issued by the Ministry of Finance, provision for the guarantee-type quality assurance expenses of the Company are included in "Operating cost" instead of "Selling expenses".

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The Company adopted the retrospective approach to adjust the data of financial statements for comparable periods accordingly, and the effects of the above changes in accounting policies on the consolidated income statement for the same period are as follows:

| Statement Item   | Adjustment        |
|------------------|-------------------|
| Operating cost   | 4,218,830,574.18  |
| Selling expenses | -4,218,830,574.18 |

## VI. TAXATION

### 1. Main tax categories and rates

#### Main tax categories and rates

√ Applicable    ☐ Not Applicable

| Tax types                             | Basis of taxation                                          | Tax rate                                            |
|---------------------------------------|------------------------------------------------------------|-----------------------------------------------------|
| Value-added tax                       | Taxable revenue from sales of goods and rendering services | 6%, 9%, 13%                                         |
| (Local) education surcharge           | Circulation tax payable                                    | 1%, 2%, 3%                                          |
| City maintenance and construction tax | Circulation tax payable                                    | 7%                                                  |
| EIT                                   | Taxable income                                             | Statutory tax rate or preferential rates as follows |

### 2. Preferential tax

√ Applicable    ☐ Not Applicable

Companies subjected to preferential tax and preferential tax rate:

| Company                                                       | Tax rate | Preferential tax                                                       |
|---------------------------------------------------------------|----------|------------------------------------------------------------------------|
| Qingdao Haier Refrigerator Co., Ltd.                          | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Special Refrigerator Co., Ltd.                  | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Dishwasher Co., Ltd.                            | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Special Freezer Co., Ltd.                       | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Intelligent Home Appliance Technology Co., Ltd. | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Wuhan Haier Electronics Holding Co., Ltd.                     | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |

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| Company                                                    | Tax rate | Preferential tax                                                       |
|------------------------------------------------------------|----------|------------------------------------------------------------------------|
| Wuhan Haier Freezer Co., Ltd.                              | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Hefei Haier Refrigerator Co., Ltd.                         | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Air Conditioner Gen Corp., Ltd.              | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Hefei Haier Air-conditioning Co., Limited                  | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Zhengzhou Haier Air-conditioning Co., Ltd.                 | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Shenyang Haier Refrigerator Co., Ltd.                      | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Air-Conditioner Electronics Co., Ltd.        | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Meier Plastic Powder Co., Ltd.                     | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Hai Gao Design and Manufacture Co., Ltd.           | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Hairi High Technology Co., Ltd                     | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier (Jiaozhou) Air-conditioning Co., Limited     | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Intelligent Technology Development Co., Ltd. | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Foshan Haier Freezer Co., Ltd.                             | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Central Air Conditioning Co., Ltd.           | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Haier U+smart Intelligent Technology (Beijing) Co., Ltd.   | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Electronic Plastic Co., Ltd.                 | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Wei Xi Intelligent Technology Co., Ltd.            | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Special Refrigerating Appliance Co., Ltd.    | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Smart Kitchen Appliance Co., Ltd.            | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Hefei Haier Air Conditioning Electronics Co., Ltd.         | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Shanghai Haier Medical Technology Co., Ltd.                | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Shanghai Haier Smart Technology Co., Ltd.                  | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |

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| Company                                                                          | Tax rate | Preferential tax                                                       |
|----------------------------------------------------------------------------------|----------|------------------------------------------------------------------------|
| Qingdao Yunshang Yuyi IOT Technology Co., Ltd.                                   | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Haier (Shanghai) Home Appliance Research and Development Center Co., Ltd.        | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Haier (Shenzhen) R&D Co., Ltd.                                                   | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Laiyang Haier Smart Kitchen Appliance Co., Ltd.                                  | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Guangdong Haier Intelligent Technology Co. Ltd                                   | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Dalian Haier Refrigerator Co., Ltd.                                              | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Jijia Cloud Intelligent Technology Co., Ltd.                             | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Hefei Haier Washing Machine Co., Ltd.                                            | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Washing Machine Co., Ltd.                                          | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Laundry Appliances Co., Ltd.                                       | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Foshan Shunde Haier Electric Co., Ltd.                                           | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Tianjin Haier Cleaning Electrical Appliances Co., Ltd. (天津海尔洗涤电器有限公司)            | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Economic and Technological Development Zone Haier Water Heater Co., Ltd. | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Wuhan Haier Water Heater Co., Ltd.                                               | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Foshan Haier Drum Washing Machine Co., Ltd.                                      | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Strauss Technology Co., Ltd.                                       | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier New Energy Electric Appliance Co., Ltd.                            | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Washing Appliance Co., Ltd.                                        | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Lexin Cloud Technology Co., Ltd.                                   | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Hefei Haier Drum Washing Machine Co., Ltd.                                       | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |
| Qingdao Haier Smart Electrics Equipment Co. Ltd.                                 | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise |

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| Company                                                                         | Tax rate | Preferential tax                                                                                   |
|---------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------|
| Qingdao Haier Smart Living Appliance Co. Ltd.                                   | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise                             |
| Qingdao RRS Lejia IoT Technology Co., Ltd.                                      | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise                             |
| Tonghai Energy Technology Development Co., Ltd. (同海能源科技發展有限公司)                  | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise                             |
| Jiangxi Haier Medical Technology Co., Ltd.                                      | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Chongqing Haier Electrical Appliance Sales Co., Ltd. and some Western companies | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Chongqing Haier Air-conditioning Co., Ltd.                                      | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Chongqing Haier Refrigeration Appliance Co., Ltd.                               | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Chongqing Haier Washing Machine Co., Ltd.                                       | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Guizhou Haier Electronics Co., Ltd.                                             | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Chongqing Hairishun Home Appliance Sales Co., Ltd. and some Western companies   | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Chongqing Haier Washing Machine Co., Ltd                                        | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Chongqing Haier Water Heater Co., Ltd                                           | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Chongqing Haier Drum Washing Machine Co., Ltd                                   | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Guizhou Peiji Logistics Co., Ltd.                                               | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Central Asia Baofeng International Logistics Co., Ltd.                          | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |

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| Company                                                             | Tax rate | Preferential tax                                                                                   |
|---------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------|
| Central Asia Baofeng International Logistics Co., Ltd. Xi'an Branch | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Shenzhen Furunde Supply Chain Management Co., Ltd.                  | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Gooday Supply Chain Technologies Co., Ltd.                          | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise                             |
| Haier Robotics Technology (Qingdao) Co., Ltd.                       | 15.00%   | entitled to the preferential taxation policies as a hi-tech enterprise                             |
| Guiyang Ririshun Logistics Co., Ltd.                                | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Xi'an Gooday Smart Supply Chain Co., Ltd.                           | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Chongqing Gooday Supply Chain Management Co., Ltd.                  | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Qusong Tonghai Energy Technology Co., Ltd.                          | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Linzhou Tonghai Energy Technology Co., Ltd.                         | 15.00%   | entitled to the preferential taxation policies under the Western Development initiative of the PRC |
| Qingdao Haier Technology Co., Ltd.                                  | 10.00%   | entitled to the preferential taxation policies as a key software enterprise                        |

## VII. EXPLANATORY NOTES FOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise specified, the following closing balances represent the amount as at 30 June 2025 and opening balances represent the amount as at 31 December 2024; amount for the period represents the amount from 1 January to 30 June 2025 and amount for the previous period represents the amount from 1 January to 30 June 2024.

### 1. Monetary funds

| Items                                      | Closing balance   | Opening balance   |
|--------------------------------------------|-------------------|-------------------|
| Cash on hand                               | 1,685,740.35      | 560,953.91        |
| Cash in bank                               | 53,646,652,252.87 | 54,256,005,280.85 |
| Other cash balances                        | 1,708,764,543.60  | 1,340,988,388.07  |
| Total                                      | 55,357,102,536.82 | 55,597,554,622.83 |
| Include: total amount of overseas deposits | 20,946,662,922.06 | 21,113,746,333.40 |
| Deposit in Finance Company                 | 20,194,208,511.13 | 20,565,469,130.81 |

Other monetary funds mainly included investment fund, deposit on third party payment platforms, guarantees and other restricted fund, etc.

### 2. Financial assets held for trading

| Items                                 | Closing balance  | Opening balance  |
|---------------------------------------|------------------|------------------|
| Short-term wealth management products | 8,317,511,328.41 | 746,436,121.40   |
| Investments in equity instruments     | 183,105,112.16   | 195,177,368.77   |
| Investment funds                      | 314,831,875.05   | 294,404,349.36   |
| Total                                 | 8,815,448,315.62 | 1,236,017,839.53 |

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### 3. Derivative financial assets

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Items                              | Closing balance | Opening balance |
|------------------------------------|-----------------|-----------------|
| Forward foreign exchange contracts | 77,736,648.25   | 138,404,575.66  |
| Cross-currency interest rate swaps |                 | 4,254,681.44    |
| Forward commodity contracts        | 1,628,469.15    | 50,459.81       |
| Total                              | 79,365,117.40   | 142,709,716.91  |

### 4. Bills receivable

#### (1) Details of bills receivable

| Items                       | Closing balance  | Opening balance   |
|-----------------------------|------------------|-------------------|
| Bank acceptance notes       | 4,970,941,573.88 | 10,382,273,687.38 |
| Commercial acceptance notes | 1,937,657,931.73 | 1,798,754,865.96  |
| Balance of bills receivable | 6,908,599,505.61 | 12,181,028,553.34 |
| Allowance for bad debts     | 987,604.22       | 1,171,683.33      |
| Bills receivable, net       | 6,907,611,901.39 | 12,179,856,870.01 |

#### (2) Changes in allowance for bad debts of bills receivable in the current period

| Items                   | Opening balance | Increase for the current period  |                | Decrease for the current period |                          | Closing balance |
|-------------------------|-----------------|----------------------------------|----------------|---------------------------------|--------------------------|-----------------|
|                         |                 | Provision for the current period | Other movement | Reversal                        | Write-off/other movement |                 |
| Allowance for bad debts | 1,171,683.33    |                                  |                | 184,079.11                      |                          | 987,604.22      |
| Total                   | 1,171,683.33    |                                  |                | 184,079.11                      |                          | 987,604.22      |

The Company's bills receivables were mainly generated from daily operation activities such as sales of commodity, provision of labor, etc., and the allowance for bad debts was measured based on expected credit loss over the entire duration whether there exist significant financing components.

The bills receivable pledged by the Company at the end of the period was RMB2,411,049,768.49 (amount at the beginning of the period: RMB5,115,222,700.13).

## 5. Accounts receivable

(1) Accounts receivable are disclosed by aging as follows:

| Aging                          | Closing balance   | Opening balance   |
|--------------------------------|-------------------|-------------------|
| Within 1 year                  | 30,916,671,290.48 | 26,234,170,508.25 |
| 1-2 years                      | 657,666,795.64    | 689,351,514.18    |
| 2-3 years                      | 359,369,408.62    | 388,342,245.65    |
| Over 3 years                   | 309,571,739.21    | 252,055,595.77    |
| Balance of accounts receivable | 32,243,279,233.95 | 27,563,919,863.85 |
| Allowance for bad debts        | 1,117,482,568.25  | 1,069,074,353.29  |
| Accounts receivable, net       | 31,125,796,665.70 | 26,494,845,510.56 |

(2) By method of provision of allowance for bad debts

☒ Applicable ☐ Not Applicable

| Categories                                                                   | Book balance      |                | Closing balance         |                             | Carrying value    |
|------------------------------------------------------------------------------|-------------------|----------------|-------------------------|-----------------------------|-------------------|
|                                                                              |                   |                | Allowance for bad debts |                             |                   |
|                                                                              | Amount            | Percentage (%) | Amount                  | Percentage of provision (%) |                   |
| Account receivables subject to provision for bad debts on a separate basis   | 350,826,367.32    | 1.09           | 340,572,030.01          | 97.08                       | 10,254,337.31     |
| Account receivables subject to provision for bad debts on a collective basis | 31,892,452,866.63 | 98.91          | 776,910,538.24          | 2.44                        | 31,115,542,328.39 |
| Total                                                                        | 32,243,279,233.95 | 100.00         | 1,117,482,568.25        | 3.47                        | 31,125,796,665.70 |

(continued)

| Categories                                                                   | Book balance      |                | Opening balance         |                             | Carrying value    |
|------------------------------------------------------------------------------|-------------------|----------------|-------------------------|-----------------------------|-------------------|
|                                                                              |                   |                | Allowance for bad debts |                             |                   |
|                                                                              | Amount            | Percentage (%) | Amount                  | Percentage of provision (%) |                   |
| Account receivables subject to provision for bad debts on a separate basis   | 401,873,990.95    | 1.46           | 384,907,108.05          | 95.78                       | 16,966,882.90     |
| Account receivables subject to provision for bad debts on a collective basis | 27,162,045,872.90 | 98.54          | 684,167,245.24          | 2.52                        | 26,477,878,627.66 |
| Total                                                                        | 27,563,919,863.85 | 100.00         | 1,069,074,353.29        | 3.88                        | 26,494,845,510.56 |

## Section VIII Financial Report

- (3) Account receivables subject to provision for bad debts on a separate basis at the end of the period

√ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Name                  | Book balance   | Closing balance         | Percentage of provision (%) | Reason for provision                                  |
|-----------------------|----------------|-------------------------|-----------------------------|-------------------------------------------------------|
|                       |                | Allowance for bad debts |                             |                                                       |
| 44 customers in total | 350,826,367.32 | 340,572,030.01          | 97.08                       | The obligors were in significant financial difficulty |
| Total                 | 350,826,367.32 | 340,572,030.01          | 97.08                       |                                                       |

Explanation of provision for bad debts on a separate basis:

√ Applicable ☐ Not Applicable

The account receivables of significant individual amount and subject to provision for bad debts on a separate basis at the end of the period was RMB195,473,905.66 (amount at the beginning of the period: RMB195,473,905.66).

- (4) Account receivables subject to provision for bad debts on a collective basis

√ Applicable ☐ Not Applicable

| Aging         | Book balance      | Closing balance         | Percentage of provision (%) |
|---------------|-------------------|-------------------------|-----------------------------|
|               |                   | Allowance for bad debts |                             |
| Within 1 year | 30,834,777,556.79 | 439,252,101.78          | 1.42                        |
| 1-2 years     | 631,096,459.95    | 127,175,019.89          | 20.15                       |
| 2-3 years     | 241,746,317.55    | 82,424,055.54           | 34.10                       |
| Over 3 years  | 184,832,532.34    | 128,059,361.03          | 69.28                       |
| Total         | 31,892,452,866.63 | 776,910,538.24          | 2.44                        |

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(continued)

| Aging         | Opening balance   |                         | Percentage of provision (%) |
|---------------|-------------------|-------------------------|-----------------------------|
|               | Book balance      | Allowance for bad debts |                             |
| Within 1 year | 26,106,894,301.60 | 389,323,682.89          | 1.49                        |
| 1-2 years     | 659,738,683.37    | 100,738,283.50          | 15.27                       |
| 2-3 years     | 181,282,912.23    | 60,958,005.85           | 33.63                       |
| Over 3 years  | 214,129,975.70    | 133,147,273.00          | 62.18                       |
| Total         | 27,162,045,872.90 | 684,167,245.24          | 2.52                        |

- (5) Changes in allowance for bad debts of accounts receivable in the current period:

| Items                   | Opening balance  | Increase for the current period  |                | Decrease for the current period |                          | Closing balance  |
|-------------------------|------------------|----------------------------------|----------------|---------------------------------|--------------------------|------------------|
|                         |                  | Provision for the current period | Other movement | Reversal                        | Write-off/other movement |                  |
| Allowance for bad debts | 1,069,074,353.29 | 108,717,671.67                   |                | 53,424,844.11                   | 6,884,612.60             | 1,117,482,568.25 |

- (6) The aggregate amount of the top 5 account receivables and contract assets as at the end of the period was RMB6,232,723,478.43 (amount at the beginning of the period: RMB6,775,144,962.81), accounting for 18.42% (at the beginning of the period: 23.65%) of the book balance of account receivables and contract assets, and the amount of provision for bad debts was RMB45,450,462.85 (amount at the beginning of the period: RMB18,226,518.24).

- (7) Actual write-off of accounts receivable in the current period

The amount of accounts receivable actually written off in the current period was RMB56,324,142.82 (amount for the corresponding period: RMB708,946,193.17) and the amount of significant bad debt write-off of accounts receivable was RMB0.00.

- (8) The Company's accounts receivable that were terminated due to the transfer of financial assets in the current period

The amount of accounts receivable that the company terminated at the end of the period due to the transfer of financial assets was RMB7,092,705,208.95 (amount at the beginning of the period: RMB6,095,179,589.77) and the transfer method was outright sale factoring.

- (9) Restricted accounts receivable in the current period

The amount of accounts receivable restricted at the end of the period is RMB0.00 (amount at the beginning of the period: RMB0.00).

## Section VIII Financial Report

### 6. Financing receivables

- (1) Presentation by category

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Items               | Closing balance  | Opening balance |
|---------------------|------------------|-----------------|
| Bills receivable    | 1,115,591,707.01 | 235,730,229.72  |
| Accounts receivable | 132,605,741.33   | 177,192,385.53  |
| Total               | 1,248,197,448.34 | 412,922,615.25  |

- (2) The amount of the Company's pledged financing receivables at the end of the period is RMB129,036,825.42 (amount at the beginning of the period: RMB0.00).

- (3) Financing receivables at the end of the period that had been endorsed or discounted by the Company and were not yet due at the balance sheet date

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Items            | Amounts<br>derecognized at<br>the end of<br>the period | Amounts not<br>derecognized at<br>the end of<br>the period |
|------------------|--------------------------------------------------------|------------------------------------------------------------|
| Bills receivable | 10,658,378,486.25                                      |                                                            |
| Total            | 10,658,378,486.25                                      |                                                            |

- (4) No provision for bad debts has been made for financing receivables during the period.

- (5) There were no financing receivables written off during the period.

## 7. Prepayments

(1) Prepayments are presented by aging:

| Aging                                   | Closing balance  |            | Opening balance  |            |
|-----------------------------------------|------------------|------------|------------------|------------|
|                                         | Amount           | Percentage | Amount           | Percentage |
| Within 1 year                           | 1,766,042,471.00 | 94.44%     | 2,319,075,168.29 | 97.16%     |
| 1-2 years                               | 62,002,314.43    | 3.32%      | 43,056,825.13    | 1.80%      |
| 2-3 years                               | 17,620,244.77    | 0.94%      | 8,098,753.24     | 0.34%      |
| Over 3 years                            | 24,323,435.95    | 1.30%      | 16,669,039.88    | 0.70%      |
| Balance of prepayments                  | 1,869,988,466.15 | 100.00%    | 2,386,899,786.54 | 100.00%    |
| Provision for impairment of prepayments | 8,754,877.07     |            | 8,755,327.07     |            |
| Net prepayments                         | 1,861,233,589.08 |            | 2,378,144,459.47 |            |

(2) Provision for impairment

| Items                    | Opening<br>balance | Increase for<br>the current period     |                   | Decrease for<br>the current period |                             | Closing<br>balance |
|--------------------------|--------------------|----------------------------------------|-------------------|------------------------------------|-----------------------------|--------------------|
|                          |                    | Provision for<br>the current<br>period | Other<br>movement | Reversal                           | Write-off/other<br>movement |                    |
|                          |                    |                                        |                   |                                    |                             |                    |
| Provision for impairment | 8,755,327.07       |                                        |                   |                                    | 450.00                      | 8,754,877.07       |
| Total                    | 8,755,327.07       |                                        |                   |                                    | 450.00                      | 8,754,877.07       |

(3) The total amount of the top 5 in the prepayments at the end of the period was RMB383,730,344.99, accounting for 20.52% of the book balance of prepayment (amount at the beginning of the period: RMB974,866,936.72, accounting for 40.84%).

(4) There was no significant prepayment aged over 1 year at the end of the period.

## 8. Other receivables

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items               | Closing balance  | Opening balance  |
|---------------------|------------------|------------------|
| Interest receivable | 904,741,268.55   | 771,591,076.67   |
| Other receivables   | 3,324,051,801.89 | 2,829,766,418.35 |
| Total               | 4,228,793,070.44 | 3,601,357,495.02 |

## Section VIII Financial Report

### Interest receivable

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Items         | Closing balance | Opening balance |
|---------------|-----------------|-----------------|
| Within 1 year | 379,874,423.51  | 374,172,658.71  |
| 1-2 years     | 339,218,399.38  | 316,667,022.35  |
| 2-3 years     | 184,276,615.52  | 80,000,932.60   |
| Over 3 years  | 1,371,830.14    | 750,463.01      |
| Total         | 904,741,268.55  | 771,591,076.67  |

### Other receivables

① Other receivables are disclosed by aging as follows:

| Aging                        | Closing balance  | Opening balance  |
|------------------------------|------------------|------------------|
| Within 1 year                | 2,635,235,474.03 | 2,251,224,809.42 |
| 1-2 years                    | 194,411,405.63   | 161,728,827.38   |
| 2-3 years                    | 121,693,437.81   | 73,549,505.88    |
| Over 3 years                 | 435,978,580.19   | 392,681,572.53   |
| Balance of other receivables | 3,387,318,897.66 | 2,879,184,715.21 |
| Allowance for bad debts      | 63,267,095.77    | 49,418,296.86    |
| Other receivables, net       | 3,324,051,801.89 | 2,829,766,418.35 |

② Provision of allowance for bad debts based on the general model of expected credit losses

| Allowance for bad debts                        | Stage 1<br>Expected credit<br>losses for the<br>coming 12 months | Stage 2<br>Lifetime expected<br>credit losses (not<br>credit-impaired) | Stage 3<br>Lifetime expected<br>credit losses<br>(credit-impaired) | Total         |
|------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------|---------------|
| Opening balance                                | 39,245,962.81                                                    |                                                                        | 10,172,334.05                                                      | 49,418,296.86 |
| Provision for the current period               | 14,477,006.96                                                    |                                                                        | 7,576,676.61                                                       | 22,053,683.57 |
| Reversal for the current period                | 5,250,344.17                                                     |                                                                        |                                                                    | 5,250,344.17  |
| Write-off and others for the current<br>period | 2,954,540.49                                                     |                                                                        |                                                                    | 2,954,540.49  |
| Closing balance                                | 45,518,085.11                                                    |                                                                        | 17,749,010.66                                                      | 63,267,095.77 |

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### ③ Changes in allowance for bad debt provision of other receivables in the current period

| Items                   | Opening balance | Increase for the current period  |                | Decrease for the current period |                           | Closing balance |
|-------------------------|-----------------|----------------------------------|----------------|---------------------------------|---------------------------|-----------------|
|                         |                 | Provision for the current period | Other movement | Reversal                        | Write-off/ other movement |                 |
| Allowance for bad debts | 49,418,296.86   | 22,053,683.57                    |                | 5,250,344.17                    | 2,954,540.49              | 63,267,095.77   |

### ④ The total amount of the top 5 other receivables at the end of the period was RMB855,104,972.12 (amount at the beginning of the period: RMB1,038,763,021.83), accounting for 25.24% of the book balance of other receivables (at the beginning of the period: 36.08%), and the amount of provision for bad debts was RMB0.00 (amount at the beginning of the period: RMB0.00).

### ⑤ Other receivables written off during the period

The amount of other receivables actually written off in the current period was RMB4,122,692.97 (amount for the corresponding period: RMB8,107,151.46) and no significant other receivables were written off for bad debts.

### ⑥ Other receivables mainly included deposits, quality guarantees, employee loans, tax refunds, and advance payments, etc.

## 9. Inventories

### (1) Details of inventories

| Items            | Closing Balance   |                                     |                   |
|------------------|-------------------|-------------------------------------|-------------------|
|                  | Book balance      | Impairment provision of inventories | Carrying value    |
| Raw materials    | 6,699,772,457.36  | 255,379,870.71                      | 6,444,392,586.65  |
| Work in progress | 428,109,423.20    |                                     | 428,109,423.20    |
| Finished goods   | 38,209,369,513.57 | 1,564,598,790.58                    | 36,644,770,722.99 |
| Total            | 45,337,251,394.13 | 1,819,978,661.29                    | 43,517,272,732.84 |

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(Continue)

| Items            | Opening Balance   |                                     |                   |
|------------------|-------------------|-------------------------------------|-------------------|
|                  | Book balance      | Impairment provision of inventories | Carrying value    |
| Raw materials    | 6,899,891,071.77  | 229,902,166.82                      | 6,669,988,904.95  |
| Work in progress | 388,624,719.50    |                                     | 388,624,719.50    |
| Finished goods   | 37,599,053,611.30 | 1,467,811,537.79                    | 36,131,242,073.51 |
| Total            | 44,887,569,402.57 | 1,697,713,704.61                    | 43,189,855,697.96 |

### (2) Impairment provision of inventories

| Items            | Opening balance  | Increase for the current period  |                | Decrease for the current period |                          | Closing balance  |
|------------------|------------------|----------------------------------|----------------|---------------------------------|--------------------------|------------------|
|                  |                  | Provision for the current period | Other movement | Reversal                        | Write-off/other movement |                  |
| Raw materials    | 229,902,166.82   | 31,908,473.98                    |                |                                 | 6,430,770.09             | 255,379,870.71   |
| Work in progress |                  |                                  |                |                                 |                          |                  |
| Finished goods   | 1,467,811,537.79 | 433,086,565.54                   |                |                                 | 336,299,312.75           | 1,564,598,790.58 |
| Total            | 1,697,713,704.61 | 464,995,039.52                   |                |                                 | 342,730,082.84           | 1,819,978,661.29 |

### (3) Details of impairment provision of inventories are as follows

| Items          | Specific basis for determining net realizable value       | Reason for reversing or writing off the impairment provision of inventories |
|----------------|-----------------------------------------------------------|-----------------------------------------------------------------------------|
| Raw materials  | Measurement at the lower of cost and net realizable value | Production, use or sales                                                    |
| Finished goods | Measurement at the lower of cost and net realizable value | sales                                                                       |

## 10. Contract assets

## (1) Details

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Items                    | Closing Balance  |                         |                  | Opening Balance  |                         |                |
|--------------------------|------------------|-------------------------|------------------|------------------|-------------------------|----------------|
|                          | Book balance     | Allowance for bad debts | Carrying value   | Book balance     | Allowance for bad debts | Carrying value |
| Relating to construction |                  |                         |                  |                  |                         |                |
| service contract         | 1,587,563,750.08 | 91,404,352.14           | 1,496,159,397.94 | 1,089,472,041.72 | 91,508,336.05           | 997,963,705.67 |
| Total                    | 1,587,563,750.08 | 91,404,352.14           | 1,496,159,397.94 | 1,089,472,041.72 | 91,508,336.05           | 997,963,705.67 |

## (2) Classification by method of provision for bad debts

| Categories                                                               | Book balance     |                | Closing balance         |                             | Carrying value   |
|--------------------------------------------------------------------------|------------------|----------------|-------------------------|-----------------------------|------------------|
|                                                                          |                  |                | Allowance for bad debts |                             |                  |
|                                                                          | Amount           | Percentage (%) | Amount                  | Percentage of provision (%) |                  |
| Contract assets subject to provision for bad debts on a separate basis   | 56,845,712.92    | 3.58           | 55,755,776.06           | 98.08                       | 1,089,936.86     |
| Contract assets subject to provision for bad debts on a collective basis | 1,530,718,037.16 | 96.42          | 35,648,576.08           | 2.33                        | 1,495,069,461.08 |
| Total                                                                    | 1,587,563,750.08 | 100.00         | 91,404,352.14           | 5.76                        | 1,496,159,397.94 |

(Continue)

| Categories                                                               | Book balance     |                | Opening balance         |                             | Carrying value |
|--------------------------------------------------------------------------|------------------|----------------|-------------------------|-----------------------------|----------------|
|                                                                          |                  |                | Allowance for bad debts |                             |                |
|                                                                          | Amount           | Percentage (%) | Amount                  | Percentage of provision (%) |                |
| Contract assets subject to provision for bad debts on a separate basis   | 55,755,776.06    | 5.12           | 55,755,776.06           | 100.00                      |                |
| Contract assets subject to provision for bad debts on a collective basis | 1,033,716,265.66 | 94.88          | 35,752,559.99           | 3.46                        | 997,963,705.67 |
| Total                                                                    | 1,089,472,041.72 | 100.00         | 91,508,336.05           | 8.40                        | 997,963,705.67 |

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### (3) Contract assets subject to provision for bad debts on a separate basis at the end of the period

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Name                 | Book balance  | Closing balance<br>Allowance for<br>bad debts | Percentage of<br>provision (%) | Reason for provision                                  |
|----------------------|---------------|-----------------------------------------------|--------------------------------|-------------------------------------------------------|
| 7 customers in total | 56,845,712.92 | 55,755,776.06                                 | 98.08                          | The obligors were in significant financial difficulty |
| Total                | 56,845,712.92 | 55,755,776.06                                 | 98.08                          | /                                                     |

### (4) Contract assets subject to provision for bad debts on a collective basis at the end of the period

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Name                                      | Book balance     | Closing balance<br>Allowance for<br>bad debts | Percentage of<br>provision (%) |
|-------------------------------------------|------------------|-----------------------------------------------|--------------------------------|
| Relating to construction service contract | 1,530,718,037.16 | 35,648,576.08                                 | 2.33                           |
| Total                                     | 1,530,718,037.16 | 35,648,576.08                                 | 2.33                           |

### (5) Provision for bad debts on contract assets during the current period

| Items                                     | Opening balance | Increase for the current period  | Decrease for the current period | Closing balance |
|-------------------------------------------|-----------------|----------------------------------|---------------------------------|-----------------|
|                                           |                 | Provision for the current period | Write-off/other movement        |                 |
|                                           |                 | Other movement                   | Reversal                        |                 |
| Relating to construction service contract | 91,508,336.05   |                                  | 103,983.91                      | 91,404,352.14   |
| Total                                     | 91,508,336.05   |                                  | 103,983.91                      | 91,404,352.14   |

**11. Non-current assets due within one year**

| Items                                      | Closing balance  | Opening balance  |
|--------------------------------------------|------------------|------------------|
| Debt investments due within one year       | 2,307,574,005.86 | 1,439,758,652.55 |
| Total                                      | 2,307,574,005.86 | 1,439,758,652.55 |
| Including: time deposit in finance company | 1,695,536,677.09 | 334,466,985.88   |

**12. Other current assets****(1) Details**

| Items                     | Closing Balance  |                      | Opening Balance  |                      |
|---------------------------|------------------|----------------------|------------------|----------------------|
|                           | Book balance     | Impairment provision | Book balance     | Impairment provision |
| Deductible taxes products | 3,353,363,884.61 |                      | 3,618,407,941.29 |                      |
| Short-term deposits       | 115,221,674.82   |                      | 491,724,709.59   |                      |
| Returns cost receivables  | 590,584,931.58   | 279,221,989.21       | 566,481,435.22   | 281,079,517.50       |
| Entrusted loans           | 496,677,379.89   |                      |                  |                      |
| Others                    | 53,975,945.37    |                      | 47,739,469.43    |                      |
| Total                     | 4,609,823,816.27 | 279,221,989.21       | 4,724,353,555.53 | 281,079,517.50       |

**(2) Impairment provision**

| Items                    | Opening<br>balance | Increase for<br>the current period     |                   | Decrease for<br>the current period |                             | Closing<br>balance |
|--------------------------|--------------------|----------------------------------------|-------------------|------------------------------------|-----------------------------|--------------------|
|                          |                    | Provision for<br>the current<br>period | Other<br>movement | Reversal                           | Write-off/other<br>movement |                    |
|                          |                    |                                        |                   |                                    |                             |                    |
| Returns cost receivables | 281,079,517.50     | 279,221,989.21                         |                   |                                    | 281,079,517.50              | 279,221,989.21     |
| Total                    | 281,079,517.50     | 279,221,989.21                         |                   |                                    | 281,079,517.50              | 279,221,989.21     |

**(3) Time deposit in Finance Company was RMB115,221,674.82 at the end of the period.****13. Debt investments**

| Items                                      | Closing balance   |                | Opening balance   |                |
|--------------------------------------------|-------------------|----------------|-------------------|----------------|
|                                            | Principal         | Interest       | Principal         | Interest       |
| Time deposit -long term                    | 16,142,500,000.00 | 755,992,337.28 | 16,292,500,000.00 | 622,018,509.54 |
| Less: Debt investments due within one year | 2,187,500,000.00  | 120,074,005.86 | 1,327,500,000.00  | 112,258,652.55 |
| Total                                      | 13,955,000,000.00 | 635,918,331.42 | 14,965,000,000.00 | 509,759,856.99 |
| Include: time deposit in Finance Company   | 12,065,000,000.00 | 583,553,482.11 | 12,605,000,000.00 | 448,060,172.04 |

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### 14. Long-term equity investments

√ Applicable    □ Not Applicable

| Investees                                                                          |                  | Increase/decrease for the current period |                                                  |                                          |                         | Declaration of cash dividends or profits |
|------------------------------------------------------------------------------------|------------------|------------------------------------------|--------------------------------------------------|------------------------------------------|-------------------------|------------------------------------------|
|                                                                                    |                  | Investment increase                      | Investment income recognized under equity method | Adjustment in other comprehensive income | Other changes in equity |                                          |
| Opening balance                                                                    |                  |                                          |                                                  |                                          |                         |                                          |
| Associate :                                                                        |                  |                                          |                                                  |                                          |                         |                                          |
| Haier Group Finance Co., Ltd.                                                      | 8,219,298,837.87 |                                          | 377,480,635.87                                   | -691.01                                  |                         | -235,200,000.00                          |
| Bank of Qingdao Co., Ltd.                                                          | 3,473,162,128.86 |                                          | 222,430,213.11                                   | 144,943,528.84                           | —                       | -76,288,906.40                           |
| Wolong Electric (Jinan) Motor Co., Ltd.                                            | 198,467,631.66   |                                          | 14,338,896.00                                    |                                          |                         | -15,000,000.00                           |
| Qingdao Hegang New Material Technology Co., Ltd.                                   | 342,315,345.52   |                                          | 6,843,983.51                                     |                                          | —                       | -4,186,865.40                            |
| Qingdao Haier SAIF Smart Home Industry Investment Center (Limited Partnership)     | 191,276,594.86   |                                          | —                                                |                                          |                         | —                                        |
| Mitsubishi Heavy Industries Haier (Qingdao) Air-conditioners Co., Ltd.             | 698,845,993.61   |                                          | 71,576,418.84                                    |                                          |                         | —                                        |
| Qingdao Haier Multimedia Co., Ltd.                                                 | 88,300,000.00    |                                          |                                                  |                                          |                         |                                          |
| Baoshihua Energy Technology Co., Ltd. (宝石花能源科技有限公司)                                | 31,132,443.76    |                                          |                                                  |                                          |                         | -1,409,295.17                            |
| Zhengzhou Highly Electric Appliance Co., Ltd. (郑州海立电器有限公司)                         | 98,560,581.01    |                                          |                                                  |                                          |                         |                                          |
| Zhejiang Futeng Fluid Technology Co., Ltd.                                         | 73,460,549.11    |                                          |                                                  |                                          |                         |                                          |
| Hongtong Environmental Technology (Guangzhou) Co., Ltd. (宏通环境技术(广州)有限公司)           | 6,464,386.26     |                                          |                                                  |                                          |                         |                                          |
| Qingdao Haimu Investment Management Co., Ltd.                                      | 2,692,755.00     |                                          |                                                  |                                          |                         |                                          |
| Qingdao Haimu Smart Home Investment Partnership (Limited Partnership)              | 56,749,040.79    |                                          |                                                  |                                          |                         |                                          |
| Qingdao Guochuang Intelligent Home Appliance Research Institute Co., Ltd.          | 40,920,413.54    |                                          | 2,015,812.22                                     |                                          |                         |                                          |
| Guangzhou Heying Investment Partnership (Limited Partnership)                      | 132,620,094.53   |                                          |                                                  |                                          |                         |                                          |
| Qingdao Home Wow Cloud Network Technology Co., Ltd.                                | 1,083,682.47     |                                          | -1,108,867.33                                    |                                          |                         |                                          |
| Bingji (Shanghai) Corporate Management Co., Ltd.                                   | 1,095,450,007.15 |                                          | 27,395,141.18                                    |                                          |                         |                                          |
| Shangang Luhai International Logistics (Jinan) Co., Ltd. (山港陆海国际物流(济南)有限公司)        | 58,941,327.06    |                                          | 1,047,222.88                                     |                                          |                         |                                          |
| Haier Best Water Technology Co., Ltd.                                              | 148,369,638.40   |                                          | 2,124,281.52                                     |                                          |                         |                                          |
| Huizhixiangshun Equity Investment Fund (Qingdao) Partnership (Limited Partnership) | 188,907,510.60   |                                          |                                                  |                                          |                         |                                          |
| Qingdao Ririshun Huizhi Investment Co., Ltd.                                       | 4,083,482.78     |                                          |                                                  |                                          |                         |                                          |
| Qingdao Xiaoshuai Intelligent Technology Co., Ltd                                  | 9,578,046.65     |                                          | 2,125,935.87                                     |                                          |                         |                                          |
| Qingdao Xinshenghui Technology Co., Ltd.                                           | 11,365,227.21    |                                          | 599,131.76                                       |                                          |                         |                                          |

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| Investees                                                       | Opening balance   | Increase/decrease for the current period |                                                  |                                          |                         | Declaration of cash dividends or profits |
|-----------------------------------------------------------------|-------------------|------------------------------------------|--------------------------------------------------|------------------------------------------|-------------------------|------------------------------------------|
|                                                                 |                   | Investment increase                      | Investment income recognized under equity method | Adjustment in other comprehensive income | Other changes in equity |                                          |
| Ningbo Beilian Intelligent Technology Co., Ltd. (宁波贝立安智能科技有限公司) | 3,724,499.78      |                                          | -236,575.45                                      |                                          |                         |                                          |
| Qingdao Oriental Haisheng Technology Co., Ltd. (青岛东方海盛科技有限公司)   |                   | 9,980,000.00                             |                                                  |                                          |                         |                                          |
| Konan Electronic Co., Ltd.                                      | 59,415,065.89     |                                          | -2,439,536.52                                    | 4,305,373.50                             |                         | -218,290.50                              |
| HNR (Private) Company Limited                                   | 140,530,747.42    |                                          | 34,169,113.58                                    | -5,099,023.40                            |                         |                                          |
| HPZ LIMITED                                                     | 11,203,257.77     |                                          | —                                                | —                                        |                         |                                          |
| Controladora Mabe, S.A. de C.V.                                 | 5,638,478,867.77  |                                          | 126,143,371.74                                   | -112,929,878.77                          | -8,251,636.94           | -80,024,194.29                           |
| Middle East Air conditioning Company, Limited                   | 7,389,990.91      |                                          | -2,260,730.88                                    | -458,145.29                              |                         |                                          |
| Total                                                           | 21,032,788,148.24 | 9,980,000.00                             | 882,244,447.90                                   | 30,761,163.87                            | -8,251,636.94           | -412,327,551.76                          |

(Continued)

| Investees                                                                      | Increase/decrease for the current period |                                | Closing balance  | Closing balance of impairment provision |
|--------------------------------------------------------------------------------|------------------------------------------|--------------------------------|------------------|-----------------------------------------|
|                                                                                | Other movement                           | The disposal of the investment |                  |                                         |
| Associate :                                                                    |                                          |                                |                  |                                         |
| Haier Group Finance Co., Ltd.                                                  |                                          |                                | 8,361,578,782.73 |                                         |
| Bank of Qingdao Co., Ltd.                                                      |                                          |                                | 3,764,246,964.41 |                                         |
| Wolong Electric (Jinan) Motor Co., Ltd.                                        |                                          |                                | 197,806,527.66   |                                         |
| Qingdao Hegang New Material Technology Co., Ltd.                               |                                          |                                | 344,972,463.63   |                                         |
| Qingdao Haier SAIF Smart Home Industry Investment Center (Limited Partnership) |                                          |                                | 191,276,594.86   |                                         |
| Mitsubishi Heavy Industries Haier (Qingdao) Air-conditioners Co., Ltd.         |                                          |                                | 770,422,412.45   |                                         |
| Qingdao Haier Multimedia Co., Ltd.                                             |                                          |                                | 88,300,000.00    | -88,300,000.00                          |
| Baoshihua Energy Technology Co., Ltd. (宝石花能源科技有限公司)                            |                                          |                                | 29,723,148.59    |                                         |
| Zhengzhou Highly Electric Appliance Co., Ltd. (郑州海立电器有限公司)                     |                                          |                                | 98,560,581.01    |                                         |
| Zhejiang Futeng Fluid Technology Co., Ltd.                                     |                                          |                                | 73,460,549.11    |                                         |
| Hongtong Environmental Technology (Guangzhou) Co., Ltd. (宏通环境技术(广州)有限公司)       |                                          |                                | 6,464,386.26     |                                         |
| Qingdao Haimu Investment Management Co., Ltd.                                  |                                          |                                | 2,692,755.00     |                                         |
| Qingdao Haimu Smart Home Investment Partnership (Limited Partnership)          |                                          |                                | 56,749,040.79    |                                         |

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| Investees                                                                          | Increase/decrease for the current period |                                | Closing balance   | Closing balance of impairment provision |
|------------------------------------------------------------------------------------|------------------------------------------|--------------------------------|-------------------|-----------------------------------------|
|                                                                                    | Other movement                           | The disposal of the investment |                   |                                         |
| Qingdao Guochuang Intelligent Home Appliance Research Institute Co., Ltd.          |                                          |                                | 42,936,225.76     |                                         |
| Guangzhou Heying Investment Partnership (Limited Partnership)                      |                                          |                                | 132,620,094.53    |                                         |
| Qingdao Home Wow Cloud Network Technology Co., Ltd.                                |                                          |                                | -25,184.86        |                                         |
| Bingji (Shanghai) Corporate Management Co., Ltd.                                   |                                          |                                | 1,122,845,148.33  |                                         |
| Shangang Luhai International Logistics (Jinan) Co., Ltd. (山港陆海国际物流(济南)有限公司)        |                                          | -108,598.97                    | 59,879,950.97     |                                         |
| Haier Best Water Technology Co., Ltd.                                              |                                          |                                | 150,493,919.92    |                                         |
| Huizhixiangshun Equity Investment Fund (Qingdao) Partnership (Limited Partnership) |                                          | -17,011,435.35                 | 171,896,075.25    |                                         |
| Qingdao Ririshun Huizhi Investment Co., Ltd.                                       |                                          |                                | 4,083,482.78      |                                         |
| Qingdao Xiaoshuai Intelligent Technology Co., Ltd.                                 |                                          |                                | 11,703,982.52     |                                         |
| Qingdao Xinshenghui Technology Co., Ltd.                                           |                                          |                                | 11,964,358.97     |                                         |
| Ningbo Beilian Intelligent Technology Co., Ltd. (宁波贝立安智能科技有限公司)                    |                                          |                                | 3,487,924.33      |                                         |
| Qingdao Oriental Haisheng Technology Co., Ltd. (青岛东方海盛科技有限公司)                      |                                          |                                | 9,980,000.00      |                                         |
| Konan Electronic Co., Ltd.                                                         |                                          |                                | 61,062,612.37     |                                         |
| HNR (Private) Company Limited                                                      |                                          |                                | 169,600,837.60    |                                         |
| HPZ LIMITED                                                                        |                                          |                                | 11,203,257.77     | -11,203,257.77                          |
| Controladora Mabe, S.A. de C.V.                                                    |                                          |                                | 5,563,416,529.51  |                                         |
| Middle East Airconditioning Company, Limited                                       |                                          | -4,671,114.74                  |                   |                                         |
| Total                                                                              |                                          | -21,791,149.06                 | 21,513,403,422.25 | -99,503,257.77                          |

**15. Investments in other equity instruments**

- (1) Details of investments in other equity instruments at the end of the period:

| Items                                          | Closing balance  | Opening balance  |
|------------------------------------------------|------------------|------------------|
| SINOPEC Fuel Oil Sales Corporation Limited     | 1,328,800,000.00 | 1,674,427,670.51 |
| Haier COSMO IOT Ecosystem Technology Co., Ltd. | 2,795,887,119.07 | 2,786,307,000.00 |
| Others                                         | 1,525,469,132.18 | 1,612,946,200.31 |
| Total                                          | 5,650,156,251.25 | 6,073,680,870.82 |

- (2) Dividends from investment in other equity instruments during the current period:

| Items  | Amount for the current period |
|--------|-------------------------------|
| Others | 3,225,726.29                  |
| Total  | 3,225,726.29                  |

**16. Investment properties**

- (1) The changes in investment properties measured at cost this year are as follows:

| Items                                                                            | Houses and buildings | Land use rights | Total          |
|----------------------------------------------------------------------------------|----------------------|-----------------|----------------|
| I. Original book value                                                           |                      |                 |                |
| 1. Opening balance                                                               | 162,700,718.91       | 108,900,075.76  | 271,600,794.67 |
| 2. Increase for the current period                                               |                      |                 |                |
| (1) External acquisition                                                         | 214,599,883.20       |                 | 214,599,883.20 |
| (2) Intangible asset/fixed assets/<br>construction in progress<br>transferred in | 191,660,227.89       |                 | 191,660,227.89 |
| (3) Increase from business<br>combinations                                       |                      |                 |                |
| 3. Decrease for the current period                                               |                      |                 |                |
| (1) Disposal                                                                     |                      |                 |                |
| (2) Disposal of subsidiaries                                                     |                      |                 |                |
| (3) Other transferring out                                                       |                      |                 |                |
| 4. Change in foreign exchange rate<br>and others                                 | 17,269,237.18        |                 | 17,269,237.18  |
| 5. Closing balance                                                               | 586,230,067.18       | 108,900,075.76  | 695,130,142.94 |

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| Items                                                                     | Houses and buildings | Land use rights | Total          |
|---------------------------------------------------------------------------|----------------------|-----------------|----------------|
| II. Accumulated depreciation and accumulated amortization                 |                      |                 |                |
| 1. Opening balance                                                        | 19,258,789.34        | 6,180,745.50    | 25,439,534.84  |
| 2. Increase for the current period                                        |                      |                 |                |
| (1) Provision or amortization                                             | 3,238,920.77         | 292,591.07      | 3,531,511.84   |
| (2) Intangible asset/fixed assets/construction in progress transferred in | 574,600.56           |                 | 574,600.56     |
| 3. Decrease for the current period                                        |                      |                 |                |
| (1) Disposal                                                              |                      |                 |                |
| (2) Disposal of subsidiaries                                              |                      |                 |                |
| (3) Other transferring out                                                |                      |                 |                |
| 4. Change in foreign exchange rate and others                             | 207,093.85           |                 | 207,093.85     |
| 5. Closing balance                                                        | 23,279,404.52        | 6,473,336.57    | 29,752,741.09  |
| III. Provision for impairment                                             |                      |                 |                |
| 1. Opening balance                                                        |                      |                 |                |
| 2. Increase for the current period                                        |                      |                 |                |
| (1) Provision                                                             |                      |                 |                |
| 3. Decrease for the current period                                        |                      |                 |                |
| (1) Disposal                                                              |                      |                 |                |
| (2) Disposal of subsidiaries                                              |                      |                 |                |
| (3) Other transferring out                                                |                      |                 |                |
| 4. Change in foreign exchange rate and others                             |                      |                 |                |
| 5. Closing balance                                                        |                      |                 |                |
| IV. Book value                                                            |                      |                 |                |
| 1. Closing book value                                                     | 562,950,662.66       | 102,426,739.19  | 665,377,401.85 |
| 2. Opening book value                                                     | 143,441,929.57       | 102,719,330.26  | 246,161,259.83 |

(2) The depreciation and amortization amount charge for the period is RMB3,531,511.84 (amount for the corresponding period: RMB2,084,840.88).

(3) The recoverable amount of the investment real estate of the Company at the end of the period is not less than its book value, so no provision for impairment is made.

## Section VIII Financial Report

### 17. Fixed assets

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Items        | Closing balance   | Opening balance   |
|--------------|-------------------|-------------------|
| Fixed assets | 38,733,351,465.18 | 37,613,215,769.46 |
| Total        | 38,733,351,465.18 | 37,613,215,769.46 |

(1) Fixed assets:

| Items                                         | Houses and buildings | Production equipment | Transportation equipment |
|-----------------------------------------------|----------------------|----------------------|--------------------------|
| I. Original book value:                       |                      |                      |                          |
| 1. Opening balance                            | 23,587,425,943.99    | 39,983,465,124.95    | 282,740,896.81           |
| 2. Increase for the current period            |                      |                      |                          |
| (1) Acquisition                               | 19,579,747.22        | 363,026,991.03       | 3,553,499.21             |
| (2) Construction in progress transferred in   | 1,311,473,701.82     | 1,212,516,592.93     | 15,834,494.14            |
| (3) Increase in business combinations         |                      |                      |                          |
| (4) Investment properties transferred in      |                      |                      |                          |
| 3. Decrease for the current period            |                      |                      |                          |
| (1) Disposal or write-off                     | 187,771,425.53       | 456,000,308.57       | 14,132,509.90            |
| (2) Disposal of subsidiaries                  |                      |                      |                          |
| (3) Transfer to investment properties         | 191,660,227.89       |                      |                          |
| 4. Change in foreign exchange rate and others | 576,231,484.63       | 519,106,432.99       | 15,281,247.26            |
| 5. Closing balance                            | 25,115,279,224.24    | 41,622,114,833.33    | 303,277,627.52           |
| II. Accumulated depreciation                  |                      |                      |                          |
| 1. Opening balance                            | 7,079,072,646.10     | 21,078,671,488.71    | 161,340,026.39           |
| 2. Increase for the current period            |                      |                      |                          |
| (1) Provision                                 | 544,248,174.34       | 1,670,014,498.41     | 21,976,770.00            |
| (2) Investment properties transferred in      |                      |                      |                          |
| 3. Decrease for the current period            |                      |                      |                          |
| (1) Disposal or write-off                     | 76,124,981.15        | 354,877,165.74       | 6,928,570.79             |
| (2) Disposal of subsidiaries                  |                      |                      |                          |
| (3) Transfer to investment properties         | 574,600.56           |                      |                          |
| 4. Change in foreign exchange rate and others | 102,890,975.29       | 199,092,965.34       | 6,037,374.50             |
| 5. Closing balance                            | 7,649,512,214.02     | 22,592,901,786.72    | 182,425,600.10           |

## Section VIII Financial Report

| Items                                         | Houses and buildings | Production equipment | Transportation equipment |
|-----------------------------------------------|----------------------|----------------------|--------------------------|
| III. Provision for impairment                 |                      |                      |                          |
| 1. Opening balance                            | 42,187,643.34        | 17,624,919.83        | 105,101.78               |
| 2. Increase for the current period            |                      |                      |                          |
| (1) Provision                                 |                      |                      |                          |
| (2) Investment properties transferred in      |                      |                      |                          |
| 3. Decrease for the current period            |                      |                      |                          |
| (1) Disposal or write-off                     | 15,847,683.49        | 1,708,197.46         | 78,319.36                |
| (2) Disposal of subsidiaries                  |                      |                      |                          |
| (3) Transfer to investment properties         |                      |                      |                          |
| 4. Change in foreign exchange rate and others | 1,664,391.35         | 334,943.59           | 1,982.35                 |
| 5. Closing balance                            | 28,004,351.20        | 16,251,665.96        | 28,764.77                |
| IV. Book value                                |                      |                      |                          |
| 1. Closing book value                         | 17,437,762,659.02    | 19,012,961,380.65    | 120,823,262.65           |
| 2. Opening book value                         | 16,466,165,654.55    | 18,887,168,716.41    | 121,295,768.64           |

(Continue)

| Items                                         | Office furniture | Others           | Total             |
|-----------------------------------------------|------------------|------------------|-------------------|
| I. Original book value:                       |                  |                  |                   |
| 1. Opening balance                            | 1,866,237,560.00 | 3,564,759,601.87 | 69,284,629,127.62 |
| 2. Increase for the current period            |                  |                  |                   |
| (1) Acquisition                               | 20,546,040.73    | 450,588.77       | 407,156,866.96    |
| (2) Construction in progress transferred in   | 88,896,896.04    | 120,084,199.19   | 2,748,805,884.12  |
| (3) Increase in business combinations         |                  |                  |                   |
| (4) Investment properties transferred in      |                  |                  |                   |
| 3. Decrease for the current period            |                  |                  |                   |
| (1) Disposal or write-off                     | 72,935,367.28    | 155,134,680.58   | 885,974,291.86    |
| (2) Disposal of subsidiaries                  |                  |                  |                   |
| (3) Transfer to investment properties         |                  |                  | 191,660,227.89    |
| 4. Change in foreign exchange rate and others | 145,846,374.30   | 163,116,974.53   | 1,419,582,513.71  |
| 5. Closing balance                            | 2,048,591,503.79 | 3,693,276,683.78 | 72,782,539,872.66 |

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| Items                                         | Office furniture | Others           | Total             |
|-----------------------------------------------|------------------|------------------|-------------------|
| II. Accumulated depreciation                  |                  |                  |                   |
| 1. Opening Balance                            | 1,091,419,033.13 | 2,198,543,345.96 | 31,609,046,540.29 |
| 2. Increase for the current period            |                  |                  |                   |
| (1) Provision                                 | 120,671,021.82   | 159,543,528.56   | 2,516,453,993.13  |
| (2) Investment properties transferred in      |                  |                  |                   |
| 3. Decrease for the current period            |                  |                  |                   |
| (1) Disposal or write-off                     | 64,369,294.86    | 108,606,377.69   | 610,906,390.23    |
| (2) Disposal of subsidiaries                  |                  |                  |                   |
| (3) Transfer to investment properties         |                  |                  | 574,600.56        |
| 4. Change in foreign exchange rate and others | 66,440,830.74    | 113,796,374.71   | 488,258,520.58    |
| 5. Closing Balance                            | 1,214,161,590.83 | 2,363,276,871.54 | 34,002,278,063.21 |
| III. Provision for impairment                 |                  |                  |                   |
| 1. Opening balance                            | 209,527.14       | 2,239,625.78     | 62,366,817.87     |
| 2. Increase for the current period            |                  |                  |                   |
| (1) Provision                                 |                  |                  |                   |
| (2) Investment properties transferred in      |                  |                  |                   |
| 3. Decrease for the current period            |                  |                  |                   |
| (1) Disposal or write-off                     | 5,323.23         | 14,269.95        | 17,653,793.49     |
| (2) Disposal of subsidiaries                  |                  |                  |                   |
| (3) Transfer to investment properties         |                  |                  |                   |
| 4. Change in foreign exchange rate and others | 14,684.17        | 181,318.43       | 2,197,319.89      |
| 5. Closing balance                            | 218,888.08       | 2,406,674.26     | 46,910,344.27     |
| IV. Book value                                |                  |                  |                   |
| 1. Closing book value                         | 834,211,024.88   | 1,327,593,137.98 | 38,733,351,465.18 |
| 2. Opening book value                         | 774,608,999.73   | 1,363,976,630.13 | 37,613,215,769.46 |

- (2) In the current period, the balance of the construction in progress transferred to the original value of the fixed assets in a total of RMB2,748,805,884.12 (amount for the corresponding period: RMB2,107,328,131.20).
- (3) As at 30 June 2025, the net book value of the buildings for which the Company has not yet obtained certificates of title was RMB71 million (amount at the beginning of the period RMB396 million), and the relevant certificates of title were being processed. The Company can legally and effectively occupy and operate the above-mentioned buildings for which no certificates of title have been obtained.
- (4) The amount of mortgage secured by the fixed assets mortgage at the end of the period was RMB31,825,255.89, and there was no mortgage secured by the fixed assets mortgage at the beginning of the period.

## Section VIII Financial Report

### 18. Construction in progress

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items                    | Closing Balance  | Opening Balance  |
|--------------------------|------------------|------------------|
| Construction in progress | 5,677,443,291.08 | 5,686,050,990.48 |
| Total                    | 5,677,443,291.08 | 5,686,050,990.48 |

#### (1) Balance of construction in progress

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Projects                                 | Closing Balance  |                      |                  | Opening Balance  |                      |                  |
|------------------------------------------|------------------|----------------------|------------------|------------------|----------------------|------------------|
|                                          | Book balance     | Impairment Provision | Book Value       | Book balance     | Impairment provision | Book Value       |
| Qingdao Water Ecology Technology Project | 1,107,019,900.03 |                      | 1,107,019,900.03 | 1,066,513,889.60 |                      | 1,066,513,889.60 |
| New Zealand FPA Project                  | 774,202,009.02   |                      | 774,202,009.02   | 404,446,522.30   |                      | 404,446,522.30   |
| Qingdao Refrigeration Appliance Project  | 604,379,654.55   |                      | 604,379,654.55   | 598,424,118.21   |                      | 598,424,118.21   |
| Qingdao HV Equipment Project             | 332,086,933.65   |                      | 332,086,933.65   | 760,657,151.21   |                      | 760,657,151.21   |
| Haier Thailand Project                   | 316,627,436.01   |                      | 316,627,436.01   | 94,645,094.35    |                      | 94,645,094.35    |
| America GE Appliances Project            | 165,078,821.53   | 24,711,494.86        | 140,367,326.67   | 255,332,644.93   | 24,814,364.49        | 230,518,280.44   |
| Europe Candy Project                     | 130,621,013.23   |                      | 130,621,013.23   | 195,308,817.72   |                      | 195,308,817.72   |
| Qingdao Haishi IoT Technology Project    | 117,647,025.54   |                      | 117,647,025.54   | 74,638,984.28    |                      | 74,638,984.28    |
| Haier India Project                      | 103,944,468.67   |                      | 103,944,468.67   | 29,688,644.93    |                      | 29,688,644.93    |
| Eastern European Project                 | 103,746,218.69   | 2,611,599.07         | 101,134,619.62   | 134,970,342.86   | 1,890,763.38         | 133,079,579.48   |
| Others                                   | 1,950,250,639.94 | 837,735.85           | 1,949,412,904.09 | 2,098,967,643.81 | 837,735.85           | 2,098,129,907.96 |
| Total                                    | 5,705,604,120.86 | 28,160,829.78        | 5,677,443,291.08 | 5,713,593,854.20 | 27,542,863.72        | 5,686,050,990.48 |

## Section VIII Financial Report

### (2) Details of changes of significant construction in progress for the current period

| Project name                             | Opening balance  | Increase for the current period | Transfer to fixed assets | Transfer to investment properties | Change in foreign exchange rate and others | Closing balance  | Source of fund |
|------------------------------------------|------------------|---------------------------------|--------------------------|-----------------------------------|--------------------------------------------|------------------|----------------|
| Qingdao Water Ecology Technology Project | 1,066,513,889.60 | 73,840,906.03                   | 33,334,895.60            |                                   |                                            | 1,107,019,900.03 | Self-funding   |
| New Zealand FPA Project                  | 404,446,522.30   | 403,328,632.37                  | 71,591,550.85            |                                   | 38,018,405.20                              | 774,202,009.02   | Self-funding   |
| Qingdao Refrigeration Appliance Project  | 598,424,118.21   | 231,071,301.37                  | 225,115,765.03           |                                   |                                            | 604,379,654.55   | Self-funding   |
| Qingdao HV Equipment Project             | 760,657,151.21   | 110,792,017.76                  | 539,362,235.32           |                                   |                                            | 332,086,933.65   | Self-funding   |
| Haier Thailand Project                   | 94,645,094.35    | 218,630,522.36                  |                          |                                   | 3,351,819.30                               | 316,627,436.01   | Self-funding   |
| America GE Appliances Project            | 255,332,644.93   | 130,126,099.16                  | 219,594,881.75           |                                   | -785,040.81                                | 165,078,821.53   | Self-funding   |
| Europe Candy Project                     | 195,308,817.72   | 50,773,226.31                   | 130,994,895.37           |                                   | 15,533,864.57                              | 130,621,013.23   | Self-funding   |
| Qingdao Haishi IoT Technology Project    | 74,638,984.28    | 43,008,041.26                   |                          |                                   |                                            | 117,647,025.54   | Self-funding   |
| Haier India Project                      | 29,688,644.93    | 131,357,635.68                  | 56,980,042.05            |                                   | -121,769.89                                | 103,944,468.67   | Self-funding   |
| Eastern European Project                 | 134,970,342.86   | 66,921,762.68                   | 103,625,833.16           |                                   | 5,479,946.31                               | 103,746,218.69   | Self-funding   |
| Others                                   | 2,098,967,643.81 | 1,201,876,571.09                | 1,368,205,784.99         |                                   | 17,612,210.03                              | 1,950,250,639.94 | Self-funding   |
| Total                                    | 5,713,593,854.20 | 2,661,726,716.07                | 2,748,805,884.12         |                                   | 79,089,434.71                              | 5,705,604,120.86 |                |

### (3) Impairment provision of construction in progress

| Project name                  | Opening balance | Increase for the current period | Transfer to fixed assets | Other decrease | Change in foreign exchange rate and others | Closing balance |
|-------------------------------|-----------------|---------------------------------|--------------------------|----------------|--------------------------------------------|-----------------|
| America GE Appliances Project | 24,814,364.49   |                                 |                          |                | -102,869.63                                | 24,711,494.86   |
| Eastern European Project      | 1,890,763.38    |                                 |                          |                | 720,835.69                                 | 2,611,599.07    |
| Lejia IOT Project             | 837,735.85      |                                 |                          |                |                                            | 837,735.85      |
| Total                         | 27,542,863.72   |                                 |                          |                | 617,966.06                                 | 28,160,829.78   |

## Section VIII Financial Report

### 19. Right-of-use assets

| Items                                         | Houses and buildings | Production equipment | Transportation equipment |
|-----------------------------------------------|----------------------|----------------------|--------------------------|
| I. Original book value:                       |                      |                      |                          |
| 1. Opening balance                            | 7,414,325,184.86     | 424,335,480.27       | 287,794,375.66           |
| 2. Increase for the current period            |                      |                      |                          |
| (1) Acquisition                               | 839,125,111.44       | 69,060,505.50        | 66,554,028.46            |
| (2) Increase from business combinations       |                      |                      |                          |
| 3. Decrease for the current period            |                      |                      |                          |
| (1) Disposal                                  | 442,834,662.97       | 4,906,292.42         | 21,136,622.99            |
| (2) Disposal of subsidiaries                  |                      |                      |                          |
| 4. Change in foreign exchange rate and others | 380,810,924.40       | 9,998,146.43         | 7,050,297.26             |
| 5. Closing balance                            | 8,191,426,557.73     | 498,487,839.78       | 340,262,078.39           |
| II. Accumulated depreciation                  |                      |                      |                          |
| 1. Opening balance                            | 2,728,106,200.79     | 72,300,559.30        | 141,273,353.79           |
| 2. Increase for the current period            |                      |                      |                          |
| (1) Provision                                 | 623,087,733.49       | 32,380,649.79        | 47,860,539.92            |
| 3. Decrease for the current period            |                      |                      |                          |
| (1) Disposal                                  | 404,315,509.20       | 136,499.46           | 23,315,553.70            |
| (2) Disposal of subsidiaries                  |                      |                      |                          |
| 4. Change in foreign exchange rate and others | 194,441,487.85       | -829,925.81          | 1,983,091.56             |
| 5. Closing balance                            | 3,141,319,912.93     | 103,714,783.82       | 167,801,431.57           |
| III. Impairment provision                     |                      |                      |                          |
| 1. Opening balance                            |                      |                      |                          |
| 2. Increase for the current period            |                      |                      |                          |
| (1) Provision                                 |                      |                      |                          |
| 3. Decrease for the current period            |                      |                      |                          |
| (1) Disposal                                  |                      |                      |                          |
| (2) Disposal of subsidiaries                  |                      |                      |                          |
| 4. Change in foreign exchange rate and others |                      |                      |                          |
| 5. Closing balance                            |                      |                      |                          |
| IV. Book Value                                |                      |                      |                          |
| 1. Closing book balance                       | 5,050,106,644.80     | 394,773,055.96       | 172,460,646.82           |
| 2. Opening book balance                       | 4,686,218,984.07     | 352,034,920.97       | 146,521,021.87           |

## Section VIII Financial Report

(continued)

| Items                                         | Office furniture | Other          | Total             |
|-----------------------------------------------|------------------|----------------|-------------------|
| I. Original book value:                       |                  |                |                   |
| 1. Opening balance                            | 407,420,134.04   | 624,841,431.90 | 9,158,716,606.73  |
| 2. Increase for the current period            |                  |                |                   |
| (1) Acquisition                               | 748,444.05       | 86,884,036.47  | 1,062,372,125.92  |
| (2) Increase from business combinations       |                  |                |                   |
| 3. Decrease for the current period            |                  |                |                   |
| (1) Disposal                                  | 4,371,913.63     | 22,099,005.23  | 495,348,497.24    |
| (2) Disposal of subsidiaries                  |                  |                |                   |
| 4. Change in foreign exchange rate and others | 34,204,873.15    | -2,768,491.58  | 429,295,749.66    |
| 5. Closing balance                            | 438,001,537.61   | 686,857,971.56 | 10,155,035,985.07 |
| II. Accumulated depreciation                  |                  |                |                   |
| 1. Opening balance                            | 65,901,643.86    | 309,265,284.63 | 3,316,847,042.37  |
| 2. Increase for the current period            |                  |                |                   |
| (1) Provision                                 | 22,726,847.88    | 45,259,244.86  | 771,315,015.94    |
| 3. Decrease for the current period            |                  |                |                   |
| (1) Disposal                                  | 4,371,913.63     | 17,842,283.50  | 449,981,759.49    |
| (2) Disposal of subsidiaries                  |                  |                |                   |
| 4. Change in foreign exchange rate and others | -1,776,008.63    | -1,347,868.82  | 192,470,776.15    |
| 5. Closing balance                            | 82,480,569.48    | 335,334,377.17 | 3,830,651,074.97  |
| III. Impairment provision                     |                  |                |                   |
| 1. Opening balance                            |                  |                |                   |
| 2. Increase for the current period            |                  |                |                   |
| (1) Provision                                 |                  |                |                   |
| 3. Decrease for the current period            |                  |                |                   |
| (1) Disposal                                  |                  |                |                   |
| (2) Disposal of subsidiaries                  |                  |                |                   |
| 4. Change in foreign exchange rate and others |                  |                |                   |
| 5. Closing balance                            |                  |                |                   |
| IV. Book Value                                |                  |                |                   |
| 1. Closing book balance                       | 355,520,968.13   | 351,523,594.39 | 6,324,384,910.10  |
| 2. Opening book balance                       | 341,518,490.18   | 315,576,147.27 | 5,841,869,564.36  |

## Section VIII Financial Report

### 20. Intangible assets

#### (1) Intangible assets

√ Applicable    □ Not Applicable

| Items                                         | Proprietary technology | Licenses and franchises | Land use rights  |
|-----------------------------------------------|------------------------|-------------------------|------------------|
| I. Original book value                        |                        |                         |                  |
| 1. Opening balance                            | 2,233,838,691.22       | 5,045,290,131.23        | 3,896,750,377.76 |
| 2. Increase for the current period            |                        |                         |                  |
| (1) Acquisition                               |                        | 15,352.56               | 76,419,471.62    |
| (2) Internal research and development         | 69,980,046.81          |                         |                  |
| (3) Increase from business combinations       |                        |                         |                  |
| 3. Decrease for the current period            |                        |                         |                  |
| (1) Disposal                                  |                        |                         |                  |
| (2) Disposal of subsidiaries                  |                        |                         |                  |
| (3) Transfer to investment properties         |                        |                         |                  |
| 4. Change in foreign exchange rate and others | 77,544,677.40          | 61,765,460.62           | 13,484,758.08    |
| 5. Closing balance                            | 2,381,363,415.43       | 5,107,070,944.41        | 3,986,654,607.46 |
| II. Accumulated amortization                  |                        |                         |                  |
| 1. Opening balance                            | 1,544,511,772.33       | 1,379,799,620.89        | 611,504,507.21   |
| 2. Increase for the current period            |                        |                         |                  |
| (1) Provision                                 | 99,291,747.05          | 97,138,585.99           | 43,433,194.20    |
| (2) Increase from business combinations       |                        |                         |                  |
| 3. Decrease for the current period            |                        |                         |                  |
| (1) Disposal                                  |                        |                         |                  |
| (2) Disposal of subsidiaries                  |                        |                         |                  |
| (3) Transfer to investment properties         |                        |                         |                  |
| 4. Change in foreign exchange rate and others | 43,977,809.69          | 41,997,286.23           | -294,664.59      |
| 5. Closing balance                            | 1,687,781,329.07       | 1,518,935,493.11        | 654,643,036.82   |
| III. Impairment provision                     |                        |                         |                  |
| 1. Opening balance                            |                        | 67,588,227.33           |                  |
| 2. Increase for the current period            |                        |                         |                  |
| (1) Provision                                 |                        |                         |                  |
| (2) Increase from business combinations       |                        |                         |                  |
| 3. Decrease for the current period            |                        |                         |                  |
| (1) Disposal                                  |                        |                         |                  |
| (2) Disposal of subsidiaries                  |                        |                         |                  |
| (3) Transfer to investment properties         |                        |                         |                  |
| 4. Change in foreign exchange rate and others |                        | -270,053.18             |                  |
| 5. Closing balance                            |                        | 67,318,174.15           |                  |
| IV. Book Value                                |                        |                         |                  |
| 1. Closing book balance                       | 693,582,086.36         | 3,520,817,277.15        | 3,332,011,570.64 |
| 2. Opening book balance                       | 689,326,918.89         | 3,597,902,283.01        | 3,285,245,870.55 |

## Section VIII Financial Report

(continued)

| Items                                         | Trademark rights | Customer relationship | Application management software and others | Total             |
|-----------------------------------------------|------------------|-----------------------|--------------------------------------------|-------------------|
| I. Original book value                        |                  |                       |                                            |                   |
| 1. Opening balance                            | 2,771,507,897.39 | 1,635,555,560.33      | 7,212,821,183.79                           | 22,795,763,841.72 |
| 2. Increase for the current period            |                  |                       |                                            |                   |
| (1) Acquisition                               |                  |                       | 241,792,911.97                             | 318,227,736.15    |
| (2) Internal research and development         |                  |                       | 213,256,003.90                             | 283,236,050.71    |
| (3) Increase from business combinations       |                  |                       |                                            |                   |
| 3. Decrease for the current period            |                  |                       |                                            |                   |
| (1) Disposal                                  |                  |                       | 9,227,469.01                               | 9,227,469.01      |
| (2) Disposal of subsidiaries                  |                  |                       |                                            |                   |
| (3) Transfer to investment properties         |                  |                       |                                            |                   |
| 4. Change in foreign exchange rate and others | 194,757,505.82   | 164,784,826.85        | 181,286,504.86                             | 693,623,733.63    |
| 5. Closing balance                            | 2,966,265,403.21 | 1,800,340,387.18      | 7,839,929,135.51                           | 24,081,623,893.20 |
| II. Accumulated amortization                  |                  |                       |                                            |                   |
| 1. Opening balance                            | 34,235,166.67    | 184,372,755.73        | 4,907,168,057.06                           | 8,661,591,879.89  |
| 2. Increase for the current period            |                  |                       |                                            |                   |
| (1) Provision                                 | 6,364,943.11     | 39,682,709.36         | 430,109,734.49                             | 716,020,914.20    |
| (2) Increase from business combinations       |                  |                       |                                            |                   |
| 3. Decrease for the current period            |                  |                       |                                            |                   |
| (1) Disposal                                  |                  |                       | 5,590,363.48                               | 5,590,363.48      |
| (2) Disposal of subsidiaries                  |                  |                       |                                            |                   |
| (3) Transfer to investment properties         |                  |                       |                                            |                   |
| 4. Change in foreign exchange rate and others | 171,759.18       | 13,858,214.93         | 63,909,422.63                              | 163,619,828.07    |
| 5. Closing balance                            | 40,771,868.96    | 237,913,680.02        | 5,395,596,850.70                           | 9,535,642,258.68  |
| III. Impairment provision                     |                  |                       |                                            |                   |
| 1. Opening balance                            |                  |                       | 23,643,666.33                              | 91,231,893.66     |
| 2. Increase for the current period            |                  |                       |                                            |                   |
| (1) Provision                                 |                  |                       |                                            |                   |
| (2) Increase from business combinations       |                  |                       |                                            |                   |
| 3. Decrease for the current period            |                  |                       |                                            |                   |
| (1) Disposal                                  |                  |                       |                                            |                   |
| (2) Disposal of subsidiaries                  |                  |                       |                                            |                   |
| (3) Transfer to investment properties         |                  |                       |                                            |                   |
| 4. Change in foreign exchange rate and others |                  |                       |                                            | -270,053.18       |
| 5. Closing balance                            |                  |                       | 23,643,666.33                              | 90,961,840.48     |
| IV. Book Value                                |                  |                       |                                            |                   |
| 1. Closing book balance                       | 2,925,493,534.25 | 1,562,426,707.16      | 2,420,688,618.48                           | 14,455,019,794.04 |
| 2. Opening book balance                       | 2,737,272,730.72 | 1,451,182,804.60      | 2,282,009,460.40                           | 14,042,940,068.17 |

- (2) At the end of the period, the intangible assets developed through the Company accounted for the 18.92% of the original value at the end of the period (accounting for 18.63% at the beginning of the period).
- (3) The amount of intangible assets pledged at the end of the period was RMB96,501,464.38, and the amount of intangible assets pledged at the beginning of the period was RMB97,328,830.10.

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### 21. Goodwill

| Items  | Opening balance   | Increase for the current period | Decrease for the current period | Change in foreign exchange rate and others | Closing balance   |
|--------|-------------------|---------------------------------|---------------------------------|--------------------------------------------|-------------------|
| GEA    | 21,360,922,505.97 |                                 |                                 | -89,241,338.93                             | 21,271,681,167.04 |
| Candy  | 1,946,245,938.72  |                                 |                                 | 226,726,259.94                             | 2,172,972,198.66  |
| CCR    | 2,141,379,302.22  |                                 |                                 | 232,115,027.75                             | 2,373,494,329.97  |
| Others | 1,935,459,852.15  |                                 |                                 | 81,018,589.22                              | 2,016,478,441.37  |
| Total  | 27,384,007,599.06 |                                 |                                 | 450,618,537.98                             | 27,834,626,137.04 |

In the case of a goodwill impairment test, the Company compares the carrying amount of the relevant asset group or asset group combination (including goodwill) with its recoverable amount. If the recoverable amount is less than the book value, corresponding difference will be recognized in profit or loss.

The recoverable amount of the asset group (including goodwill) is calculated with discounted estimated future cash flow method based on a management-approved 5–15 years budget. Future cash flows beyond the budget period are estimated using the estimated perpetual annual growth rate. The perpetual annual growth rate (mainly 1.5%–2.0%) adopted by the management is consistent with industry forecast data and does not exceed the long-term average growth rate of each product. The management determines the compound income growth rate (mainly 2.58%–9.39%) and the EBITDA profit margin (mainly –0.51%–10.57%) based on historical experience and market development forecasts, and adopts the pre-tax interest rate that can reflect the specific risks of the relevant asset group as the discount rate (mainly 10.31%–12.63%). The management analyzes the recoverable amount of each asset group based on these assumptions and believes that there is no need to make provision for goodwill.

## 22. Long-term amortized expenses

| Items                                 | Opening balance | Increase for the current period | Amortization for the current period | Other decrease | Change in foreign exchange rate and others | Closing balance |
|---------------------------------------|-----------------|---------------------------------|-------------------------------------|----------------|--------------------------------------------|-----------------|
| Renovation fees                       | 204,123,378.57  | 121,469,346.01                  | 125,473,432.01                      |                | 350,013.36                                 | 200,469,305.93  |
| Improvement expenses on leased plants | 199,983,171.28  | 33,148,047.57                   | 22,329,737.35                       |                | 2,063,522.61                               | 212,865,004.11  |
| Others                                | 194,109,883.79  | 26,512,021.22                   | 31,096,899.56                       |                | 1,876,505.43                               | 191,401,510.88  |
| Total                                 | 598,216,433.64  | 181,129,414.80                  | 178,900,068.92                      |                | 4,290,041.40                               | 604,735,820.92  |

## 23. Deferred income tax assets/deferred income tax liabilities

## (1) Deferred income tax assets before elimination

| Items                                                      | Closing balance  | Opening balance  |
|------------------------------------------------------------|------------------|------------------|
| Provision for assets impairment                            | 691,981,589.67   | 601,791,456.35   |
| Liabilities                                                | 3,154,339,908.57 | 3,015,752,813.85 |
| Internal unrealized earnings eliminated due to combination | 588,137,302.88   | 887,557,367.83   |
| Uncovered losses                                           | 216,845,200.00   | 248,331,903.96   |
| R&D expenses                                               | 1,627,294,523.53 | 1,523,977,439.36 |
| Others                                                     | 627,274,920.57   | 620,466,885.20   |
| Total                                                      | 6,905,873,445.22 | 6,897,877,866.55 |

## (2) Deferred income tax liabilities before elimination

| Items                                                                                        | Closing balance  | Opening balance  |
|----------------------------------------------------------------------------------------------|------------------|------------------|
| Assets amortisation                                                                          | 4,972,767,171.56 | 4,823,267,766.46 |
| Remeasurement of fair value of the reaming equity on the day when the control right was lost | 374,198,127.62   | 374,198,127.62   |
| Changes in fair value of investments in other equity instruments                             | 301,824,503.26   | 301,550,087.64   |
| Others                                                                                       | 439,314,164.38   | 468,942,561.47   |
| Total                                                                                        | 6,088,103,966.82 | 5,967,958,543.19 |

- (3) The deferred income tax assets and the deferred income tax liabilities eliminated at the end of the period was RMB4,464,351,533.78 (amount at the beginning of the period RMB4,420,671,374.19).

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### 24. Other non-current assets

| Items                              | Closing balance  | Opening balance  |
|------------------------------------|------------------|------------------|
| Prepayments for equipment and land | 1,247,083,649.62 | 1,381,218,293.01 |
| Others                             | 411,266,775.25   | 378,338,600.62   |
| Total                              | 1,658,350,424.87 | 1,759,556,893.63 |

### 25. Short-term borrowings

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items                                          | Closing balance   | Opening balance   |
|------------------------------------------------|-------------------|-------------------|
| Borrowings — secured by pledge                 | 68,435,097.93     | 46,809,229.31     |
| Borrowings — secured by guarantee              | 161,714,550.04    | 466,702,681.40    |
| Borrowings — secured by credit                 | 15,868,184,989.27 | 13,270,855,533.22 |
| Borrowings — secured by mortgage and guarantee | 29,280,000.00     |                   |
| Total                                          | 16,127,614,637.24 | 13,784,367,443.93 |

### 26. Derivative financial liabilities

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items                              | Closing balance | Opening balance |
|------------------------------------|-----------------|-----------------|
| Forward foreign exchange contracts | 440,096,398.09  | 71,011,310.01   |
| Total                              | 440,096,398.09  | 71,011,310.01   |

### 27. Bills payable

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Types                       | Closing balance   | Opening balance   |
|-----------------------------|-------------------|-------------------|
| Commercial acceptance notes | 11,258,358,504.79 | 8,488,327,100.21  |
| Bank acceptance notes       | 14,150,129,961.20 | 12,732,037,211.60 |
| Total                       | 25,408,488,465.99 | 21,220,364,311.81 |

**28. Accounts payables**√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items             | Closing balance   | Opening balance   |
|-------------------|-------------------|-------------------|
| Accounts payables | 53,257,299,256.55 | 54,665,277,420.32 |
| Total             | 53,257,299,256.55 | 54,665,277,420.32 |

The book balance at the end of the period was mainly the unpaid expenditures on material and labour. There were no significant accounts payables aged over 1 year at the end of the period.

**29. Contract liabilities**√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items                | Closing balance  | Opening balance   |
|----------------------|------------------|-------------------|
| Contract liabilities | 5,710,603,667.36 | 10,865,337,767.67 |
| Total                | 5,710,603,667.36 | 10,865,337,767.67 |

The book balance at the end of the period was mainly due to the advance payment that has been collected and has not yet performed the contractual obligations. There were no significant contract liabilities aged over 1 year at the end of the period.

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### 30. Payables for staff remuneration

√ Applicable    ☐ Not Applicable

#### (1) Payables for staff remuneration

Unit and Currency: RMB

| Items                                                  | Opening balance  | Increase for the current period | Decrease for the current period | Closing balance  |
|--------------------------------------------------------|------------------|---------------------------------|---------------------------------|------------------|
| I. Short-term remuneration                             | 4,970,397,275.48 | 17,034,336,515.06               | 17,693,216,743.16               | 4,311,517,047.38 |
| II. Post-employment benefits defined contribution plan | 24,053,768.47    | 1,273,899,140.40                | 1,241,280,437.44                | 56,672,471.43    |
| III. Termination benefits                              | 17,767,282.21    | 46,810,377.72                   | 28,121,598.54                   | 36,456,061.39    |
| IV. Other benefits due within one year                 | 45,041,951.83    | 0.00                            | 11,251,884.73                   | 33,790,067.10    |
| Total                                                  | 5,057,260,277.99 | 18,355,046,033.18               | 18,973,870,663.87               | 4,438,435,647.30 |

#### (2) Short-term remuneration

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items                                      | Opening balance  | Increase for the current period | Decrease for the current period | Closing balance  |
|--------------------------------------------|------------------|---------------------------------|---------------------------------|------------------|
| I. Salaries, bonus, allowances and benefit | 3,486,859,330.29 | 13,024,898,003.46               | 13,752,801,891.35               | 2,758,955,442.40 |
| II. Employee welfare                       | 387,478,465.49   | 595,540,683.42                  | 561,111,371.56                  | 421,907,777.35   |
| III. Social benefit                        | 266,622,546.55   | 917,334,162.94                  | 903,782,280.67                  | 280,174,428.82   |
| IV. Housing fund                           | 5,690,085.85     | 322,195,513.20                  | 303,836,297.64                  | 24,049,301.41    |
| V. Labor union fee and education fund      | 13,453,646.86    | 77,883,367.29                   | 72,892,482.50                   | 18,444,531.65    |
| VI. Short-term compensated leave           | 278,959,789.45   | 289,158,119.51                  | 309,380,283.53                  | 258,737,625.43   |
| VII. Others                                | 531,333,410.99   | 1,807,326,665.24                | 1,789,412,135.91                | 549,247,940.32   |
| Total                                      | 4,970,397,275.48 | 17,034,336,515.06               | 17,693,216,743.16               | 4,311,517,047.38 |

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### (3) Defined contribution plan

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items                         | Opening balance | Increase for the current period | Decrease for the current period | Closing balance |
|-------------------------------|-----------------|---------------------------------|---------------------------------|-----------------|
| 1. Basic pension insurance    | 22,019,009.13   | 1,213,177,585.15                | 1,182,699,270.41                | 52,497,323.87   |
| 2. Unemployment insurance     | 384,540.87      | 23,027,096.51                   | 22,441,034.34                   | 970,603.04      |
| 3. Enterprise annuity payment | 1,650,218.47    | 37,694,458.74                   | 36,140,132.69                   | 3,204,544.52    |
| Total                         | 24,053,768.47   | 1,273,899,140.40                | 1,241,280,437.44                | 56,672,471.43   |

### (4) Termination benefits

| Items                    | Closing balance | Opening balance |
|--------------------------|-----------------|-----------------|
| Termination compensation | 36,456,061.39   | 17,767,282.21   |
| Total                    | 36,456,061.39   | 17,767,282.21   |

## 31. Taxes payable

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items                                 | Closing balance  | Opening balance  |
|---------------------------------------|------------------|------------------|
| Value-added tax                       | 1,080,794,130.97 | 961,504,803.99   |
| Corporate income tax                  | 2,207,094,090.18 | 2,649,673,418.47 |
| Individual income tax                 | 98,361,951.41    | 127,574,718.36   |
| City maintenance and construction tax | 32,038,914.11    | 40,152,216.35    |
| Education surcharge                   | 16,327,025.64    | 16,711,119.94    |
| Other taxes                           | 173,993,404.07   | 119,603,639.06   |
| Total                                 | 3,608,609,516.38 | 3,915,219,916.17 |

## Section VIII Financial Report

### 32. Other payables

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Items             | Closing balance   | Opening balance   |
|-------------------|-------------------|-------------------|
| Dividends payable | 8,995,192,390.93  | 14,082,609.41     |
| Other payables    | 21,245,355,039.98 | 21,732,053,154.67 |
| Total             | 30,240,547,430.91 | 21,746,135,764.08 |

#### (1) Dividends payable

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Items                     | Closing balance  | Opening balance |
|---------------------------|------------------|-----------------|
| Haier COSMO Co., Ltd.     | 1,214,681,202.55 |                 |
| Haier Group Corporation   | 1,035,112,291.69 |                 |
| Other public shareholders | 6,745,398,896.69 | 14,082,609.41   |
| Total                     | 8,995,192,390.93 | 14,082,609.41   |

#### (2) Other payables

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Items          | Closing balance   | Opening balance   |
|----------------|-------------------|-------------------|
| Other payables | 21,245,355,039.98 | 21,732,053,154.67 |
| Total          | 21,245,355,039.98 | 21,732,053,154.67 |

The closing balance mainly included the incurred but unpaid costs. There were no significant other payables aged over 1 year at the end of the period.

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### 33. Non-current liabilities due within one year

√ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                       | Closing balance   | Opening balance   |
|---------------------------------------------|-------------------|-------------------|
| Long-term borrowings due within one year    | 6,915,081,823.51  | 10,365,227,785.72 |
| Lease liabilities due within one year       | 1,529,016,877.33  | 1,352,476,354.94  |
| Estimated liabilities due within one year   | 2,633,982,143.94  | 2,710,430,236.34  |
| Long term payables due within one year      | 44,950,023.28     | 50,806,318.73     |
| Non-current liabilities due within one year | 14,282,930.74     | 2,051,099,765.64  |
| Bonds interest payable due within one year  | 11,471,250.00     |                   |
| Total                                       | 11,148,785,048.80 | 16,530,040,461.37 |

### 34. Other current liabilities

√ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                      | Closing balance  | Opening balance  |
|--------------------------------------------|------------------|------------------|
| Payable refund                             | 637,978,483.14   | 624,122,847.31   |
| Tax amount to be transferred to output tax | 715,726,430.19   | 1,134,910,313.73 |
| Others                                     | 115,030,454.66   | 140,912,299.35   |
| Total                                      | 1,468,735,367.99 | 1,899,945,460.39 |

### 35. Long-term borrowings

√ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                            | Closing balance   | Opening balance  |
|----------------------------------|-------------------|------------------|
| Borrowings — secured by pledge   | 184,194,404.30    | 108,200,000.00   |
| Borrowings — unsecured by credit | 10,411,422,198.57 | 9,556,874,313.67 |
| Total                            | 10,595,616,602.87 | 9,665,074,313.67 |

The interest rates of the Company's long-term borrowings: 1.50%–5.50%.

## Section VIII Financial Report

### 36. Bonds payable

| Items                                            | Closing balance  | Opening balance |
|--------------------------------------------------|------------------|-----------------|
| Medium-term notes                                | 3,511,471,250.00 |                 |
| Less: Bonds interest payable due within one year | 11,471,250.00    |                 |
| Total                                            | 3,500,000,000.00 |                 |

As of 30 June 2025, the balance of bonds payable is as follows:

| Name of bonds | Face value | Coupon rate | Date of issue | Bonds maturity | Issue amount     | Opening balance | Current issue    | Interest provision at face value | Premium/ discount amortization | Current repayment | Reclassified as due within one year | Closing balance  | whether there is a breach of contract |
|---------------|------------|-------------|---------------|----------------|------------------|-----------------|------------------|----------------------------------|--------------------------------|-------------------|-------------------------------------|------------------|---------------------------------------|
| MTN001        | 100        | 1.99%       | 2025/2/25     | 3 years        | 1,500,000,000.00 |                 | 1,500,000,000.00 | 10,364,583.33                    |                                |                   | 10,364,583.33                       | 1,500,000,000.00 | No                                    |
| MTN002        | 100        | 1.66%       | 2025/6/17     | 3 years        | 2,000,000,000.00 |                 | 2,000,000,000.00 | 1,106,666.67                     |                                |                   | 1,106,666.67                        | 2,000,000,000.00 | No                                    |
| Total         |            |             |               |                | 3,500,000,000.00 |                 | 3,500,000,000.00 | 11,471,250.00                    |                                |                   | 11,471,250.00                       | 3,500,000,000.00 |                                       |

### 37. Lease liabilities

| Items                                       | Closing balance  | Opening balance  |
|---------------------------------------------|------------------|------------------|
| Lease liabilities                           | 6,445,269,459.30 | 5,833,372,352.30 |
| Less: lease liabilities due within one year | 1,529,016,877.33 | 1,352,476,354.94 |
| Total                                       | 4,916,252,581.97 | 4,480,895,997.36 |

### 38. Long-term payables

| Items                                        | Closing balance | Opening balance |
|----------------------------------------------|-----------------|-----------------|
| Investment from CDB development fund         | 36,500,000.00   | 36,500,000.00   |
| Others                                       | 146,627,591.82  | 202,526,375.32  |
| Less: long-term payables due within one year | 44,950,023.28   | 50,806,318.73   |
| Total                                        | 138,177,568.54  | 188,220,056.59  |

Under the Investment Contract of China Development Fund executed by the Company and its subsidiaries including Qingdao Haier Air Conditioner Gen Corp., Ltd., Qingdao Haier (Jiaozhou) Air-conditioning Co., Limited together with China Development Fund Co. Ltd. in 2015 and 2016, China Development Fund Co. Ltd. invested RMB73 million in Qingdao Haier (Jiaozhou) Air-conditioning Co., Limited. China Development Fund Co. Ltd. obtained an annual return of 1.2% by means of dividends or buyback premium for the above investments. As of the end of the period, the subsidiaries of the Company made buyback in amount of RMB36.5 million.

**39. Long-term employee benefits payable**√ Applicable   ☐ Not Applicable**(1) Long-term employee benefits payable**√ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                                               | Closing balance  | Opening balance  |
|---------------------------------------------------------------------|------------------|------------------|
| I. Post-employment benefits: net liability of defined benefit plans | 1,810,349,667.72 | 1,766,487,772.54 |
| II. Termination benefits                                            | 575,746,527.21   | 541,765,948.00   |
| III. Other long-term benefits                                       | 100,396,953.09   | 100,022,169.77   |
| IV. Provision for work-related injury compensation                  | 173,367,783.76   | 153,371,556.04   |
| Total                                                               | 2,659,860,931.78 | 2,561,647,446.35 |

**(2) Defined benefits plans**

Some subsidiaries of the Company have set several defined benefit plans for the qualified staff. Under these plans, the employees are entitled to the retirement benefits agreed in such defined benefit plans.

These plans are exposed to interest rate risks, changes in life expectancy of the beneficiary and other risks.

The recent actuarial evaluation of the assets and the present value of defined benefit obligations under such plans are determined by using the projected unit credit method.

① ***The defined benefit plan of HaierU.S.ApplianceSolutions,Inc., a subsidiary of the Company***

HaierU.S.ApplianceSolutions,Inc., a subsidiary of the Company has provided post-employment defined benefit plan of health care benefits to eligible employees.

*Actuarial assumptions used in the defined benefit plan*

| Items         | Rate  |
|---------------|-------|
| Discount rate | 5.51% |

## Section VIII Financial Report

### *Present value of defined benefit obligations*

| Items                                                             | Amount         |
|-------------------------------------------------------------------|----------------|
| I. Opening balance                                                | 138,011,845.57 |
| II. Business combination not under common control                 |                |
| III. Defined benefit cost recognized in current profit or loss    | -11,743,337.59 |
| 1. Current service cost                                           |                |
| 2. Past service cost                                              |                |
| 3. Settlement gains (losses are represented by '-')               |                |
| 4. Interest cost                                                  | -11,743,337.59 |
| IV. Defined benefit cost recognized in other comprehensive income |                |
| 1. Actuarial losses (gains are represented by '-')                |                |
| V. Other changes                                                  | -22,668,625.98 |
| 1. The consideration paid at the time of settlement               |                |
| 2. Benefit paid                                                   | -22,194,274.48 |
| 3. Exchange differences                                           | -474,351.50    |
| VI. Closing balance                                               | 103,599,882.00 |

### *Net liability (net asset) of the defined benefit plan*

| Items                                                             | Amount         |
|-------------------------------------------------------------------|----------------|
| I. Opening balance                                                | 138,011,845.57 |
| II. Business combination not under common control                 |                |
| III. Defined benefit cost recognized in current profit or loss    | -11,743,337.59 |
| IV. Defined benefit cost recognized in other comprehensive income |                |
| V. Other changes                                                  | -22,668,625.98 |
| VI. Closing balance                                               | 103,599,882.00 |

② **The defined benefit plan of CarrierRefrigerationBeneluxB.V, a subsidiary of the Company**

CarrierRefrigerationBeneluxB.V., a subsidiary of the Company, has provided post-retirement defined benefit plan of health care benefits for the eligible employees.

*Actuarial assumptions used in the defined benefit plan*

| Items         | Rate  |
|---------------|-------|
| Discount rate | 3.30% |

*Present value of defined benefit obligations*

| Items                                                             | Amount           |
|-------------------------------------------------------------------|------------------|
| I. Opening balance                                                | 1,423,443,470.41 |
| II. Business combination not under common control                 |                  |
| III. Defined benefit cost recognized in current profit or loss    | 27,876,203.99    |
| 1. Current service cost                                           | 4,550,387.66     |
| 2. Past service cost                                              |                  |
| 3. Settlement gains (losses are represented by '-')               |                  |
| 4. Interest cost                                                  | 23,325,816.33    |
| IV. Defined benefit cost recognized in other comprehensive income | -130,196,605.30  |
| 1. Actuarial losses (gains are represented by '-')                | -130,196,605.30  |
| V. Other changes                                                  | 73,768,244.65    |
| 1. The consideration paid at the time of settlement               |                  |
| 2. Benefit paid                                                   | -23,362,234.12   |
| 3. Exchange differences                                           | 97,130,478.77    |
| VI. Closing balance                                               | 1,394,891,313.75 |

## Section VIII Financial Report

### *Fair value of plan assets*

| Items                                                                      | Amount        |
|----------------------------------------------------------------------------|---------------|
| I. Opening balance                                                         | 50,570,397.42 |
| II. Business combination not under common control                          |               |
| III. Defined benefit cost recognized in current profit or loss             |               |
| 1. Interest income                                                         |               |
| IV. Defined benefit cost recognized in other comprehensive income          |               |
| 1. Return on plan assets (except those included in net interests)          |               |
| 2. Changes in impact of asset cap (except those included in net interests) |               |
| V. Other changes                                                           | 3,777,042.00  |
| 1. Employer contributions                                                  |               |
| 2. Benefit paid                                                            |               |
| 3. Exchange differences                                                    | 3,777,042.00  |
| VI. Closing balance                                                        | 54,347,439.42 |

### *Net liability (net asset) of the defined benefit plan*

| Items                                                             | Amount           |
|-------------------------------------------------------------------|------------------|
| I. Opening balance                                                | 1,372,873,072.99 |
| II. Business combination not under common control                 |                  |
| III. Defined benefit cost recognized in current profit or loss    | 27,876,203.99    |
| IV. Defined benefit cost recognized in other comprehensive income | -130,196,605.30  |
| V. Other changes                                                  | 69,991,202.65    |
| VI. Closing balance                                               | 1,340,543,874.33 |

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### *Classification of the balance of defined benefit plans*

| Items              | Closing balance  | Opening balance  |
|--------------------|------------------|------------------|
| Short-term Benefit | 25,763,889.81    | 37,042,017.07    |
| Long-term Benefit  | 1,810,349,667.72 | 1,766,487,772.54 |
| Total              | 1,836,113,557.53 | 1,803,529,789.61 |

#### 40. Estimated liabilities

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items                                                 | Closing balance  | Opening balance  |
|-------------------------------------------------------|------------------|------------------|
| Active litigation                                     | 34,489,279.27    | 52,893,571.31    |
| Others                                                | 402,474,952.22   | 353,215,103.35   |
| Projection of warranty expenses and installation fees | 1,967,373,906.20 | 1,980,153,078.26 |
| Total                                                 | 2,404,338,137.69 | 2,386,261,752.92 |

Significant assumption and estimation relating to estimation of warranty expenses and installation fees: the Company reasonably estimated the warranty expenses and installation fees rate based on its actual expenses on the warranty expenses and installation fees as well as sales data in the past. The Company estimated the warranty expenses and installation fees that are likely to be incurred in the future according to its policies on the warranty expenses and installation fees, as well as the actual sales data.

#### 41. Deferred income

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items             | Opening balance  | Increase for the current period | Decrease for the current period | Closing balance  |
|-------------------|------------------|---------------------------------|---------------------------------|------------------|
| Government grants | 1,252,216,590.03 | 118,604,129.24                  | 59,442,075.14                   | 1,311,378,644.13 |
| Total             | 1,252,216,590.03 | 118,604,129.24                  | 59,442,075.14                   | 1,311,378,644.13 |

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### 42. Share capital

| Share category                                            | Opening balance | Increase for the current period | Decrease for the current period | Closing balance |
|-----------------------------------------------------------|-----------------|---------------------------------|---------------------------------|-----------------|
| I. Restricted shares                                      |                 |                                 |                                 |                 |
| 1. State-owned shares                                     |                 |                                 |                                 |                 |
| 2. Shares held by domestic non-state-owned legal entities |                 |                                 |                                 |                 |
| 3. Shares held by domestic individuals                    |                 |                                 |                                 |                 |
| 4. Shares held by offshore non-state-owned legal entities |                 |                                 |                                 |                 |
| II. Non-restricted shares                                 | 9,382,913,334   |                                 |                                 | 9,382,913,334   |
| 1. Ordinary shares in RMB                                 | 6,254,501,095   |                                 |                                 | 6,254,501,095   |
| 2. Domestic listed foreign Shares                         |                 |                                 |                                 |                 |
| 3. Offshore listed foreign Shares                         | 3,128,412,239   |                                 |                                 | 3,128,412,239   |
| 4. Others                                                 |                 |                                 |                                 |                 |
| III. Total shares                                         | 9,382,913,334   |                                 |                                 | 9,382,913,334   |

### 43. Capital reserve

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items                           | Opening balance   | Increase for the current period | Decrease for the current period | Closing balance   |
|---------------------------------|-------------------|---------------------------------|---------------------------------|-------------------|
| Capital premium (Share premium) | 18,567,161,037.20 | 6,098,611.77                    | 692,993,540.95                  | 17,880,266,108.02 |
| Others capital reserve          | 1,743,057,184.84  | 221,073,939.39                  |                                 | 1,964,131,124.23  |
| Total                           | 20,310,218,222.04 | 227,172,551.16                  | 692,993,540.95                  | 19,844,397,232.25 |

The main reasons for the change in capital premium: capital reduction by the minority shareholders for the current period resulted in the decrease in capital premium of RMB305,871,527.15; share premium in the current period was offset by combination under common control of RMB385,944,236.13.

The main reasons for the change in other capital reserves: the amortized share-based payment for the current period included in other capital reserves of RMB221,073,939.39.

## 44. Treasury stock

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Items          | Opening balance  | Increase for the current period | Decrease for the current period | Closing balance  |
|----------------|------------------|---------------------------------|---------------------------------|------------------|
| Treasury stock | 3,510,728,776.44 | 856,403,284.46                  |                                 | 4,367,132,060.90 |
| Total          | 3,510,728,776.44 | 856,403,284.46                  |                                 | 4,367,132,060.90 |

The main reasons for the change in treasury stock: the repurchase of treasury stock for the current period of RMB856,403,284.46.

## 45. Other comprehensive income

| Items | Opening balance  | Amounts for the current period         |                                         |                                                    |                                                          |  | Others           | Closing balance |
|-------|------------------|----------------------------------------|-----------------------------------------|----------------------------------------------------|----------------------------------------------------------|--|------------------|-----------------|
|       |                  | Amount before<br>current income<br>tax | Deduction of<br>impact of income<br>tax | Attributable to the<br>parent company<br>after tax | Attributable to<br>minority<br>shareholders<br>after tax |  |                  |                 |
| a     | -362,738,623.59  | 30,761,163.87                          |                                         | 28,468,182.86                                      | 2,292,981.01                                             |  | -334,270,440.73  |                 |
| b     | -122,083,113.66  | -166,241,633.23                        | 33,928,506.29                           | -130,457,670.38                                    | -1,855,456.56                                            |  | -252,540,784.04  |                 |
| c     | 83,057,616.24    | 1,711,876,540.52                       |                                         | 1,715,243,628.31                                   | -3,367,087.79                                            |  | 1,798,301,244.55 |                 |
| d     | 1,081,059,271.89 | -377,719,032.49                        | 83,807,965.31                           | -293,914,281.42                                    | 3,214.24                                                 |  | 787,144,990.47   |                 |
| e     | 146,207,709.59   | 134,750,500.02                         | 1,107,369.60                            | 135,857,881.73                                     | -12.11                                                   |  | 282,065,591.32   |                 |
| Total | 825,502,860.47   | 1,333,427,538.69                       | 118,843,841.20                          | 1,455,197,741.10                                   | -2,926,361.21                                            |  | 2,280,700,601.57 |                 |

Notes:

(1) Item a, b, and c are other comprehensive income that will be reclassified to profit or loss, the details are as follows:

Item a represents other comprehensive income classified to profit and loss under the equity method.

Item b represents cash flow hedge reserves (the effective part of the cash flow hedge profit and loss).

Item c represents exchange differences on translation of financial statements denominated in foreign currencies.

(2) Item d and e are other comprehensive income that cannot be reclassified into profit or loss. Details are as follows:

Item d represents the change in fair value of investments in other equity instruments.

Item e represents changes arising from remeasurement of net liabilities or assets of defined benefit plans.

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### 46. Surplus reserve

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Items                         | Opening balance  | Increase for the current period | Decrease for the current period | Closing balance  |
|-------------------------------|------------------|---------------------------------|---------------------------------|------------------|
| Statutory surplus reserve     | 5,248,946,090.86 |                                 |                                 | 5,248,946,090.86 |
| Discretionary surplus reserve | 26,042,290.48    |                                 |                                 | 26,042,290.48    |
| Reserve fund                  | 11,322,880.64    |                                 |                                 | 11,322,880.64    |
| Enterprise expansion fund     | 10,291,630.47    |                                 |                                 | 10,291,630.47    |
| Total                         | 5,296,602,892.45 |                                 |                                 | 5,296,602,892.45 |

Pursuant to the Company Law of the People's Republic of China and the Articles of Association, the Company is required to appropriate the statutory surplus reserve at 10% of its net profit of the year. When the accumulated statutory surplus reserve reaches 50% of the registered capital, no further withdrawal will be made.

### 47. Undistributed profits

☒ Applicable ☐ Not Applicable

| Items                                                              | Amounts           |
|--------------------------------------------------------------------|-------------------|
| Undistributed profits at the end of previous year                  | 79,288,144,269.76 |
| Change in accounting policy                                        |                   |
| Combination under common control                                   | 186,221,964.94    |
| Undistributed profits at the beginning of the year                 | 79,474,366,234.70 |
| Add: net profit attributable to owners of the parent company       | 12,032,995,820.27 |
| Other transfer in                                                  | -58,758,990.66    |
| Adjustment due to implementation of enterprise accounting standard |                   |
| Profit available for distribution for the year                     | 91,448,603,064.31 |
| Less: appropriation of statutory surplus reserve                   |                   |
| Dividend payable for ordinary shares                               | -8,991,794,045.13 |
| Undistributed profits at the end of the period                     | 82,456,809,019.18 |

## 48. Operating income and operating cost

## (1) Operating income

| Items            | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|------------------|-------------------------------------|--------------------------------------|
| Primary business | 155,737,423,233.75                  | 141,200,772,557.97                   |
| Other Business   | 756,611,215.10                      | 781,710,047.78                       |
| Total            | 156,494,034,448.85                  | 141,982,482,605.75                   |

## (2) Primary business income and primary business cost by product category

| Categories                                              | Amount for the current period |                          | Amount for the previous period |                          |
|---------------------------------------------------------|-------------------------------|--------------------------|--------------------------------|--------------------------|
|                                                         | Primary<br>business income    | Primary<br>business cost | Primary<br>business income     | Primary<br>business cost |
| Air conditioner                                         | 32,773,116,118.25             | 24,821,013,600.94        | 29,010,601,435.70              | 22,060,525,312.37        |
| Refrigerator                                            | 42,517,263,682.82             | 30,243,865,847.23        | 40,858,797,164.04              | 29,158,061,137.72        |
| Kitchen appliance                                       | 20,507,654,798.42             | 14,636,534,679.15        | 20,121,663,515.89              | 14,415,361,584.50        |
| Water appliance                                         | 9,568,195,570.47              | 6,035,597,553.81         | 7,891,692,972.94               | 5,002,145,224.53         |
| Washing machine                                         | 31,645,348,772.57             | 22,036,825,098.96        | 29,427,102,302.00              | 20,539,974,853.10        |
| Equipment product and<br>integrated channel<br>services | 18,725,844,291.22             | 16,413,846,241.67        | 13,890,915,167.40              | 12,443,153,339.38        |
| Total                                                   | 155,737,423,233.75            | 114,187,683,021.76       | 141,200,772,557.97             | 103,619,221,451.60       |

## 49. Taxes and surcharge

☒ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                 | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|---------------------------------------|-------------------------------------|--------------------------------------|
| City maintenance and construction tax | 216,826,875.38                      | 205,158,082.67                       |
| Education surcharge                   | 111,002,174.00                      | 119,339,956.37                       |
| Property tax                          | 87,636,662.47                       | 73,405,594.04                        |
| Land use tax                          | 26,449,754.79                       | 24,445,566.26                        |
| Stamp duty                            | 207,214,672.39                      | 160,693,601.14                       |
| Others                                | 30,424,664.05                       | 27,259,516.58                        |
| Total                                 | 679,554,803.08                      | 610,302,317.06                       |

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### 50. Selling expenses

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Items            | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|------------------|-------------------------------------|--------------------------------------|
| Selling expenses | 15,816,814,510.07                   | 14,517,816,334.58                    |
| Total            | 15,816,814,510.07                   | 14,517,816,334.58                    |

The Company's selling expenses are mainly salary expenses, transportation and storage fees, and advertising and promotion fees.

### 51. Administrative expenses

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Items                   | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|-------------------------|-------------------------------------|--------------------------------------|
| Administrative expenses | 5,891,046,898.48                    | 5,382,166,653.05                     |
| Total                   | 5,891,046,898.48                    | 5,382,166,653.05                     |

The Company's administrative expenses are mainly salary expenses, office fees, depreciation and amortization of assets fees, etc.

**52. R&D expenses**

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Items        | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|--------------|-------------------------------------|--------------------------------------|
| R&D expenses | 5,790,436,804.10                    | 5,182,598,681.20                     |
| Total        | 5,790,436,804.10                    | 5,182,598,681.20                     |

The Company's R&D expenses are mainly salary expenses, R&D equipment expenses, inspection and testing fees.

**53. Financial expenses**

| Items                                                      | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|------------------------------------------------------------|-------------------------------------|--------------------------------------|
| Interest expense                                           | 1,446,615,689.51                    | 1,252,571,601.13                     |
| Less: interest income                                      | 908,582,647.56                      | 947,056,127.00                       |
| Less: cash discount                                        | 102,284,390.50                      | 62,102,125.84                        |
| Exchange gains or losses<br>(gains are represented by '-') | -881,376,818.22                     | -263,159,366.26                      |
| Others                                                     | 94,770,605.30                       | 72,791,807.54                        |
| Total                                                      | -350,857,561.47                     | 53,045,789.57                        |

Interest expenditure in lease liabilities for the current period was RMB176,593,110.63 (amount for the corresponding period: RMB96,013,680.91).

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### 54. Other income

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Classified by nature                 | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|--------------------------------------|-------------------------------------|--------------------------------------|
| Government grants related to revenue | 728,969,755.04                      | 532,638,111.02                       |
| Government grants related to assets  | 46,244,753.38                       | 52,786,262.32                        |
| Total                                | 775,214,508.42                      | 585,424,373.34                       |

### 55. Investment income (losses are represented by '-')

| Items                                                                                                                            | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------|
| Long-term equity investments income calculated<br>by the equity method                                                           | 850,409,233.36                      | 913,969,362.35                       |
| Investment income from disposal of long-term<br>equity investments                                                               | -4,387,023.49                       | -14,953,215.38                       |
| Investment income from other equity instrument<br>investments during holding period                                              | 3,225,726.29                        | 2,996,902.10                         |
| Income from wealth management products                                                                                           | 45,175,048.95                       | 29,641,941.56                        |
| Investment income from disposal of financial<br>assets measured at fair value with changes<br>included in current profit or loss | 22,835,518.25                       | 76,000.00                            |
| Total                                                                                                                            | 917,258,503.36                      | 931,730,990.63                       |

**56. Gains on changes in fair value (losses are represented by '-')**

| Items                                       | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|---------------------------------------------|-------------------------------------|--------------------------------------|
| Changes in fair value of equity investments | -4,275,003.34                       | -54,049,574.20                       |
| Changes in fair value of fund investments   | 25,935,689.85                       | 22,787,943.83                        |
| Others                                      | 13,092,854.12                       | 1,696,032.55                         |
| Total                                       | 34,753,540.63                       | -29,565,597.82                       |

**57. Credit impairment losses**

☒ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                   | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|-----------------------------------------|-------------------------------------|--------------------------------------|
| Bad debts losses on bills receivables   | 184,079.11                          | 360,918.35                           |
| Bad debts losses on accounts receivable | -55,292,827.56                      | -136,457,834.87                      |
| Bad debts losses on other receivable    | -16,803,339.40                      | 66,301,974.49                        |
| Total                                   | -71,912,087.85                      | -69,794,942.03                       |

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### 58. Impairment losses on assets (losses are represented by '-')

| Items                                                | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|------------------------------------------------------|-------------------------------------|--------------------------------------|
| Impairment losses on inventory                       | -464,995,039.52                     | -428,210,654.99                      |
| Impairment losses on other current assets            | -279,221,989.21                     | -280,012,125.83                      |
| Impairment losses on fixed assets                    |                                     |                                      |
| Impairment losses on construction in progress        |                                     |                                      |
| Impairment losses on intangible assets               |                                     |                                      |
| Impairment losses on contract assets                 | 103,983.91                          | 1,738,301.13                         |
| Impairment losses on long-term equity<br>investments |                                     |                                      |
| Impairment losses on prepayments                     |                                     | 46,943.81                            |
| Total                                                | -744,113,044.82                     | -706,437,535.88                      |

### 59. Gains on disposal of assets

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items                                    | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|------------------------------------------|-------------------------------------|--------------------------------------|
| Gains on disposal of non-current assets  | 6,280,751.77                        | 9,015,344.34                         |
| Losses on disposal of non-current assets | -13,648,789.31                      | -10,585,042.83                       |
| Total                                    | -7,368,037.54                       | -1,569,698.49                        |

**60. Non-operating income**√ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                   | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|-----------------------------------------|-------------------------------------|--------------------------------------|
| Gains on disposal of non-current assets | 4,626,638.73                        | 96,154.87                            |
| Quality claims and fines                | 23,563,630.75                       | 24,265,721.43                        |
| Others                                  | 93,665,386.66                       | 52,128,870.17                        |
| Total                                   | 121,855,656.14                      | 76,490,746.47                        |

**61. Non-operating expenses**√ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                    | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|------------------------------------------|-------------------------------------|--------------------------------------|
| Losses on disposal of non-current assets | 18,593,317.72                       | 7,312,366.85                         |
| Others                                   | 239,145,458.34                      | 89,585,857.27                        |
| Total                                    | 257,738,776.06                      | 96,898,224.12                        |

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### 62. Income tax expenses

#### (1) Statement of income tax expenses

| Items                       | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|-----------------------------|-------------------------------------|--------------------------------------|
| Current income tax expense  | 2,258,469,724.26                    | 2,273,026,691.14                     |
| Deferred income tax expense | 253,470,624.41                      | -65,850,873.88                       |
| Total                       | 2,511,940,348.67                    | 2,207,175,817.26                     |

#### (2) Reconciliation between accounting profit and income tax expenses for the current period

| Items                                                                                            | Amounts           |
|--------------------------------------------------------------------------------------------------|-------------------|
| Total accounting profit                                                                          | 14,997,056,148.11 |
| Income tax expense calculated pursuant to statutory tax rate                                     | 3,749,264,037.03  |
| Impact from different tax rates applicable to subsidiaries                                       | -1,395,463,023.45 |
| Impact from adjustment to income tax in prior periods                                            | -238,625,913.73   |
| Impact from non-taxable income                                                                   | -238,916,572.24   |
| Impact from non-deductible cost, expense and loss                                                | 215,003,853.81    |
| Impact from deductible provisional differences or deductible losses of unrecognized deferred tax | 447,958,728.00    |
| Others                                                                                           | -27,280,760.75    |
| Total income tax expense                                                                         | 2,511,940,348.67  |

### 63. Other comprehensive income

√ Applicable    ☐ Not Applicable

Please refer to notes VII.45 for details.

## 64. Cash flow statement items

## (1) Cash related to operating activities

***Other cash received from operating activities***√ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                            | Amount for the current period |
|--------------------------------------------------|-------------------------------|
| Deposits and securities                          | 271,876,028.06                |
| Government grants                                | 466,806,344.50                |
| Non-operating income excluding government grants | 36,649,145.18                 |
| Interest income                                  | 654,969,731.79                |
| Others                                           | 81,883,220.07                 |
| Total                                            | 1,512,184,469.60              |

***Other cash paid to operating activities***√ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                         | Amount for the current period |
|-----------------------------------------------|-------------------------------|
| Cash paid on selling and after-sales expenses | 7,723,584,328.13              |
| Cash paid on administrative and R&D expenses  | 3,623,107,522.91              |
| Cash paid on financial expenses               | 88,422,457.30                 |
| Non-operating expenses                        | 18,627,498.30                 |
| Deposits and securities                       | 32,264,475.02                 |
| Others                                        | 58,659,663.70                 |
| Total                                         | 11,544,665,945.36             |

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### (2) Cash related to investing activities

#### ***Other cash received from significant investing activities***

√ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                    | Amount for the current period |
|------------------------------------------|-------------------------------|
| Redemption of wealth management products | 19,962,026,830.53             |
| Total                                    | 19,962,026,830.53             |

#### ***Other cash paid to significant investing activities***

√ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                  | Amount for the current period |
|----------------------------------------|-------------------------------|
| Purchase of wealth management products | 26,918,044,657.46             |
| Total                                  | 26,918,044,657.46             |

#### ***Other cash received from investing activities***

√ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Items                                                                   | Amount for the current period |
|-------------------------------------------------------------------------|-------------------------------|
| Recovery of amounts from disposal of equity interests in previous years | 128,938,719.56                |
| Others                                                                  | 2,490,086.58                  |
| Total                                                                   | 131,428,806.14                |

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### (3) Cash related to financing activities

√ Applicable ☐ Not Applicable

Unit and Currency: RMB

Other cash received from financing activities

| Items                                                                         | Amount for the current period |
|-------------------------------------------------------------------------------|-------------------------------|
| Amount recovered from the capital pool of COSMOPlat Mould (Qingdao) Co., Ltd. | 111,646,384.65                |
| Total                                                                         | 111,646,384.65                |

Other cash paid to financing activities

√ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Items                                                   | Amount for the current period |
|---------------------------------------------------------|-------------------------------|
| Repurchase of shares                                    | 856,403,284.46                |
| Cash paid to lease                                      | 813,449,403.83                |
| Purchase of minority interests in subsidiaries          | 2,155,055,760.34              |
| Cash paid for business combination under common control | 77,749,769.26                 |
| Others                                                  | 2,904,023.09                  |
| Total                                                   | 3,905,562,240.98              |

### Changes of various liabilities arising from financing activities

√ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Items                                                      | Opening balance   | Increase for the current period |                  | Decrease for the current period |                 | Closing balance   |
|------------------------------------------------------------|-------------------|---------------------------------|------------------|---------------------------------|-----------------|-------------------|
|                                                            |                   | Cash change                     | Non-cash change  | Cash change                     | Non-cash change |                   |
| Short-term borrowings                                      | 13,784,367,443.93 | 11,512,725,588.49               | 218,280,882.32   | 9,347,387,559.64                | 40,371,717.86   | 16,127,614,637.24 |
| Long-term borrowings (including those due within one year) | 20,030,302,099.39 | 2,306,085,839.54                | 146,536,745.55   | 4,972,226,258.10                |                 | 17,510,698,426.38 |
| Lease liabilities (including those due within one year)    | 5,833,372,352.27  |                                 | 1,464,770,128.25 | 813,449,403.83                  | 39,423,617.39   | 6,445,269,459.30  |
| Bonds payable (including those due within one year)        |                   | 3,500,000,000.00                | 11,471,250.00    |                                 |                 | 3,511,471,250.00  |
| Total                                                      | 39,648,041,895.59 | 17,318,811,428.03               | 1,841,059,006.12 | 15,133,063,221.57               | 79,795,335.25   | 43,595,053,772.92 |

## Section VIII Financial Report

### 65. Supplementary information to the cash flow statement

#### (1) Supplementary information to the cash flow statement

| Supplementary information                                                                                         | Amount for the current period | Amount for the previous period |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------|
| <b>1. Net profit adjusted to cash flow of operating activities:</b>                                               |                               |                                |
| Net profit                                                                                                        | 12,485,115,799.44             | 10,773,597,554.50              |
| Add: impairment provision for assets                                                                              | 744,113,044.82                | 706,437,535.88                 |
| Losses from credit impairment                                                                                     | 71,912,087.85                 | 69,794,942.03                  |
| Depreciation of fixed assets, depletion of oil and gas assets, depreciation of biological assets for production   | 2,519,985,504.97              | 2,321,884,231.99               |
| Amortization of right-of-use assets                                                                               | 771,315,015.94                | 735,739,606.98                 |
| Amortization of intangible assets                                                                                 | 716,020,914.20                | 689,256,426.61                 |
| Amortization of long-term prepaid expenses                                                                        | 178,900,068.92                | 236,321,231.56                 |
| Losses from disposal of fixed assets, intangible assets and other long-term assets (gains are represented by “—”) | 21,334,716.53                 | 8,785,910.47                   |
| Losses from changes of fair value (gains are represented by “—”)                                                  | -34,753,540.63                | 29,565,597.82                  |
| Financial expenses (gains are represented by “—”)                                                                 | 1,326,152,965.53              | 803,559,417.21                 |
| Losses from investments (gains are represented by “—”)                                                            | -917,258,503.36               | -931,730,990.63                |
| Decrease in deferred income tax assets (increase is represented by “—”)                                           | 217,417,921.39                | -18,620,089.52                 |
| Increase of deferred income tax liabilities (decrease is represented by “—”)                                      | 36,052,703.02                 | -47,230,784.35                 |
| Decrease in inventories (increase is represented by “—”)                                                          | -772,501,496.05               | -383,440,948.12                |
| Decrease of operational account receivables (increase is represented by “—”)                                      | -1,945,082,457.96             | -3,781,790,557.04              |
| Increase of operational account payables (decrease is represented by “—”)                                         | -4,559,914,956.76             | -2,961,721,296.82              |
| Others                                                                                                            | 280,235,993.49                | 173,652,814.86                 |
| Net cash flow generated from operational activities                                                               | 11,139,045,781.34             | 8,424,060,603.43               |

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| Supplementary information                                                                          | Amount for the current period | Amount for the previous period |
|----------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------|
| <b>2. Significant investment and financing activities not involving cash inflows and outflows:</b> |                               |                                |
| Capital transferred from debts                                                                     |                               |                                |
| Convertible corporate bonds due within one year                                                    |                               |                                |
| Fixed assets under finance lease                                                                   |                               |                                |
| <b>3. Net changes of cash and cash equivalents:</b>                                                |                               |                                |
| Cash balance at the end of the period                                                              | 54,514,391,673.07             | 55,403,830,583.32              |
| Less: cash balance at the beginning of the period                                                  | 54,994,595,280.18             | 56,715,672,668.25              |
| Add: cash equivalents balance at the end of the period                                             |                               |                                |
| Less: cash equivalents balance at the beginning of the period                                      |                               |                                |
| Net increase of cash and cash equivalents                                                          | -480,203,607.11               | -1,311,842,084.93              |

### (2) Composition of cash and cash equivalents

| Items                                                                                                   | Closing balance   | Opening balance   |
|---------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| I. Cash                                                                                                 | 54,514,391,673.07 | 54,994,595,280.18 |
| Including: Cash on hand                                                                                 | 1,685,740.35      | 560,953.91        |
| Bank deposits always available for payment                                                              | 53,646,652,252.87 | 54,256,005,280.85 |
| Other monetary funds always available for payment                                                       | 866,053,679.85    | 738,029,045.42    |
| II. Cash equivalents                                                                                    |                   |                   |
| Including: bond investments due within three months                                                     |                   |                   |
| III. Closing balance of cash and cash equivalents                                                       | 54,514,391,673.07 | 54,994,595,280.18 |
| Including: restricted cash and cash equivalents used by the parent company or subsidiaries of the Group |                   |                   |

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### (3) Monetary funds that are not cash and cash equivalents

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Items                              | Closing balance | Opening balance | Reasons                         |
|------------------------------------|-----------------|-----------------|---------------------------------|
| Deposit                            | 769,431,523.05  | 532,703,901.59  | Poor marketability, not readily |
| Restricted special account deposit | 40,756,203.22   | 36,317,505.47   | realizable, or not available    |
| Others                             | 32,523,137.48   | 33,937,935.59   | for payment                     |
| Total                              | 842,710,863.75  | 602,959,342.65  | /                               |

### (4) Information about Supplier Financing Arrangements

#### 1) Terms and conditions of supplier financing arrangements

- ① Accounts payable financing factoring: The subsidiaries of the Company engage in accounts payable financing with banks, whereby the subsidiaries of the Company apply to the banks for the banks to directly pay the supplier on the due date of the accounts payable. Upon the expiration of the agreed financing period (generally 6–12 months), the subsidiaries of the Company will repay the corresponding amount to the banks. When the banks make payment to the supplier on behalf of the subsidiaries, the subsidiaries of the Company cease to recognize the related accounts payable and simultaneously incur a liability to the banks.
- ② Accounts payable supply chain factoring: The subsidiaries of the Company conduct supply chain financing business. According to the relevant arrangements, participating suppliers can choose to receive payment for invoices under this arrangement in advance from financial institutions without being influenced by the Company. Regardless of whether the supplier opts for early payment, the subsidiaries of the Company will repay the full invoice amount on the agreed payment due date and are not responsible for paying interest or other fees to the financial institutions. Since this arrangement does not extend the original payment period, the subsidiaries' debts to the financial institutions are classified as accounts payable.

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### 2) Information of financial liabilities related to supplier financing arrangements

| Item                                                                   | Closing balance  | Opening balance  |
|------------------------------------------------------------------------|------------------|------------------|
| Short-term borrowings                                                  | 128,166,335.69   | 98,355,349.41    |
| Including: Amounts received by<br>suppliers from financing<br>provider | 128,166,335.69   | 98,355,349.41    |
| Accounts payable                                                       | 9,124,785,121.93 | 8,502,906,169.43 |
| Including: Amounts received by<br>suppliers from financing<br>provider | 5,045,915,845.75 | 4,674,536,705.90 |

The payment period for comparable accounts payable not under supplier financing arrangements ranges from 30 to 270 days.

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### 66. Monetary items in foreign currency

| Items                                              | Closing balance             |               |                   | Opening balance             |               |                   |
|----------------------------------------------------|-----------------------------|---------------|-------------------|-----------------------------|---------------|-------------------|
|                                                    | Balance in foreign currency | Exchange rate | Balance in RMB    | Balance in foreign currency | Exchange rate | Balance in RMB    |
| <b>Monetary funds</b>                              |                             |               |                   |                             |               |                   |
| USD                                                | 2,342,544,643.15            | 7.1586        | 16,769,340,082.48 | 2,212,325,253.41            | 7.1884        | 15,903,078,851.59 |
| EUR                                                | 90,052,655.68               | 8.4024        | 756,658,434.09    | 171,400,140.17              | 7.5257        | 1,289,906,034.89  |
| JPY                                                | 5,230,348,450.42            | 0.049594      | 259,393,901.05    | 4,381,349,907.64            | 0.046233      | 202,562,950.28    |
| HKD                                                | 451,020,938.83              | 0.9120        | 411,331,096.21    | 539,613,158.97              | 0.9260        | 499,681,785.21    |
| Others                                             |                             |               | 3,515,374,745.41  |                             |               | 3,453,401,844.51  |
| Subtotal                                           |                             |               | 21,712,098,259.24 |                             |               | 21,348,631,466.48 |
| <b>Accounts receivables</b>                        |                             |               |                   |                             |               |                   |
| USD                                                | 1,258,488,324.01            | 7.1586        | 9,009,014,516.28  | 1,463,282,401.93            | 7.1884        | 10,518,659,218.06 |
| EUR                                                | 666,945,428.33              | 8.4024        | 5,603,942,266.96  | 637,522,791.08              | 7.5257        | 4,797,805,268.81  |
| JPY                                                | 4,331,666,640.12            | 0.049594      | 214,824,675.35    | 4,138,295,194.99            | 0.046233      | 191,325,801.75    |
| Others                                             |                             |               | 7,254,967,234.95  |                             |               | 4,807,501,407.14  |
| Subtotal                                           |                             |               | 22,082,748,693.54 |                             |               | 20,315,291,695.76 |
| <b>Short-term borrowings</b>                       |                             |               |                   |                             |               |                   |
| USD                                                | 965,044,955.47              | 7.1586        | 6,908,370,818.26  | 774,590,743.79              | 7.1884        | 5,568,068,102.65  |
| EUR                                                | 111,437,799.93              | 8.4024        | 936,344,970.14    | 129,161,874.07              | 7.5257        | 972,033,515.70    |
| JPY                                                |                             | 0.049594      |                   | 1,952,854,108.54            | 0.046233      | 90,286,304.00     |
| HKD                                                | 770,000,000.00              | 0.9120        | 702,240,000.00    | 2,530,000,000.00            | 0.9260        | 2,342,780,000.00  |
| Others                                             |                             |               | 2,561,041,908.66  |                             |               | 1,734,146,904.27  |
| Subtotal                                           |                             |               | 11,107,997,697.06 |                             |               | 10,707,314,826.62 |
| <b>Accounts payables</b>                           |                             |               |                   |                             |               |                   |
| USD                                                | 1,947,283,184.27            | 7.1586        | 13,939,821,402.91 | 2,204,807,610.20            | 7.1884        | 15,849,039,025.17 |
| EUR                                                | 688,313,334.47              | 8.4024        | 5,783,483,961.59  | 799,305,156.44              | 7.5257        | 6,015,330,815.80  |
| JPY                                                | 3,734,984,438.04            | 0.049594      | 185,232,818.22    | 4,562,773,337.01            | 0.046233      | 210,950,699.69    |
| NZD                                                | 156,447,192.17              | 4.3475        | 680,154,167.94    | 144,506,699.36              | 4.0955        | 591,827,187.21    |
| Others                                             |                             |               | 4,174,823,217.11  |                             |               | 3,963,471,194.55  |
| Subtotal                                           |                             |               | 24,763,515,567.77 |                             |               | 26,630,618,922.42 |
| <b>Non-current liabilities due within one year</b> |                             |               |                   |                             |               |                   |
| USD                                                | 500,000,000.00              | 7.1586        | 3,579,300,000.00  | 500,000,000.00              | 7.1884        | 3,594,200,000.00  |
| EUR                                                | 74,640,143.00               | 8.4024        | 627,156,337.54    | 573,987,092.00              | 7.5257        | 4,319,654,658.26  |
| Others                                             |                             |               | 999,885,485.96    |                             |               | 941,786,481.62    |
| Subtotal                                           |                             |               | 5,206,341,823.50  |                             |               | 8,855,641,139.88  |
| <b>Long-term borrowings</b>                        |                             |               |                   |                             |               |                   |
| USD                                                | 660,000,000.00              | 7.1586        | 4,724,676,000.00  | 660,000,000.00              | 7.1884        | 4,744,344,000.00  |
| EUR                                                | 200,000,000.00              | 8.4024        | 1,680,480,000.00  |                             |               |                   |
| Subtotal                                           |                             |               | 6,405,156,000.00  |                             |               | 4,744,344,000.00  |

**67. Leases****(1) As lessee**

√ Applicable   ☐ Not Applicable

Variable lease payments not included in the measurement of lease liabilities:

√ Applicable   ☐ Not Applicable

RMB39,906,692.00

Lease expenses of short-term leases or leases of low-value assets which are subject to simplified treatment:

√ Applicable   ☐ Not Applicable

RMB689,733,552.24

Total cash outflow for leases: 1,543,089,648.07 (Unit and Currency:RMB)

The leased assets leased by the Company include housing and buildings, production equipment, transportation equipment, office equipment and others used in the course of operations. Some of the leases contain renewal options and termination options.

**(2) As lessor**

a. Lease incomes from operating leases as lessor for the current period: RMB25,464,848.81, including incomes related to variable lease payments not included in lease receipts: nil.

b. Undiscounted lease receipts for the next five years:

| Lease receipts | Undiscounted lease receipts |                |
|----------------|-----------------------------|----------------|
|                | per year                    |                |
|                | Closing amount              | Opening amount |
| Within 1 year  | 59,345,996.78               | 11,744,103.00  |
| 1 to 2 years   | 59,883,319.31               | 10,343,953.00  |
| 2 to 3 years   | 62,855,681.29               | 10,343,953.00  |
| 3 to 4 years   | 66,006,384.98               | 10,343,953.00  |
| 4 to 5 years   | 69,346,130.90               | 10,343,953.00  |
| Over 5 years   | 189,526,144.08              | 132,155,812.00 |
| Total          | 506,963,657.34              | 185,275,727.00 |

The leased assets leased out by the Company are mainly housing, buildings and land use rights. For details of changes of the leased assets, please refer to Note VII.16.

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### VIII. RESEARCH AND DEVELOPMENT EXPENDITURE

#### 1. By the nature of expenses

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Items                                                    | Amount for the current period | Amount for the previous period |
|----------------------------------------------------------|-------------------------------|--------------------------------|
| Independent research and development expenses            | 5,739,193,531.77              | 5,088,836,211.86               |
| Outsourcing research and development expenses            | 277,375,105.19                | 362,452,756.21                 |
| Total                                                    | 6,016,568,636.96              | 5,451,288,968.07               |
| Including: expensed research and development expenditure | 5,790,436,804.10              | 5,182,598,681.20               |
| Capitalized research and development expenditure         | 226,131,832.86                | 268,690,286.87                 |

#### 2. Development expenditure on research and development projects eligible for capitalization

| Items                                            | Decrease for the current period |                                 |                                |                                     | Change in foreign exchange rate and others | Closing balance |
|--------------------------------------------------|---------------------------------|---------------------------------|--------------------------------|-------------------------------------|--------------------------------------------|-----------------|
|                                                  | Opening balance                 | Increase for the current period | Recognized as intangible asset | Included in current profit and loss |                                            |                 |
| Living Environment Intelligent Detection PROGRAM | 28,814,783.25                   | 117,555,459.48                  | 146,370,242.73                 |                                     |                                            |                 |
| OWNERSHIP EXPERIENCE PROGRAM                     | 51,656,319.93                   | 7,096,261.81                    | 48,028,438.77                  |                                     | -89,037.53                                 | 10,635,105.44   |
| 91ABD.ERP IT PROGRAM                             | 28,007,204.85                   | 12,887,648.20                   | 164,768.71                     |                                     | -154,992.65                                | 40,575,091.69   |
| Others                                           | 158,789,284.89                  | 88,592,463.37                   | 88,672,600.50                  |                                     | 26,184,311.38                              | 184,893,459.14  |
| Total                                            | 267,267,592.92                  | 226,131,832.86                  | 283,236,050.71                 |                                     | 25,940,281.20                              | 236,103,656.27  |

## IX. CHANGES OF CONSOLIDATION SCOPE

## 1. Business combination not under common control

☐ Applicable ☒ Not Applicable

## 2. Business combination under common control

☒ Applicable ☐ Not Applicable

## (1) Business combination under common control occurring in the current period

| Name of the acquiree                | The proportion of equity acquired in the business combination | The basis for the transaction of constituting business combination under common control | Combination date | Recognition basis of combination date |
|-------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------|---------------------------------------|
| COSMOPlat Mould (Qingdao) Co., Ltd. | 100.00%                                                       | Controlled by Haier Group Corporation before and after combination                      | 2025.3           | Transfer of voting rights             |

(Continued)

| Name of the acquiree                | The income of the acquiree from the beginning of the current period to combination date | Net profit of the acquiree from the beginning of the current period to combination date | The income of the acquiree during the comparison period | Net profit of the acquiree during the comparison period |
|-------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| COSMOPlat Mould (Qingdao) Co., Ltd. | 139,744,829.73                                                                          | 3,593,306.97                                                                            | 133,233,842.59                                          | -5,554,270.73                                           |

## (2) Combination cost

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Combination cost                    | -- Cash       | -- Equity |
|-------------------------------------|---------------|-----------|
| COSMOPlat Mould (Qingdao) Co., Ltd. | 77,749,769.26 |           |

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### (3) The carrying amount of the assets and liabilities of the acquiree as of the combination date

√ Applicable    □ Not Applicable

Unit and Currency: RMB

#### a. Acquiree's assets and liabilities

| Items                                   | COSMOPlat Mould (Qingdao)<br>Co., Ltd. |                               |
|-----------------------------------------|----------------------------------------|-------------------------------|
|                                         | Combination date                       | End of the<br>previous period |
| Monetary funds                          | 8,151,371.17                           | 13,712,033.13                 |
| Accounts receivables                    | 36,498,914.84                          | 298,755,305.13                |
| Inventories                             | 138,787,502.80                         | 145,441,470.58                |
| Contract assets                         | 10,457,165.36                          | 10,294,407.38                 |
| Other current assets                    | 12,292,032.78                          | 13,922,096.30                 |
| Investments in other equity instruments |                                        | 86,992,207.36                 |
| Fixed assets                            | 73,851,879.90                          | 94,570,444.38                 |
| Construction in progress                | 2,842,390.82                           | 5,949,707.82                  |
| Intangible assets                       | 8,660,560.56                           | 8,265,155.63                  |
| Accounts payables                       | -229,495,562.35                        | -219,041,447.08               |
| Payables for staff's remuneration       | -6,839,598.34                          | -16,710,350.13                |
| Taxes payable                           | -640,750.97                            | -137,995.99                   |
| Other current liabilities               | -1,956,603.11                          | -8,653,112.52                 |
| Deferred income                         | -17,089,283.86                         | -20,604,153.94                |
| Net assets                              | 35,520,019.60                          | 412,755,768.05                |
| Less: minority interests                |                                        |                               |
| Net assets acquired                     | 35,520,019.60                          | 412,755,768.05                |

### 3. Disposal of subsidiary

Whether single disposal of investment in subsidiary will result in losing control power:

| Items                                                                                                                                     | Qingdao Haier<br>Kitchen IoT<br>Technology<br>Co., Ltd. (青島海<br>爾廚聯網物聯科技<br>有限公司) |  | Haier Israel<br>Innovation<br>Center Ltd |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--|------------------------------------------|
|                                                                                                                                           |                                                                                   |  |                                          |
| Equity disposal price                                                                                                                     | —                                                                                 |  | —                                        |
| Proportion of equity disposal                                                                                                             | 100%                                                                              |  | 100%                                     |
| Method of equity disposal                                                                                                                 | Cancellation                                                                      |  | Cancellation                             |
| Time of loss-of-control                                                                                                                   | June 2025                                                                         |  | March 2025                               |
| Basis for determination the time of loss-of- control                                                                                      | Cancellation                                                                      |  | Cancellation                             |
| Difference between consideration and its share of<br>net assets of the subsidiary as respect to the<br>disposal in the consolidated level | -110,214.59                                                                       |  | -4,296,665.23                            |

**4. Changes of consolidation scope due to other reasons**

√ Applicable    □ Not Applicable

- (1) During the period, Qingdao Ruibo Ecological Environmental Technology Co., Ltd. (青岛瑞博环保科技有限公司), a subsidiary of the Company, established Qingdao Haier Environmental Protection Material Technology Co., Ltd. (青岛海尔环保材料科技有限公司).
- (2) During the period, Qingdao Haier Home AI Industry Innovation Center Co., Ltd., a subsidiary of the Company, established Haier Jingling Technology (Zhejiang) Co., Ltd. (海尔景龄科技(浙江)有限公司).
- (3) During the period, Qingdao Haier Intelligent Home Appliance Technology Co., Ltd., a subsidiary of the Company, established Qingdao Haiyi Wenhua Commercial Management Co., Ltd. (青岛海逸文华商业管理有限公司).

**X. INTERESTS IN OTHER ENTITIES****1. Interests in subsidiaries****(1) Composition of the Group**

| Name of subsidiary                                   | Principal place of business        | Place of registration | Nature of business                                                                                                                            | % of voting right      |          | Method                                        |
|------------------------------------------------------|------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------|-----------------------------------------------|
|                                                      |                                    |                       |                                                                                                                                               | Shareholding<br>Direct | Indirect |                                               |
| Flourishing Reach Limited                            | Mainland of China                  | Bermuda               | Group company, which mainly engage in investment holding, the production and sale of washing machines and water heaters, distribution service | 100.00%                | 100.00%  | Establishment                                 |
| Haier Electronics Group Co., Ltd.                    | Mainland of China and Hong Kong    | Bermuda               | Group company, which mainly engage in investment holding, the production and sale of water equipment, distribution service                    | 100.00%                | 100.00%  | Establishment                                 |
| Haier U.S. Appliance Solutions, Inc.                 | the United States                  | the United States     | Group company, which mainly engage in home appliances production and distribution business                                                    |                        | 100.00%  | Establishment                                 |
| Haier Singapore Investment Holding Co., Ltd.         | Singapore and other overseas areas | Singapore             | Group company, which mainly engage in home appliances production and distribution business                                                    |                        | 100.00%  | Business combination under common control     |
| Haier New Zealand Investment Holding Company Limited | New Zealand                        | New Zealand           | Group company, which mainly engage in home appliances production and distribution business                                                    |                        | 100.00%  | Business combination under common control     |
| Candy S.p.A                                          | Europe                             | Italy                 | Group company, which mainly engage in home appliances production and distribution business                                                    |                        | 100.00%  | Business combination not under common control |
| Carrier Refrigeration Benelux B.V.                   | Europe                             | Germany               | Group company, which mainly engage in home appliances production and distribution business                                                    |                        | 100.00%  | Business combination under common control     |

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| Name of subsidiary                                                      | Principal place of business                     | Place of registration                           | Nature of business                                                           | Shareholding |          | % of voting right | Method                                    |
|-------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------|--------------|----------|-------------------|-------------------------------------------|
|                                                                         |                                                 |                                                 |                                                                              | Direct       | Indirect |                   |                                           |
| Kwikot (Haier) SA (Pty) Ltd                                             | South Africa                                    | South Africa                                    | Mainly engage in water heater production and distribution business           |              | 100.00%  | 100.00%           | Business combination under common control |
| Qingdao Haier Air Conditioner Gen Corp., Ltd.                           | Qingdao High-tech Zone                          | Qingdao High-tech Zone                          | Manufacture and sale of household air-conditioners                           | 92.37%       |          | 92.37%            | Business combination under common control |
| Guizhou Haier Electronics Co., Ltd.                                     | Huichuan District, Zunyi City, Guizhou Province | Huichuan District, Zunyi City, Guizhou Province | Manufacture and sale of refrigerator                                         | 59.00%       |          | 59.00%            | Business combination under common control |
| Hefei Haier Air-conditioning Co., Limited                               | Hefei Haier Industrial Park                     | Hefei Haier Industrial Park                     | Manufacture and sale of air-conditioners                                     | 100.00%      |          | 100.00%           | Business combination under common control |
| Wuhan Haier Electronics Holding Co., Ltd.                               | Wuhan Haier Industrial Park                     | Wuhan Haier Industrial Park                     | Manufacture and sale of air-conditioners                                     | 59.86%       |          | 59.86%            | Business combination under common control |
| Qingdao Haier Air-Conditioner Electronics Co., Ltd.                     | Qingdao Development Zone                        | Qingdao Development Zone                        | Manufacture and sale of air-conditioners                                     | 97.43%       |          | 97.43%            | Business combination under common control |
| Qingdao Haier Information Plastic Development Co., Ltd.                 | Qingdao High-tech Zone                          | Qingdao High-tech Zone                          | Manufacturing of plastic products                                            | 100.00%      |          | 100.00%           | Business combination under common control |
| Dalian Haier Precision Products Co., Ltd.                               | Dalian Export Expressing Zone                   | Dalian Export Expressing Zone                   | Manufacture and sale of precise plastics                                     | 90.00%       |          | 90.00%            | Business combination under common control |
| Hefei Haier Plastic Co., Ltd.                                           | Hefei Economic & Technological Development Area | Hefei Economic & Technological Development Area | Manufacture and sale of plastic parts                                        | 95.17%       | 4.83%    | 100.00%           | Business combination under common control |
| Qingdao Meier Plastic Powder Co., Ltd.                                  | Qingdao Development Zone                        | Qingdao Development Zone                        | Manufacture of plastic powder, plastic sheet and high-performance coatings   | 40.00%       | 60.00%   | 100.00%           | Business combination under common control |
| Chongqing Haier Precision Plastic Co., Ltd.                             | Jiangbei District, Chongqing City               | Jiangbei District, Chongqing City               | Plastic products, sheet metal work, electronics and hardware                 | 90.00%       | 10.00%   | 100.00%           | Business combination under common control |
| Qingdao Haier Refrigerator Co., Ltd.                                    | Qingdao High-tech Zone                          | Qingdao High-tech Zone                          | Manufacture and production of fluorine-free refrigerators                    | 97.91%       |          | 97.91%            | Establishment                             |
| Qingdao Haier Refrigerator (International) Co., Ltd.                    | Pingdu Development Zone, Qingdao                | Pingdu Development Zone, Qingdao                | Manufacture of refrigerators                                                 | 100.00%      |          | 100.00%           | Establishment                             |
| Qingdao Household Appliance Technology and Equipment Research Institute | Qingdao High-tech Zone                          | Qingdao High-tech Zone                          | Research and development of home appliances mold and technological equipment | 100.00%      |          | 100.00%           | Establishment                             |
| Qingdao Haier Whole Set Home Appliance Service Co., Ltd.                | Qingdao High-tech Zone                          | Qingdao High-tech Zone                          | Research, development and sales of health-related small home appliance       | 98.33%       |          | 98.33%            | Establishment                             |
| Qingdao Haier Special Refrigerator Co., Ltd.                            | Qingdao Development Zone                        | Qingdao Development Zone                        | Manufacture and sales of fluorine-free refrigerators                         | 100.00%      |          | 100.00%           | Establishment                             |
| Qingdao Haier Dishwasher Co., Ltd.                                      | Qingdao Development Zone                        | Qingdao Development Zone                        | Manufacture of dish washing machine and gas stove                            | 99.59%       |          | 99.59%            | Establishment                             |

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| Name of subsidiary                                                  | Principal place of business                                               | Place of registration                                                     | Nature of business                                                                                            | % of voting right   |          | Method                |
|---------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------|----------|-----------------------|
|                                                                     |                                                                           |                                                                           |                                                                                                               | Shareholding Direct | Indirect |                       |
| Qingdao Haier Special Freezer Co., Ltd.                             | Qingdao Development Zone                                                  | Qingdao Development Zone                                                  | Research, manufacture and sales of freezer and other refrigeration products                                   | 96.78%              |          | 96.78% Establishment  |
| Dalian Haier Air-conditioning Co., Ltd.                             | Dalian Export Expressing Zone                                             | Dalian Export Expressing Zone                                             | Air conditioner processing and manufacturing                                                                  | 90.00%              |          | 90.00% Establishment  |
| Dalian Haier Refrigerator Co., Ltd.                                 | Dalian Export Expressing Zone                                             | Dalian Export Expressing Zone                                             | Refrigerator processing and manufacturing                                                                     | 100.00%             |          | 100.00% Establishment |
| Qingdao Haier Electronic Plastic Co., Ltd.                          | Qingdao Development Zone                                                  | Qingdao Development Zone                                                  | Development, assembling and sales of plastics, electronics and products                                       | 100.00%             |          | 100.00% Establishment |
| Wuhan Haier Freezer Co., Ltd.                                       | Wuhan Economic & Technological Development Zone High-tech Industrial Park | Wuhan Economic & Technological Development Zone High-tech Industrial Park | Research, manufacture and sales of freezer and other refrigeration products                                   | 82.93%              | 4.36%    | 87.29% Establishment  |
| Qingdao Haidarui Procurement Service Co., Ltd.                      | Qingdao High-tech Zone                                                    | Qingdao High-tech Zone                                                    | Develop, purchase and sell electrical products and components                                                 | 98.00%              | 2.00%    | 100.00% Establishment |
| Qingdao Haier Intelligent Home Appliance Technology Co., Ltd.       | Qingdao High-tech Zone                                                    | Qingdao High-tech Zone                                                    | Development and application of home appliances, communication, electronics and network engineering technology | 91.46%              | 1.01%    | 92.47% Establishment  |
| Chongqing Haier Air-conditioning Co., Ltd.                          | Jiangbei District, Chongqing City                                         | Jiangbei District, Chongqing City                                         | Manufacture and sales of air conditioners                                                                     | 76.92%              | 23.08%   | 100.00% Establishment |
| Qingdao Haier Precision Products Co., Ltd.                          | Qianwang ang Road, Jiaonan City                                           | Qianwang ang Road, Jiaonan City                                           | Development and manufacture of precise plastic, metal plate, mold and electronic products for home appliances |                     | 70.00%   | 70.00% Establishment  |
| Qingdao Haier Air Conditioning Equipment Co., Ltd.                  | Jiaonan City, Qingdao                                                     | Jiaonan City, Qingdao                                                     | Manufacture of home appliances and electronics                                                                |                     | 100.00%  | 100.00% Establishment |
| Dalian Free Trade Zone Haier Air-conditioning Trading Co., Ltd.     | Dalian Export Expressing Zone                                             | Dalian Export Expressing Zone                                             | Domestic trade                                                                                                |                     | 100.00%  | 100.00% Establishment |
| Dalian Free Trade Zone Haier Refrigerator Trading Co., Ltd.         | Dalian Export Expressing Zone                                             | Dalian Export Expressing Zone                                             | Domestic trade                                                                                                |                     | 100.00%  | 100.00% Establishment |
| Chongqing Haier Electronics Sales Co., Ltd.                         | Jiangbei District, Chongqing City                                         | Jiangbei District, Chongqing City                                         | Sales of home appliances                                                                                      | 95.00%              | 5.00%    | 100.00% Establishment |
| Chongqing Haier Refrigeration Appliance Co., Ltd.                   | Jiangbei District, Chongqing City                                         | Jiangbei District, Chongqing City                                         | Processing and manufacturing of refrigerator                                                                  | 84.95%              | 15.05%   | 100.00% Establishment |
| Hefei Haier Refrigerator Co., Ltd.                                  | Hefei Haier Industrial Park                                               | Hefei Haier Industrial Park                                               | Processing and manufacturing of refrigerator                                                                  | 100.00%             |          | 100.00% Establishment |
| Qingdao Haier Intelligent Building Technology Co., Ltd.             | Qingdao Development Zone                                                  | Qingdao Development Zone                                                  | Air-conditioning engineer                                                                                     |                     | 100.00%  | 100.00% Establishment |
| Chongqing Lianmai Electric Appliance Sales Co., Ltd. (重庆联迈电器销售有限公司) | Jiangbei District, Chongqing City                                         | Jiangbei District, Chongqing City                                         | Sales of home appliances and electronics                                                                      |                     | 51.00%   | 51.00% Establishment  |
| Qingdao Haier (Jiaozhou) Air-conditioning Co., Limited              | Jiaozhou City, Qingdao                                                    | Jiaozhou City, Qingdao                                                    | Manufacture and sale of air-conditioners                                                                      |                     | 100.00%  | 100.00% Establishment |
| Qingdao Haier Component Co., Ltd.                                   | Jiaozhou City, Qingdao                                                    | Jiaozhou City, Qingdao                                                    | Manufacture and sales of plastic and precise sheet metal products                                             |                     | 100.00%  | 100.00% Establishment |

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| Name of subsidiary                                               | Principal place of business                           | Place of registration                                 | Nature of business                                            | Shareholding |          | % of voting right | Method                                    |
|------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------|--------------|----------|-------------------|-------------------------------------------|
|                                                                  |                                                       |                                                       |                                                               | Direct       | Indirect |                   |                                           |
| Haier Shareholdings (Hong Kong) Limited                          | Hong Kong                                             | Hong Kong                                             | Investment                                                    | 100.00%      |          | 100.00%           | Establishment                             |
| Harvest International Company                                    | Cayman Islands                                        | Cayman Islands                                        | Investment                                                    |              | 100.00%  | 100.00%           | Establishment                             |
| Shenyang Haier Refrigerator Co., Ltd.                            | Shenbei New Area, Shenyang City                       | Shenbei New Area, Shenyang City S                     | Manufacture and sales of refrigerator                         | 100.00%      |          | 100.00%           | Establishment                             |
| Foshan Haier Freezer Co., Ltd.                                   | Sanshui District, Foshan City                         | Sanshui District, Foshan City                         | Manufacture and sales of refrigerator                         | 100.00%      |          | 100.00%           | Establishment                             |
| Zhengzhou Haier Air-conditioning Co., Ltd.                       | Zhengzhou Economic and Technological Development Zone | Zhengzhou Economic and Technological Development Zone | Manufacture and sales of freezer                              | 100.00%      |          | 100.00%           | Establishment                             |
| Qingdao Haidayuan Procurement Service Co., Ltd.                  | Qingdao Development Zone                              | Qingdao Development Zone                              | Develop, purchase and sell electrical products and components | 100.00%      |          | 100.00%           | Establishment                             |
| Qingdao Haier Intelligent Technology Development Co., Ltd.       | Qingdao High-tech Zone                                | Qingdao High-tech Zone                                | Development and research of home appliance products           | 100.00%      |          | 100.00%           | Establishment                             |
| Qingdao Hairi High Technology Co., Ltd.                          | Qingdao High-tech Zone                                | Qingdao High-tech Zone                                | Design, manufacture and sales of product model and mould      |              | 100.00%  | 100.00%           | Business combination under common control |
| Qingdao Hai Gao Design and Manufacture Co., Ltd.                 | Qingdao High-tech Zone                                | Qingdao High-tech Zone                                | Industrial design and prototype production                    | 75.00%       |          | 75.00%            | Business combination under common control |
| Zhongshan Haier HV Equipment Co., Ltd. (中山海尔暖通设备有限公司)            | Zhongshan                                             | Zhongshan                                             | Sales of home appliances                                      |              | 100.00%  | 100.00%           | Establishment                             |
| Qingdao Haier HV Equipment Technology Co., Ltd. (青岛海尔暖通设备科技有限公司) | Qingdao                                               | Qingdao                                               | Manufacture and sale of air conditioning equipment            |              | 100.00%  | 100.00%           | Establishment                             |
| Shanghai Haier Medical Technology Co., Ltd.                      | Shanghai                                              | Shanghai                                              | Wholesale and retail of medical facility                      |              | 66.87%   | 66.87%            | Establishment                             |
| Qingdao Haier Technology Co., Ltd.                               | Qingdao                                               | Qingdao                                               | Development and sales of software and information product     | 100.00%      |          | 100.00%           | Business combination under common control |
| Qingdao Haier Technology Investment Co., Ltd.                    | Qingdao                                               | Qingdao                                               | Entrepreneurship investment and consulting                    | 100.00%      |          | 100.00%           | Establishment                             |
| Qingdao Casarte Smart Living Appliances Co., Ltd.                | Qingdao                                               | Qingdao                                               | Development, production and sales of appliances               |              | 100.00%  | 100.00%           | Establishment                             |
| Qingdao Haichuangyuan Appliances Sales Co., Ltd.                 | Qingdao                                               | Qingdao                                               | Sales of home appliances and digital products                 |              | 100.00%  | 100.00%           | Establishment                             |
| Haier Overseas Electric Appliance Co., Ltd.                      | Qingdao                                               | Qingdao                                               | Sales of home appliances, international freight forwarding    | 100.00%      |          | 100.00%           | Establishment                             |
| Haier Group (Dalian) Electrical Appliances Industry Co., Ltd.    | Dalian                                                | Dalian                                                | Sales of home appliances, international freight forwarding    | 100.00%      |          | 100.00%           | Business combination under common control |
| Qingdao Haier Central Air Conditioning Co., Ltd.                 | Qingdao                                               | Qingdao                                               | Production and sales of air and refrigeration equipment       |              | 100.00%  | 100.00%           | Establishment                             |
| Chongqing Haier Home Appliance Sale Hefei Co., Ltd.              | Hefei                                                 | Hefei                                                 | Sales of home appliances                                      |              | 100.00%  | 100.00%           | Establishment                             |
| Qingdao Weixi Smart Technology Co., Ltd.                         | Qingdao                                               | Qingdao                                               | Intelligent sanitary ware                                     |              | 85.00%   | 85.00%            | Establishment                             |

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| Name of subsidiary                                                        | Principal place of business | Place of registration | Nature of business                                                                  | % of voting right   |          | Method                                        |
|---------------------------------------------------------------------------|-----------------------------|-----------------------|-------------------------------------------------------------------------------------|---------------------|----------|-----------------------------------------------|
|                                                                           |                             |                       |                                                                                     | Shareholding Direct | Indirect |                                               |
| Haier U+smart Intelligent Technology (Beijing) Co., Ltd.                  | Beijing                     | Beijing               | Software development                                                                | 100.00%             |          | Establishment                                 |
| Haier (Shanghai) Electronics Co., Ltd.                                    | Shanghai                    | Shanghai              | Sales, research and development of home appliances                                  | 100.00%             |          | Establishment                                 |
| Shanghai Haier Zhongzhi Fang Chuang Ke Management Co., Ltd.               | Shanghai                    | Shanghai              | Business management consulting, chuankge management                                 | 100.00%             |          | Establishment                                 |
| Qingdao Haier Smart Kitchen Appliance Co., Ltd.                           | Qingdao                     | Qingdao               | Production and sales of kitchen smart home appliances                               |                     | 85.82%   | Establishment                                 |
| GE Appliance (Shanghai) Co., Ltd.                                         | Shanghai                    | Shanghai              | Sales of home appliances                                                            |                     | 100.00%  | Establishment                                 |
| Qingdao Haier Special Refrigerating Appliance Co., Ltd.                   | Qingdao                     | Qingdao               | Production and sales of home appliances                                             |                     | 100.00%  | Establishment                                 |
| Shanghai Zhihan Technology Co., Ltd. (上海挚瀚科技有限公司)                         | Shanghai                    | Shanghai              | Promotion of technological development                                              |                     | 100.00%  | Establishment                                 |
| Laiyang Haier Smart Kitchen Appliance Co., Ltd.                           | Laiyang                     | Laiyang               | Production and sales of home appliances                                             |                     | 100.00%  | Establishment                                 |
| Hefei Haier Air Conditioning Electronics Co., Ltd.                        | Hefei                       | Hefei                 | Production and sales of home appliances                                             |                     | 100.00%  | Establishment                                 |
| Haier (Shanghai) Home Appliance Research and Development Center Co., Ltd. | Shanghai                    | Shanghai              | Research and development of home appliances                                         |                     | 100.00%  | Establishment                                 |
| Haier (Shenzhen) R&D Co., Ltd.                                            | Shenzhen                    | Shenzhen              | Development, research and technical services of household and commercial electrical |                     | 100.00%  | Establishment                                 |
| Guangzhou Haier Air Conditioner Co., Ltd.                                 | Guangdong                   | Guangdong             | Manufacturing of refrigeration and air conditioning equipment                       |                     | 100.00%  | Establishment                                 |
| Qingdao Yunshang Yuyi IOT Technology Co., Ltd.                            | Qingdao                     | Qingdao               | IoT technology research and development                                             |                     | 60.00%   | Establishment                                 |
| Qingdao Jijia Cloud Intelligent Technology Co., Ltd.                      | Qingdao                     | Qingdao               | R&D and sales of lighting appliances                                                |                     | 80.00%   | Establishment                                 |
| Qingdao Haimeihui Management Consulting Co., Ltd. (青岛海美汇管理諮詢有限公司)         | Qingdao                     | Qingdao               | Leasing and business services                                                       |                     | 100.00%  | Establishment                                 |
| Wuxi Yunshang Internet of Clothing Technology Co., Ltd. (无锡云裳衣聯網科技有限公司)   | Wuxi                        | Wuxi                  | Internet of Things technology R & D                                                 |                     | 100.00%  | Establishment                                 |
| Qingdao Haidacheng Procurement Service Co., Ltd.                          | Qingdao                     | Qingdao               | Develop, purchase and sell electrical products and components                       | 100.00%             |          | Establishment                                 |
| Guangdong Haier Intelligent Technology Co. Ltd. (廣東海尔智能科技有限公司)            | Guangzhou                   | Guangzhou             | Scientific research and technology service sector                                   |                     | 76.72%   | Business combination not under common control |

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| Name of subsidiary                                                                  | Principal place of business | Place of registration | Nature of business                                                                                                               | Shareholding |          | % of voting right | Method                                    |
|-------------------------------------------------------------------------------------|-----------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------|--------------|----------|-------------------|-------------------------------------------|
|                                                                                     |                             |                       |                                                                                                                                  | Direct       | Indirect |                   |                                           |
| Beijing Haixianghui Technology Co., Ltd. (北京海享汇科技有限公司)                              | Beijing                     | Beijing               | Scientific research and technology service sector                                                                                |              | 100.00%  | 100.00%           | Establishment                             |
| Haier Smart Home Experience Cloud Ecological Technology Co., Ltd. (海尔智家体验云生态科技有限公司) | Qingdao                     | Qingdao               | Technology development of smart home products, whole furniture customization, etc.                                               | 100.00%      |          | 100.00%           | Establishment                             |
| Haier Smart Home (Qingdao) Network Co., Ltd. (海尔智家(青岛)网络有限公司)                       | Qingdao                     | Qingdao               | Technical services, development, consulting, transfer, etc.                                                                      |              | 100.00%  | 100.00%           | Establishment                             |
| Haier Smart Home (Qingdao) Network Operation Co., Ltd. (海尔智家(青岛)网络运营有限公司)           | Qingdao                     | Qingdao               | Residential interior decoration, professional construction operation, special equipment installation, upgrading and repair, etc. |              | 100.00%  | 100.00%           | Establishment                             |
| Qingdao Internet of Wine Technology Co., Ltd. (青岛酒聯網物聯科技有限公司)                       | Qingdao                     | Qingdao               | Urban distribution and transportation services, import and export of goods, technology import and export and food business, etc. |              | 100.00%  | 100.00%           | Establishment                             |
| Qingdao Linghai Air Conditioning Equipment Co., Ltd. (青岛菱海空调设备有限公司)                 | Qingdao                     | Qingdao               | Manufacture and production of air conditioner and refrigeration equipment                                                        |              | 100.00%  | 100.00%           | Establishment                             |
| Qingdao Haixiangxue Human Resources Co., Ltd. (青岛海享学人力资源有限公司)                       | Qingdao                     | Qingdao               | Professional intermediary activities                                                                                             | 100.00%      |          | 100.00%           | Establishment                             |
| Jiangxi Haier Medical Technology Co., Ltd.                                          | Jiangxi                     | Jiangxi               | Wholesale and retail of medical equipment                                                                                        |              | 100.00%  | 100.00%           | Establishment                             |
| Qingdao Haizhi Shenlan Technology Co., Ltd.                                         | Qingdao                     | Qingdao               | Technical service development                                                                                                    |              | 100.00%  | 100.00%           | Establishment                             |
| Qingdao Haishengze Technology Co., Ltd.                                             | Qingdao                     | Qingdao               | Air conditioning equipment technical services                                                                                    |              | 100.00%  | 100.00%           | Establishment                             |
| Qingdao Hailiyuan Recycling Technology Co., Ltd.                                    | Qingdao                     | Qingdao               | Electrical and electronic products waste treatment                                                                               |              | 100.00%  | 100.00%           | Establishment                             |
| Qingdao Haier HVAC Equipment Co., Ltd. (青岛海尔暖通空调设备有限公司)                             | Qingdao                     | Qingdao               | Manufacture and sale of air-conditioners                                                                                         | 75.00%       | 25.00%   | 100.00%           | Establishment                             |
| Qingdao Haier Home AI Industry Innovation Center Co., Ltd. (青岛海尔家庭人工智能产业创新中心有限公司)   | Qingdao                     | Qingdao               | Integrated service of AI industry application system                                                                             |              | 100.00%  | 100.00%           | Establishment                             |
| Zhejiang Weixi IoT Technology Co., Ltd. (浙江卫玺物联网科技有限公司)                             | Zhejiang                    | Zhejiang              | IoT application service                                                                                                          |              | 100.00%  | 100.00%           | Establishment                             |
| Qingdao Haier Quality Inspection Co., Ltd. (青岛海尔质量检测有限公司)                           | Qingdao                     | Qingdao               | Inspection and testing of home appliance                                                                                         | 100.00%      |          | 100.00%           | Business combination under common control |

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| Name of subsidiary                                                            | Principal place of business | Place of registration | Nature of business                                  | % of voting right   |          | Method                                     |
|-------------------------------------------------------------------------------|-----------------------------|-----------------------|-----------------------------------------------------|---------------------|----------|--------------------------------------------|
|                                                                               |                             |                       |                                                     | Shareholding Direct | Indirect |                                            |
| Qingdao Haiyongcheng Certification Service Co., Ltd.(青岛海永成认证服务有限公司)           | Qingdao                     | Qingdao               | Product certification service                       | 100.00%             | 100.00%  | Business combination under common control  |
| Qingdao Zhonghai Bonui Testing Technology Service Co., Ltd.(青岛中海博睿检测技术服务有限公司) | Qingdao                     | Qingdao               | Home appliance testing and technology consulting    | 100.00%             | 100.00%  | Business combination under common controls |
| Qingdao Haier Special Plastic Development Co., Ltd.                           | Qingdao                     | Qingdao               | Manufacture and sale of refrigerator doors          | 100.00%             | 100.00%  | Business combination under common controls |
| Qingdao Haizhiling Air Conditioning Engineering Co., Ltd. (青岛海智菱空调工程有限公司)     | Qingdao                     | Qingdao               | Software development and sale of daily necessities  | 100.00%             | 100.00%  | Establishment                              |
| Haier Smart Home (Xiongan, Hebei) Technology Co., Ltd. (海尔智家科技(河北雄安)有限公司)     | Qingdao                     | Qingdao               | Promotion of energy-saving technology               | 100.00%             | 100.00%  | Establishment                              |
| Qingdao Ruibo Ecological Environmental Technology Co., Ltd. (青岛瑞博生态环保科技有限公司)  | Qingdao                     | Qingdao               | Environmental and AI technology consulting          | 89.13%              | 89.13%   | Establishment                              |
| Qingdao Sanyiniao Technology Co., Ltd. (青岛三翼鸟科技有限公司)                          | Qingdao                     | Qingdao               | Technology service and advertisement design         | 100.00%             | 100.00%  | Establishment                              |
| Qingdao Jingzhi Recycle Environmental Technology Co., Ltd. (青岛鲸智再生环保科技有限公司)   | Qingdao                     | Qingdao               | Operation of dangerous waste                        | 100.00%             | 100.00%  | Establishment                              |
| Qingdao Yunshang Jieshen Yilian Technology Co., Ltd. (青岛云裳洁神衣聯科技有限公司)         | Qingdao                     | Qingdao               | Professional cleaning and sale of daily necessities | 51.00%              | 51.00%   | Establishment                              |
| Shanghai Yunshang Yuyi IoT Technology Co., Ltd. (上海云裳羽衣物聯科技有限公司)              | Shanghai                    | Shanghai              | Professional cleaning and sale of daily necessities | 100.00%             | 100.00%  | Establishment                              |
| Shijiazhuang Yunshang Yilian Technology Co., Ltd. (石家庄云裳衣聯科技有限公司)             | Shijiazhuang                | Shijiazhuang          | Professional cleaning and sale of daily necessities | 51.00%              | 51.00%   | Establishment                              |
| Nanjing Yunshang Yilian Technology Co., Ltd. (南京云裳衣聯科技有限公司)                   | Nanjing                     | Nanjing               | Professional cleaning and sale of daily necessities | 80.00%              | 80.00%   | Establishment                              |
| Shanxi Yunshang Yilian Technology Co., Ltd. (山西云裳衣聯科技有限公司)                    | Shanxi                      | Shanxi                | Professional cleaning and sale of daily necessities | 51.00%              | 51.00%   | Establishment                              |

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| Name of subsidiary                                                         | Principal place of business | Place of registration | Nature of business                                                 | % of voting right   |          | Method                                        |
|----------------------------------------------------------------------------|-----------------------------|-----------------------|--------------------------------------------------------------------|---------------------|----------|-----------------------------------------------|
|                                                                            |                             |                       |                                                                    | Shareholding Direct | Indirect |                                               |
| Tianjin Yunshang Yilian Technology Co., Ltd. (天津云裳衣联网科技有限公司)               | Tianjin                     | Tianjin               | Professional cleaning and sale of daily necessities                | 51.00%              | 51.00%   | Establishment                                 |
| Chengdu Yunshang Meier Yilian Technology Co., Ltd. (成都云裳美尔衣联网科技有限公司)       | Chengdu                     | Chengdu               | Professional cleaning and sale of daily necessities                | 80.00%              | 80.00%   | Establishment                                 |
| Qingdao Haier Smart Dishwasher Co., Ltd. (青岛海尔智慧洗碗机有限公司)                   | Qingdao                     | Qingdao               | Manufacture, research and development and sales of home appliances | 100.00%             | 100.00%  | Establishment                                 |
| Qingdao Haixiangmian Technology Co., Ltd. (青岛海享顺科技有限公司)                    | Qingdao                     | Qingdao               | Sale of food and daily necessities                                 | 100.00%             | 100.00%  | Establishment                                 |
| Qingdao Haier Kitchen IoT Technology Co., Ltd. (青岛海尔厨联网物联网科技有限公司)          | Qingdao                     | Qingdao               | Technology service and sale of daily necessities                   | 100.00%             | 100.00%  | Establishment                                 |
| Tibet Haifeng Intelligent Innovation Technology Co., Ltd. (西藏海峰智能创新科技有限公司) | Tibet                       | Tibet                 | Development of software and medical equipment                      | 100.00%             | 100.00%  | Establishment                                 |
| Qingdao Haixiangzhi Technology Co., Ltd. (青岛海享智科技有限公司)                     | Qingdao                     | Qingdao               | Manufacturing of home appliances                                   | 100.00%             | 100.00%  | Establishment                                 |
| Qingdao Haier Refrigeration Appliance Co., Ltd. (青岛海尔制冷电器有限公司)             | Qingdao                     | Qingdao               | Manufacturing of home appliances                                   | 100.00%             | 100.00%  | Establishment                                 |
| Chongqing Haier Washing Appliance Co., Ltd. (重庆海尔洗涤电器有限公司)                 | Chongqing                   | Chongqing             | Manufacturing of home appliances                                   | 100.00%             | 100.00%  | Establishment                                 |
| Tonghai Energy Technology Development Co., Ltd. (同海能源科技发展有限公司)             | Beijing                     | Beijing               | Technology development service                                     | 84.32%              | 84.32%   | Business combination not under common control |
| Qingdao Haier Youyang Technology Co., Ltd. (青岛海尔有养科技有限公司)                  | Qingdao                     | Qingdao               | Technology development service                                     | 51.00%              | 51.00%   | Establishment                                 |
| Qingdao Haier Yikang Technology Co., Ltd. (青岛海尔益康科技有限公司)                   | Qingdao                     | Qingdao               | Technology development service                                     | 100.00%             | 100.00%  | Establishment                                 |
| Qingdao Haier Smart Dishwasher Co., Ltd. (青岛海尔智慧洗碗机有限公司)                   | Qingdao                     | Qingdao               | Manufacturing of home appliances                                   | 100.00%             | 100.00%  | Establishment                                 |
| Zhongshan Haier HV Equipment Co., Ltd. (中山海尔暖通设备有限公司)                      | Zhongshan                   | Zhongshan             | appliances                                                         | 100.00%             | 100.00%  | Establishment                                 |
| Qingdao Haier HV Equipment Technology Co., Ltd. (青岛海尔暖通设备科技有限公司)           | Qingdao                     | Qingdao               | Manufacturing of home appliances                                   | 100.00%             | 100.00%  | Establishment                                 |

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| Name of subsidiary                                                                            | Principal place of business | Place of registration | Nature of business             | Shareholding |          | % of voting right | Method        |
|-----------------------------------------------------------------------------------------------|-----------------------------|-----------------------|--------------------------------|--------------|----------|-------------------|---------------|
|                                                                                               |                             |                       |                                | Direct       | Indirect |                   |               |
| Jingzhou Haier Environmental Protection Material Technology Co., Ltd.<br>(荆州海尔环保材料科技有限公司)     | Jingzhou                    | Jingzhou              | Renewable Energy Recycling     |              | 100.00%  | 100.00%           | Establishment |
| Jingzhou Haizhi Cycle Technology Co., Ltd.<br>(荆州海智循环科技有限公司)                                  | Jingzhou                    | Jingzhou              | Renewable Energy Recycling     |              | 100.00%  | 100.00%           | Establishment |
| Qingdao Haier Environmental Protection Material Technology Co., Ltd.<br>(青岛海尔环保材料科技有限公司)      | Qingdao                     | Qingdao               | Renewable Energy Recycling     |              | 51.00%   | 51.00%            | Establishment |
| Haier Jingling Technology (Zhejiang) Co., Ltd.(海尔景龄科技(浙江)有限公司)                                | Zhejiang                    | Zhejiang              | Technology development service |              | 66.00%   | 66.00%            | Establishment |
| Qingdao Haiyi Wenhua Commercial Management Co., Ltd.<br>(青岛海逸文华商业管理有限公司)                      | Qingdao                     | Qingdao               | Park Management Service        |              | 95.56%   | 95.56%            | Establishment |
| Microenterprises such as Qingdao Hai Heng Feng Electrical Appliances Sale & Service Co., Ltd. | All over the country        | All over the country  | Sales of home appliances       |              |          |                   | Establishment |

Reasons for including subsidiaries which the Company has 50% or less of the equity into the scope of consolidated financial statements:

At the end of the reporting period, the Company had substantial control over the finance and operation of companies like Qingdao Hai Heng Feng Electrical Appliances Sale & Service Co., Ltd, which were included into the scope of consolidated financial statements.

### (2) Material non-wholly owned subsidiaries

☐ Applicable ☒ Not Applicable

## Section VIII Financial Report

### 2. Transactions leading to the change of shareholding in subsidiaries but not losing the control

√ Applicable   ☐ Not Applicable

#### (1) Description of changes in the share of owners' equity in subsidiaries:

√ Applicable   ☐ Not Applicable

Capital contribution by minority shareholders of the subsidiary of the Company leads to changes in the Company's shareholding ratio.

#### (2) Impact of the transactions on minority interest and the equity attributable to shareholders of the Company:

| Items                                                                                                 | Amount           |
|-------------------------------------------------------------------------------------------------------|------------------|
| Total Consideration for acquisition/disposal                                                          | 2,153,437,783.43 |
| Less: share of net assets of subsidiaries in respect to the shareholding proportion acquired/disposed | 2,152,502,266.28 |
| Difference                                                                                            | -935,517.15      |
| Including: adjustment to decrease capital reserve                                                     | -304,169,114.78  |

### 3. Interests in joint ventures and associates

√ Applicable   ☐ Not Applicable

#### (1) Joint ventures and associates

| Name of joint venture and associates                                           | Principal place of business | Place of registration | Nature of business               | Nature of business | Accounting treatment of investment |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------|----------------------------------|--------------------|------------------------------------|
| Haier Group Finance Co., Ltd                                                   | Qingdao                     | Qingdao               | Financial services               | 42.00%             | Equity method                      |
| Bank of Qingdao Co., Ltd                                                       | Qingdao                     | Qingdao               | Commercial Bank                  | 8.19%              | Equity method                      |
| Wolong Electric (Jinan) Motor Co., Ltd.                                        | Jinan                       | Jinan                 | Motor Manufacturing              | 30.00%             | Equity method                      |
| Qingdao Hegang New Material Technology Co., Ltd. (青岛河钢新材料科技股份有限公司)             | Qingdao                     | Qingdao               | Steel plate manufacturing        | 23.94%             | Equity method                      |
| Qingdao Haier SAIF Smart Home Industry Investment Center (Limited Partnership) | Qingdao                     | Qingdao               | Venture Capital                  | 63.13%             | Equity method                      |
| Mitsubishi Heavy Industries Haier (Qingdao) Air-conditioners Co., Ltd.         | Qingdao                     | Qingdao               | Manufacturing of home appliances | 45.00%             | Equity method                      |
| Qingdao Haier Multimedia Co., Ltd.                                             | Qingdao                     | Qingdao               | R&D and sales of television      | 20.20%             | Equity method                      |
| Baoshihua Energy Technology Co., Ltd. (宝石花能源科技有限公司)                            | Beijing                     | Beijing               | Technology service development   | 20.00%             | Equity method                      |
| Zhengzhou Highly Electric Appliance Co., Ltd. (郑州海立电器有限公司)                     | Zhengzhou                   | Zhengzhou             | Manufacture and sale of press    | 49.00%             | Equity method                      |

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| Name of joint venture and associates                                                                | Principal place of business | Place of registration | Nature of business                                      | Nature of business | Accounting treatment of investment |
|-----------------------------------------------------------------------------------------------------|-----------------------------|-----------------------|---------------------------------------------------------|--------------------|------------------------------------|
| Zhejiang Futeng Fluid Technology Co., Ltd.                                                          | Huzhou                      | Huzhou                | Gas compression machinery development and manufacturing | 48.00%             | Equity method                      |
| Hongtong Environmental Technology (Guangzhou) Co., Ltd.<br>(宏通环境技术(广州)有限公司)                         | Guangzhou                   | Guangzhou             | Machinery and equipment development and manufacturing   | 15.00%             | Equity method                      |
| Qingdao Haimu Investment Management Co., Ltd.                                                       | Qingdao                     | Qingdao               | Investment management                                   | 49.00%             | Equity method                      |
| Qingdao Haimu Smart Home Investment Partnership (Limited Partnership)                               | Qingdao                     | Qingdao               | Investment management                                   | 24.00%             | Equity method                      |
| Qingdao Guochuang Intelligent Household Appliance Research Institute Co., Ltd.<br>(青岛国创智能家电研究院有限公司) | Qingdao                     | Qingdao               | Development of home appliances                          | 35.51%             | Equity method                      |
| Guangzhou Heying Investment Partnership (Limited Partnership)                                       | Guangzhou                   | Guangzhou             | Investment                                              | 49.00%             | Equity method                      |
| Qingdao Home Wow Cloud Network Technology Co., Ltd                                                  | Qingdao                     | Qingdao               | Home online service                                     | 22.10%             | Equity method                      |
| Bingji (Shanghai) Corporate Management Co., Ltd.                                                    | Shanghai                    | Shanghai              | Investment management                                   | 45.00%             | Equity method                      |
| Shangang Luhai International Logistics (Jinan) Co., Ltd.<br>(山港陆海国际物流(济南)有限公司)                      | Jinan                       | Jinan                 | Logistic service                                        | 40.00%             | Equity method                      |
| Haier Best Water Technology Co., Ltd.<br>(倍世海尔饮水科技有限公司)                                             | Qingdao                     | Qingdao               | Water equipment technology development service          | 49.00%             | Equity method                      |
| Huizhixiangshun Equity Investment Fund (Qingdao) Partnership (Limited Partnership)                  | Qingdao                     | Qingdao               | Investment management                                   | 30.00%             | Equity method                      |
| Qingdao RRS Huizhi Investment Co., Ltd.                                                             | Qingdao                     | Qingdao               | Investment management                                   | 50.00%             | Equity method                      |
| Qingdao Xiaoshuai Intelligent Technology Co., Ltd.<br>(青岛小帅智能科技股份有限公司)                              | Qingdao                     | Qingdao               | Information technology development                      | 32.13%             | Equity method                      |
| Qingdao Xinchenghui Technology Co., Ltd.<br>(青岛鑫晟汇科技有限公司)                                           | Qingdao                     | Qingdao               | Technology service development                          | 20.00%             | Equity method                      |
| Ningbo Beilian Intelligent Technology Co., Ltd.<br>(宁波贝立安智能科技有限公司)                                  | Ningbo                      | Ningbo                | Technology service development                          | 35.00%             | Equity method                      |
| Qingdao Oriental Haisheng Technology Co., Ltd.<br>(青岛东方海盛科技有限公司)                                    | Qingdao                     | Qingdao               | Technology service development                          | 49.90%             | Equity method                      |
| Konan Electronic Co., Ltd                                                                           | Japan                       | Japan                 | Motor Manufacturing                                     | 50.00%             | Equity method                      |
| HPZ LIMITED                                                                                         | Nigeria                     | Nigeria               | Manufacturing of home appliance                         | 25.01%             | Equity method                      |
| HNR (Private) Company Limited                                                                       | Pakistan                    | Pakistan              | Manufacturing of home appliance                         | 31.72%             | Equity method                      |
| Controladora Mabe, S.A. de C.V.                                                                     | Mexico                      | Mexico                | Manufacturing of home appliance                         | 48.41%             | Equity method                      |

## Section VIII Financial Report

### (1) The basic profile and financial information of important associates

√ Applicable    □ Not Applicable

Unit and Currency: RMB

- ① The basic profile of important associates:  
Haier Group Finance Co., Ltd. (hereinafter referred to as "Finance company") was established by Haier Group Corporation and its three affiliates. Registration place and principal place of business: No.178-2 Haier Road, Laoshan District, Qingdao City. The Company's subsidiaries hold an aggregate of 42.00% equity interest in Finance Company.

- ② Financial information of important associates:

| Items                                                                 | Finance company                                      |                                                       |
|-----------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------|
|                                                                       | Closing balance/<br>Amount for the<br>current period | Opening balance/<br>Amount for the<br>previous period |
| Current assets                                                        | 56,917,526,305.59                                    | 55,206,996,489.12                                     |
| Non-current assets                                                    | 19,491,481,313.77                                    | 20,913,398,205.82                                     |
| Total assets                                                          | 76,409,007,619.36                                    | 76,120,394,694.94                                     |
| Current liabilities                                                   | 56,225,741,230.14                                    | 55,911,360,017.96                                     |
| Non-current liabilities                                               | 274,745,478.17                                       | 639,275,539.37                                        |
| Total liabilities                                                     | 56,500,486,708.31                                    | 56,550,635,557.33                                     |
| Minority interests                                                    |                                                      |                                                       |
| Equity attributable to shareholders of the parent company             | 19,908,520,911.05                                    | 19,569,759,137.61                                     |
| Including: share of net assets calculated per shareholding percentage | 8,361,578,782.64                                     | 8,219,298,837.80                                      |
| Operating income                                                      | 573,153,401.34                                       | 931,067,464.94                                        |
| Net profit                                                            | 898,763,418.72                                       | 677,251,560.13                                        |
| Other comprehensive income                                            | -1,645.28                                            | 17,229.38                                             |
| Total comprehensive income                                            | 898,761,773.44                                       | 677,268,789.51                                        |
| Dividend received from associates for the year                        | 235,200,000.00                                       | 235,200,000.00                                        |

## Section VIII Financial Report

### (2) Summarized financial information of insignificant joint ventures and associates

| Investment in associates                                                                               | Closing balance/<br>Amount for the<br>current period | Opening balance/<br>Amount for the<br>previous period |
|--------------------------------------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------|
| Bank of Qingdao Co., Ltd.                                                                              | 3,764,246,964.41                                     | 3,473,162,128.86                                      |
| Wolong Electric (Jinan) Motor Co., Ltd.                                                                | 197,806,527.66                                       | 198,467,631.66                                        |
| Qingdao Hegang New Material Technology Co., Ltd.<br>(青岛河钢新材料科技股份有限公司)                                  | 344,972,463.63                                       | 342,315,345.52                                        |
| Qingdao Haier SAIF Smart Home Industry Investment<br>Center (Limited Partnership)                      | 191,276,594.86                                       | 191,276,594.86                                        |
| Mitsubishi Heavy Industries Haier (Qingdao)<br>Airconditioners Co., Ltd.                               | 770,422,412.45                                       | 698,845,993.61                                        |
| Qingdao Haier Multimedia Co., Ltd.                                                                     | 88,300,000.00                                        | 88,300,000.00                                         |
| Baoshihua Energy Technology Co., Ltd.<br>(宝石花能源科技有限公司)                                                 | 29,723,148.59                                        | 31,132,443.76                                         |
| Zhengzhou Highly Electric Appliance Co., Ltd.<br>(郑州海立电器有限公司)                                          | 98,560,581.01                                        | 98,560,581.01                                         |
| Zhejiang Futeng Fluid Technology Co., Ltd.                                                             | 73,460,549.11                                        | 73,460,549.11                                         |
| Hongtong Environmental Technology (Guangzhou) Co.,<br>Ltd. (宏通环境技术(广州)有限公司)                            | 6,464,386.26                                         | 6,464,386.26                                          |
| Qingdao Haimu Investment Management Co., Ltd.                                                          | 2,692,755.00                                         | 2,692,755.00                                          |
| Qingdao Haimu Smart Home Investment Partnership<br>(Limited Partnership)                               | 56,749,040.79                                        | 56,749,040.79                                         |
| Qingdao Guochuang Intelligent Household Appliance<br>Research Institute Co., Ltd.<br>(青岛国创智能家电研究院有限公司) | 42,936,225.76                                        | 40,920,413.54                                         |
| Guangzhou Heying Investment Partnership (Limited<br>Partnership)                                       | 132,620,094.53                                       | 132,620,094.53                                        |
| Qingdao Home Wow Cloud Network Technology Co.,<br>Ltd                                                  | -25,184.86                                           | 1,083,682.47                                          |
| Bingji (Shanghai) Corporate Management Co., Ltd.                                                       | 1,122,845,148.33                                     | 1,095,450,007.15                                      |
| Shangang Luhai International Logistics (Jinan) Co., Ltd.<br>(山港陆海国际物流(济南)有限公司)                         | 59,879,950.97                                        | 58,941,327.06                                         |
| Haier Best Water Technology Co., Ltd.<br>(倍世海尔饮水科技有限公司)                                                | 150,493,919.92                                       | 148,369,638.40                                        |
| Huizhixiangshun Equity Investment Fund (Qingdao)<br>Partnership (Limited Partnership)                  | 171,896,075.25                                       | 188,907,510.60                                        |
| Qingdao RRS Huizhi Investment Co., Ltd.                                                                | 4,083,482.78                                         | 4,083,482.78                                          |
| Qingdao Xiaoshuai Intelligent Technology Co., Ltd.<br>(青岛小帅智能科技股份有限公司)                                 | 11,703,982.52                                        | 9,578,046.65                                          |
| Qingdao Xinshenghui Technology Co., Ltd.<br>(青岛鑫晟汇科技有限公司)                                              | 11,964,358.97                                        | 11,365,227.21                                         |
| Ningbo Beilian Intelligent Technology Co., Ltd.<br>(宁波贝立安智能科技有限公司)                                     | 3,487,924.33                                         | 3,724,499.78                                          |

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| <b>Investment in associates</b>                                                                              | <b>Closing balance/<br/>Amount for the<br/>current period</b> | <b>Opening balance/<br/>Amount for the<br/>previous period</b> |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------|
| Qingdao Oriental Haisheng Technology Co., Ltd. (青岛<br>東方海盛科技有限公司)                                            | 9,980,000.00                                                  |                                                                |
| Konan Electronic Co., Ltd                                                                                    | 61,062,612.37                                                 | 59,415,065.89                                                  |
| HNR (Private) Company Limited                                                                                | 169,600,837.60                                                | 140,530,747.42                                                 |
| HPZ LIMITED                                                                                                  | 11,203,257.77                                                 | 11,203,257.77                                                  |
| Controladora Mabe, S.A. de C.V.                                                                              | 5,563,416,529.51                                              | 5,638,478,867.77                                               |
| Middle East Airconditioning Company, Limited                                                                 |                                                               | 7,389,990.91                                                   |
| Total book balance                                                                                           | 13,151,824,639.52                                             | 12,813,489,310.37                                              |
| Total amount of the following financial data of<br>associates calculated based on shareholding<br>percentage |                                                               |                                                                |
| — Net profit                                                                                                 | 504,763,812.03                                                | 629,523,707.09                                                 |
| — Other comprehensive income                                                                                 | 30,761,854.88                                                 | 21,625,261.80                                                  |
| — Total comprehensive income                                                                                 | 535,525,666.91                                                | 651,148,968.89                                                 |

## XI. SEGMENT REPORT

√ Applicable    □ Not Applicable

The Company is principally engaged in manufacture and sales of home appliances and relevant services business, manufacture of upstream home appliances parts, distribution of products of third party, logistics and after-sale business.

The Company has five business segments: (1) Household Food Storage and Cooking Solutions: mainly manufacturing and selling refrigerator/freezers and kitchen appliances; (2) Air Solutions: mainly manufacturing and selling air conditioners; (3) Household Laundry Management Solutions: mainly manufacturing and selling washing machines and dryers; (4) Household Water Solutions: mainly manufacturing and selling water home appliances such as water heaters and water purifiers; (5) Other business: mainly include channel, equipment components, small home appliance business and others. The management of the Company assesses operating performance of each segment and allocates resources according to the division. Sales between segments were mainly based on market price.

Due to centralized management under the headquarters or exclusion from the assessment scope of segment management, the total assets of segments exclude monetary funds, financial assets held for trading, derivative financial assets, dividends receivable, held-for-sale financial assets, other current assets, debt investment, long-term accounts receivable, long-term equity investment, other equity instruments investment, other non-current financial assets, goodwill and deferred income tax assets; the total liabilities of segments exclude long-term and short-term borrowings, financial liabilities held for trading, derivative financial liabilities, taxes payable, interests payable, dividends payable, held-for-sale liabilities, bonds payable, deferred income tax liabilities and other non-current liabilities; profits of segments exclude financial expenses, profit or loss in fair value changes, income from investment, and income on disposal of assets, Non-value-added tax refundable upon imposition component of other income, non-operating incomes and expenses and income tax.

### (1) Information of reportable segments

#### Segment information for the period

| Segment information          | Household Food Storage and<br>Cooking Solutions |                    |                   | Household Laundry<br>Management<br>Solutions |
|------------------------------|-------------------------------------------------|--------------------|-------------------|----------------------------------------------|
|                              | Refrigerator/freezers                           | Kitchen appliances | Air Solutions     |                                              |
| Segment revenue              | 42,853,322,004.79                               | 20,671,670,604.28  | 32,978,231,317.88 | 32,005,647,939.47                            |
| Including: external revenue  | 42,734,835,187.88                               | 20,628,620,545.09  | 32,855,731,341.38 | 31,938,194,415.35                            |
| Inter-segment revenue        | 118,486,816.91                                  | 43,050,059.19      | 122,499,976.50    | 67,453,524.12                                |
| Total segment operating cost | 38,927,852,080.32                               | 18,701,282,563.37  | 30,877,590,612.23 | 28,522,588,338.91                            |
| Segment operating profit     | 3,925,469,924.47                                | 1,970,388,040.91   | 2,100,640,705.65  | 3,483,059,600.56                             |
| Total segment assets         | 53,748,578,037.44                               | 24,783,748,732.02  | 45,611,063,319.72 | 39,041,719,547.72                            |
| Total segment liabilities    | 65,315,995,784.03                               | 14,013,094,521.81  | 43,246,858,948.06 | 25,411,403,395.19                            |

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(continued)

| Segment information          | Household Water Solutions | Other business     | Inter-segment eliminations | Total              |
|------------------------------|---------------------------|--------------------|----------------------------|--------------------|
| Segment revenue              | 9,793,078,353.02          | 67,712,677,512.62  | -49,520,593,283.21         | 156,494,034,448.85 |
| Including: external revenue  | 9,690,773,037.89          | 18,645,879,921.26  | —                          | 156,494,034,448.85 |
| Inter-segment revenue        | 102,305,315.13            | 49,066,797,591.36  | -49,520,593,283.21         | —                  |
| Total segment operating cost | 8,290,916,129.40          | 67,369,708,462.33  | -49,522,176,147.33         | 143,167,762,039.23 |
| Segment operating profit     | 1,502,162,223.62          | 342,969,050.29     | 1,582,864.12               | 13,326,272,409.62  |
| Total segment assets         | 15,067,350,286.07         | 102,648,915,510.06 | -122,161,543,862.99        | 158,739,831,570.04 |
| Total segment liabilities    | 9,047,327,086.92          | 92,135,183,582.27  | -122,022,184,806.99        | 127,147,678,511.29 |

### Segment information for the corresponding period of last year

| Segment information          | Household Food Storage and Cooking Solutions |                    | Household Laundry Management Solutions |                   |
|------------------------------|----------------------------------------------|--------------------|----------------------------------------|-------------------|
|                              | Refrigerator/freezers                        | Kitchen appliances | Air Solutions                          |                   |
| Segment revenue              | 41,127,956,870.22                            | 20,275,302,895.20  | 29,234,848,611.97                      | 29,736,595,881.54 |
| Including: external revenue  | 41,022,856,775.64                            | 20,228,275,282.99  | 29,074,828,944.30                      | 29,601,746,705.79 |
| Inter-segment revenue        | 105,100,094.58                               | 47,027,612.21      | 160,019,667.67                         | 134,849,175.75    |
| Total segment operating cost | 37,540,201,155.61                            | 18,468,429,192.68  | 27,501,511,688.24                      | 26,617,225,082.23 |
| Segment operating profit     | 3,587,755,714.61                             | 1,806,873,702.52   | 1,733,336,923.73                       | 3,119,370,799.31  |
| Total segment assets         | 50,542,675,724.28                            | 21,839,636,887.29  | 32,728,708,862.96                      | 37,335,152,980.59 |
| Total segment liabilities    | 71,520,224,809.93                            | 14,943,277,260.43  | 29,805,083,060.27                      | 27,393,275,290.67 |

(continued)

| Segment information          | Household Water Solutions | Other business    | Inter-segment eliminations | Total              |
|------------------------------|---------------------------|-------------------|----------------------------|--------------------|
| Segment revenue              | 8,106,193,795.05          | 59,844,086,881.64 | -46,342,502,329.87         | 141,982,482,605.75 |
| Including: external revenue  | 8,011,173,935.80          | 14,043,600,961.23 | —                          | 141,982,482,605.75 |
| Inter-segment revenue        | 95,019,859.25             | 45,800,485,920.41 | -46,342,502,329.87         | —                  |
| Total segment operating cost | 6,902,559,378.74          | 59,590,489,665.21 | -46,387,427,695.96         | 130,232,988,466.75 |
| Segment operating profit     | 1,203,634,416.31          | 253,597,216.43    | 44,925,366.09              | 11,749,494,139.00  |
| Total segment assets         | 11,352,587,655.40         | 98,430,952,654.13 | -96,919,489,838.22         | 155,310,224,926.43 |
| Total segment liabilities    | 4,228,086,063.74          | 81,313,928,140.48 | -96,780,130,782.22         | 132,423,743,843.30 |

**(2) Geographical information**

'Other countries/regions' in this report refers to all other countries/regions (including Hong Kong and Macau Special Administration Region and Taiwan) other than the mainland China for the purpose of information disclosure

**a. External transaction revenue**

| Items                   | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|-------------------------|-------------------------------------|--------------------------------------|
| Mainland China          | 77,415,039,692.18                   | 71,158,282,181.31                    |
| Other countries/regions | 79,078,994,756.67                   | 70,824,200,424.44                    |
| Among which:            |                                     |                                      |
| America                 | 40,016,409,441.71                   | 39,079,401,455.27                    |
| Australia               | 3,257,604,123.30                    | 3,224,852,882.97                     |
| South Asia              | 8,665,895,537.29                    | 6,541,908,201.63                     |
| Europe                  | 17,995,460,767.32                   | 14,504,641,098.47                    |
| Southeast Asia          | 4,130,278,679.37                    | 3,491,588,857.32                     |
| Middle East and Africa  | 2,439,437,910.62                    | 1,474,675,819.82                     |
| Japan                   | 1,957,898,837.66                    | 1,826,967,375.51                     |
| Others                  | 616,009,459.40                      | 680,164,733.45                       |
| Total                   | 156,494,034,448.85                  | 141,982,482,605.75                   |

**b. Total non-current assets**

| Items                   | Closing balance   | Opening balance   |
|-------------------------|-------------------|-------------------|
| Mainland China          | 30,494,688,089.44 | 30,199,437,868.54 |
| Other countries/regions | 37,860,078,674.87 | 35,855,840,703.95 |
| Total                   | 68,354,766,764.31 | 66,055,278,572.49 |

Total non-current assets exclude: debt investments, long-term receivable, long-term equity investments, other equity instrument investments, other non-current financial assets, goodwill and deferred income tax assets.

## Section VIII Financial Report

### XII. DISCLOSURE OF FAIR VALUE

#### 1. Assets and liabilities measured at fair value

The level to which the fair value measurement result belongs is determined by the lowest level to which the input value is significant to the fair value measurement as a whole:

Level 1: Unadjusted quotes for the same asset or liability in an active market.

Level 2: Inputs that are directly or indirectly observable for related assets or liabilities, except for Level 1 inputs.

Level 3: Unobservable inputs of related assets or liabilities.

#### At the end of the period

| Items                                                                                   | Input used for fair value measurement |                                      |                                        | Total            |
|-----------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------|----------------------------------------|------------------|
|                                                                                         | Quotes in an active market (Level 1)  | Important observable input (Level 2) | Important unobservable input (Level 3) |                  |
| <b>Continuously measured at fair value</b>                                              |                                       |                                      |                                        |                  |
| <b>Financial assets held for trading</b>                                                | 389,695,653.64                        | 8,317,511,328.41                     | 108,241,333.57                         | 8,815,448,315.62 |
| Including: Bank wealth management products                                              |                                       | 8,317,511,328.41                     |                                        | 8,317,511,328.41 |
| Investment fund                                                                         | 314,831,875.05                        |                                      |                                        | 314,831,875.05   |
| Investment in equity instruments                                                        | 74,863,778.59                         |                                      | 108,241,333.57                         | 183,105,112.16   |
| <b>Derivative financial assets</b>                                                      |                                       | 79,365,117.40                        |                                        | 79,365,117.40    |
| Including: Forward foreign exchange contract                                            |                                       | 77,736,648.25                        |                                        | 77,736,648.25    |
| Forward commodity contracts                                                             |                                       | 1,628,469.15                         |                                        | 1,628,469.15     |
| <b>Financing receivables</b>                                                            |                                       | 1,248,197,448.34                     |                                        | 1,248,197,448.34 |
| Including: Bills receivable                                                             |                                       | 1,115,591,707.01                     |                                        | 1,115,591,707.01 |
| Accounts receivable                                                                     |                                       | 132,605,741.33                       |                                        | 132,605,741.33   |
| <b>Other equity instruments</b>                                                         | 26,258,327.10                         |                                      | 5,623,897,924.15                       | 5,650,156,251.25 |
| Including: Equity instruments measured at fair value through other comprehensive income | 26,258,327.10                         |                                      | 5,623,897,924.15                       | 5,650,156,251.25 |
| <b>Derivative financial liabilities</b>                                                 |                                       | 440,096,398.09                       |                                        | 440,096,398.09   |
| Including: Forward foreign exchange contract                                            |                                       | 440,096,398.09                       |                                        | 440,096,398.09   |

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### At the beginning of the period

| Items                                                                                   | Input used for fair value measurement |                                      |                                        | Total            |
|-----------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------|----------------------------------------|------------------|
|                                                                                         | Quotes in an active market (Level 1)  | Important observable input (Level 2) | Important unobservable input (Level 3) |                  |
| Continuously measured at fair value                                                     |                                       |                                      |                                        |                  |
| Financial assets held for trading                                                       | 381,340,384.56                        | 746,436,121.40                       | 108,241,333.57                         | 1,236,017,839.53 |
| Including: Bank wealth management products                                              |                                       | 746,436,121.40                       |                                        | 746,436,121.40   |
| Investment fund                                                                         | 294,404,349.36                        |                                      |                                        | 294,404,349.36   |
| Investment in equity instruments                                                        | 86,936,035.20                         |                                      | 108,241,333.57                         | 195,177,368.77   |
| Derivative financial assets                                                             |                                       | 142,709,716.91                       |                                        | 142,709,716.91   |
| Including: Forward foreign exchange contract                                            |                                       | 138,404,575.66                       |                                        | 138,404,575.66   |
| Forward commodity contracts                                                             |                                       | 50,459.81                            |                                        | 50,459.81        |
| Cross currency interest rate swap contracts                                             |                                       | 4,254,681.44                         |                                        | 4,254,681.44     |
| Financing receivables                                                                   |                                       | 412,922,615.25                       |                                        | 412,922,615.25   |
| Including: Bills receivable                                                             |                                       | 235,730,229.72                       |                                        | 235,730,229.72   |
| Accounts receivable                                                                     |                                       | 177,192,385.53                       |                                        | 177,192,385.53   |
| Other equity instruments                                                                | 26,140,832.98                         |                                      | 6,047,540,037.84                       | 6,073,680,870.82 |
| Including: Equity instruments measured at fair value through other comprehensive income | 26,140,832.98                         |                                      | 6,047,540,037.84                       | 6,073,680,870.82 |
| Derivative financial liabilities                                                        |                                       | 71,011,310.01                        |                                        | 71,011,310.01    |
| Including: Forward foreign exchange contract                                            |                                       | 71,011,310.01                        |                                        | 71,011,310.01    |

For financial instruments traded in an active market, the Company determines its fair value based on its quotes in an active market; for financial instruments not traded in an active market, the Company uses valuation techniques to determine its fair value.

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### 2. The basis for determining the fair value of the continual Level 2 fair value measurement items

| Items                                        | Fair value at the end of the period | Valuation techniques |
|----------------------------------------------|-------------------------------------|----------------------|
| <b>Financial assets held for trading</b>     |                                     |                      |
| Including: Bank wealth management products   | 8,317,511,328.41                    | Discounted cash flow |
| <b>Derivative financial assets</b>           |                                     |                      |
| Including: Forward foreign exchange contract | 77,736,648.25                       | Discounted cash flow |
| Forward commodity contracts                  | 1,628,469.15                        | Discounted cash flow |
| <b>Financing receivables</b>                 |                                     |                      |
| Including: Bills receivable                  | 1,115,591,707.01                    | Discounted cash flow |
| Accounts receivable                          | 132,605,741.33                      | Discounted cash flow |
| <b>Derivative financial liabilities</b>      |                                     |                      |
| Including: Forward foreign exchange contract | 440,096,398.09                      | Discounted cash flow |

### 3. Continual Level 3 fair value measurement major items, the valuation techniques adopted and information of important parameters

| Items                                                         | Fair value at the end of the period | Valuation technique | Significant unobservable input                                            | Range                                    | Sensitivity of fair value to the input                                                                                                                                                                                                                                                |
|---------------------------------------------------------------|-------------------------------------|---------------------|---------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Other equity instruments</b>                               |                                     |                     |                                                                           |                                          |                                                                                                                                                                                                                                                                                       |
| Including:                                                    |                                     |                     |                                                                           |                                          |                                                                                                                                                                                                                                                                                       |
| 1. COSMO IoT Technology Co., LTD. (卡奥斯物联科技股份有限 公司)            | 2,795,887,119.07                    | Market approach     | 1. Average P/S multiple of peers<br>2. Discount for lack of marketability | 1. 3.51 to 3.59<br>2. 32.47% to 34.47%   | 1. 1% increase (decrease) in average P/S multiple of the Comparable Companies would result in increase (decrease) in fair value by RMB22.05 million.<br>2. 1% increase (decrease) in the lack of marketability would result in decrease (increase) in fair value by RMB32.92 million. |
| 2. SINOPEC Fuel Oil Sales Corporation Limited (中国石化销售股份有限 公司) | 1,328,800,000.00                    | Market approach     | 1. Average P/E multiple of peers<br>2. Discount for lack of marketability | 1. 44.31 to 45.21<br>2. 25.97% to 27.97% | 1. 1% increase (decrease) in average P/E multiple of the Comparable Companies would result in increase (decrease) in fair value by RMB13.20 million.<br>2. 1% increase (decrease) in the lack of marketability would result in decrease (increase) in fair value by RMB18.10 million. |

#### 4. Financial instruments not measured at fair value

Financial assets and financial liabilities not measured at fair value include: monetary funds, bills receivable, accounts receivable, other receivables, other current assets, long-term and short-term borrowings, bills payable, accounts payable, other payables, long-term payables, bonds payable, etc. The difference between the book value and the fair value of financial assets and financial liabilities not measured at fair value at the end of the period is small.

### XIII.RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

#### (I) Explanation for basis of identifying related party

According to Accounting Standards for Business Enterprises No. 36 — Related Party Disclosures, parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party. Parties (two or more than two) are also considered to be related if they are subject to common control, joint control or significant influence from another party.

According to Management Practices for Information Disclosure of Listed Company (China Securities Regulatory Commission Order No. 182), related legal entity or individual will be identified as related parties in certain occasions.

#### (II) Relationships between related parties

##### 1. Information about the parent company and other companies holding shares of the Company

| Name                                                                        | Type of enterprise             | Registered place                  | Registered capital | Legal representative | Relationships with Interest in the Company  | Interest in the Company | Voting rights to the Company |
|-----------------------------------------------------------------------------|--------------------------------|-----------------------------------|--------------------|----------------------|---------------------------------------------|-------------------------|------------------------------|
| Haier Group Corporation                                                     | Collective ownership company   | Qingdao High-tech Zone Haier Park | 311,180,000        | Zhou Yunjie          | Parent Company                              | 11.43%                  | 11.43%                       |
| Haier COSMO Co., Ltd. (海尔卡奥斯股份有限公司)                                         | Joint-stock company            | Qingdao High-tech Zone Haier Park | 404,500,000        | Zhou Yunjie          | Subsidiary of Parent Company                | 13.41%                  | 13.41%                       |
| HCH (HK) Investment Management Co., Limited                                 | Private company                | Hong Kong                         | HKD10,000          | /                    | Parties acting in concert of Parent Company | 5.74%                   | 5.74%                        |
| Qingdao Haier Venture & Investment Information Co., Ltd.                    | Company with limited liability | Qingdao Free Trade Zone           | 923,000,000        | Zhou Yunjie          | Parties acting in concert of Parent Company | 1.84%                   | 1.84%                        |
| Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership) | Limited partnership company    | Qingdao High-tech Zone Haier Park | 1,616,120,000      | /                    | Parties acting in concert of Parent Company | 1.43%                   | 1.43%                        |
| Haier International Co., Limited                                            | Private company                | Hong Kong                         | HKD2               | /                    | Parties acting in concert of Parent Company | 0.62%                   | 0.62%                        |

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### 2. Subsidiaries of the Company

√ Applicable    ☐ Not Applicable

The details of the subsidiaries of the Company are detailed in Note X.1. Interests in subsidiaries

### 3. Joint ventures and associates of the Company

√ Applicable    ☐ Not Applicable

The details of important joint ventures and associates of the Company are detailed in Note VII.14 and X.3.

### 4. Connected companies with no relationship of control

| Name                                                                                            | Relationship with the Company |
|-------------------------------------------------------------------------------------------------|-------------------------------|
| Wuhan Haizhi Real Estate Development Co., Ltd.<br>(武汉海智房地產開發有限公司)                               | Subsidiary of Haier Group     |
| Qingdao Manniq Intelligent Technology Co., Ltd.                                                 | Subsidiary of Haier Group     |
| Qingdao Maidirui Ecological Environment<br>Technology Co., Ltd. (青岛迈帝瑞生态环境科<br>技有限公司)           | Subsidiary of Haier Group     |
| Qingdao Oasis Technology Co., Ltd.                                                              | Subsidiary of Haier Group     |
| Qingdao Haiyun Chuangzhi Business<br>Development Co., Ltd.                                      | Subsidiary of Haier Group     |
| Qingdao Haina Cloud Intelligent System Co.,<br>Ltd.                                             | Subsidiary of Haier Group     |
| Qingdao Haier Parts Procurement Co., Ltd.                                                       | Subsidiary of Haier Group     |
| Qingdao Haier International Trading Co., Ltd.                                                   | Subsidiary of Haier Group     |
| Qingdao Haier International Travel Agency Co.,<br>Ltd.                                          | Subsidiary of Haier Group     |
| COSMO Industrial Intelligence Research Institute<br>(Qingdao) Co., LTD (卡奥斯工業智能研究院<br>(青岛)有限公司) | Subsidiary of Haier Group     |
| Cosmoplat Chuangzhi IOT Technology Co., Ltd.                                                    | Subsidiary of Haier Group     |
| Feiketeng Intelligent Technology (Qingdao) Co.,<br>Ltd. (斐科騰智能科技(青岛)有限公司)                       | Subsidiary of Haier Group     |
| Dalian Haier International Trade Co., Ltd.                                                      | Subsidiary of Haier Group     |
| Haier International Co., Ltd.                                                                   | Subsidiary of Haier Group     |
| Wuxi Haizhi Real Estate Co., Ltd. (无锡海智置業<br>有限公司)                                              | Subsidiary of Haier Group     |
| Qingdao Lingzhi Electronic Technology Co., Ltd.<br>(青岛領智电子科技有限公司)                               | Subsidiary of Haier Group     |
| Qingdao Junyi Holding Group Co., Ltd.<br>(青岛君一控股集團有限公司)                                         | Subsidiary of Haier Group     |
| Qingdao Haizhi Hengshan Real Estate Co., Ltd.<br>(青岛海智衡山置業有限公司)                                 | Subsidiary of Haier Group     |
| Qingdao Haiyunlian Industrial Development Co.,<br>Ltd. (青岛海云聯產業發展有限公司)                          | Subsidiary of Haier Group     |
| Qingdao Haier Parts Procurement Co., Ltd.                                                       | Subsidiary of Haier Group     |
| Qingdao Haier Optoelectronics Co., Ltd.<br>(青岛海尔光电有限公司)                                         | Subsidiary of Haier Group     |

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| Name                                                                    | Relationship with the Company          |
|-------------------------------------------------------------------------|----------------------------------------|
| Qingdao Dingxin Electronic Technology Co., Ltd.<br>(青岛鼎新电子科技有限公司)       | Subsidiary of Haier Group              |
| Qingdao Dingteng Industrial Technology Co., Ltd.<br>(青岛顶腾工业科技有限公司)      | Subsidiary of Haier Group              |
| COSMO Digital Technology (Qingdao) Co., Ltd.<br>(卡奥斯数字科技(青岛)有限公司)       | Subsidiary of Haier Group              |
| Henan Anshuo Electric Co., Ltd.<br>(河南安硕电器有限公司)                         | Subsidiary of Haier Group              |
| Foshan Haiyongchuang Investment Management Co., Ltd.<br>(佛山海永创投资管理有限公司) | Subsidiary of Haier Group              |
| Hayes Haier Appliances Co., Ltd.                                        | Subsidiary of Haier Group              |
| Thailand Histar Technology Co., Ltd.                                    | Subsidiary of Haier Group              |
| Wolong Electric (Jinan) Motor Co., Ltd.                                 | Associate                              |
| Mitsubishi Heavy Industry Haier (Qingdao) Air Conditioner Co., Ltd.     | Associate                              |
| HNR (Private) Company Limited                                           | Associate                              |
| Controladora Mabe S.A.de C.V.                                           | Associate                              |
| Qingdao Home Wow Cloud Network Technology Co., Ltd.                     | Associate                              |
| Qingdao Haier New Materials R & D Co., Ltd                              | Associate of subsidiary of Haier Group |

### (III) Related party transactions

- Details of the Company's procurement of goods and services from related parties are as follows:

☒ Applicable   ☐ Not Applicable

Unit and Currency: RMB

| Related parties                           | Amount for the current period | Amount for the previous period |
|-------------------------------------------|-------------------------------|--------------------------------|
| Controladora Mabe S.A.de C.V.             | 7,834,225,655.54              | 7,687,926,090.90               |
| Qingdao Haier Parts Procurement Co., Ltd. | 2,411,176,212.11              | 3,059,386,453.56               |
| HNR (Private) Company Limited             | 2,384,856,286.98              | 1,729,101,867.08               |
| Other related parties                     | 3,268,864,410.08              | 3,281,847,133.11               |
| Total                                     | 15,899,122,564.71             | 15,758,261,544.65              |

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### 2. Details of the Company's sales of goods to related parties are as follows:

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Related parties                                                     | Amount for the current period | Amount for the previous period |
|---------------------------------------------------------------------|-------------------------------|--------------------------------|
| Controladora Mabe S.A.de C.V.                                       | 782,468,364.24                | 723,506,543.36                 |
| HNR (Private) Company Limited                                       | 542,516,067.71                | 331,070,763.13                 |
| Qingdao Haier International Trading Co., Ltd.                       | 227,851,808.24                | 283,889,750.78                 |
| Mitsubishi Heavy Industry Haier (Qingdao) Air Conditioner Co., Ltd. | 113,130,201.33                | 29,021.75                      |
| Other related parties                                               | 398,333,574.56                | 607,514,557.04                 |
| Total                                                               | 2,064,300,016.08              | 1,946,010,636.06               |

### 3. Amount of unsettled items of related parties

| Items and name of customers                                                    | Closing Balance | Opening Balance |
|--------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Bills receivable:</b>                                                       |                 |                 |
| COSMO Digital Technology (Qingdao) Co., Ltd.<br>(卡奥斯数字科技(青岛)有限公司)              | 4,237,280.79    |                 |
| Qingdao Haiyun Chuangzhi Business Development Co., Ltd.                        | 3,837,442.58    | 5,525,942.99    |
| Wuxi Haizhi Real Estate Co., Ltd. (无锡海智置业有限公司)                                 | 1,562,502.60    | 795,626.82      |
| Qingdao Haizhi Hengshan Real Estate Co., Ltd.<br>(青岛海智衡山置业有限公司)                | 904,819.96      | 526,132.39      |
| Cosmoplat Chuangzhi IOT Technology Co., Ltd.                                   |                 | 12,712,495.66   |
| Other related parties                                                          | 2,568,772.21    | 2,539,002.43    |
| <b>Accounts receivable:</b>                                                    |                 |                 |
| HNR (Private) Company Limited                                                  | 435,957,820.61  | 488,559,920.90  |
| Mitsubishi Heavy Industry Haier (Qingdao) Air Conditioner Co., Ltd.            | 177,144,013.97  | 16,206,223.73   |
| Qingdao Oasis Technology Co., Ltd.                                             | 131,085,131.17  | 102,960,367.75  |
| Qingdao Home Wow Cloud Network Technology Co., Ltd.                            | 37,298,970.59   | 26,282,212.73   |
| Qingdao Maidirui Ecological Environment Technology Co., Ltd. (青岛迈帝瑞生态环境科技有限公司) | 34,436,214.04   | 34,693,294.31   |
| Qingdao Dingteng Industrial Technology Co., Ltd.<br>(青岛顶腾工业科技有限公司)             | 24,767,243.27   | 17,714,787.50   |
| Qingdao Haina Cloud Intelligent System Co., Ltd.                               | 18,867,764.93   | 18,686,494.15   |
| Other related parties                                                          | 216,405,784.88  | 151,563,701.28  |
| <b>Prepayments:</b>                                                            |                 |                 |
| Qingdao Haier Parts Procurement Co., Ltd.                                      | 188,836,432.77  | 319,433,156.93  |
| Qingdao Haier International Trading Co., Ltd.                                  | 23,011,155.21   | 13,105,977.20   |
| Hayes Haier Appliances Co., Ltd.                                               | 16,288,252.00   | 694,374.00      |

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| Items and name of customers                                                              | Closing Balance  | Opening Balance  |
|------------------------------------------------------------------------------------------|------------------|------------------|
| Other related parties                                                                    | 10,867,175.46    | 585,536,857.89   |
| <b>Other receivables:</b>                                                                |                  |                  |
| Foshan Haiyongchuang Investment Management Co., Ltd. (佛山海永創投資管理有限公司)                     | 25,000,000.00    |                  |
| Controladora Mabe S.A.de C.V.                                                            | 12,272,076.17    | 17,263,596.82    |
| Qingdao Junyi Holding Group Co., Ltd. (青島君一控股集團有限公司)                                     | 10,381,906.05    |                  |
| Wuhan Haizhi Real Estate Development Co., Ltd. (武漢海智房地產開發有限公司)                           | 8,231,801.50     | 8,231,801.50     |
| Haier International Co., Ltd.                                                            | 3,850,380.22     | 3,617,694.35     |
| Qingdao Haiyunlian Industrial Development Co., Ltd. (青島海云聯產業發展有限公司)                      | 3,780,305.81     | 3,731,122.30     |
| Qingdao Oasis Technology Co., Ltd                                                        | 3,368,579.25     |                  |
| Qingdao Haier International Trading Co., Ltd                                             | 3,238,893.02     | 20,305,273.82    |
| Other related parties                                                                    | 17,426,579.46    | 146,103,793.34   |
| <b>Bills payable:</b>                                                                    |                  |                  |
| Qingdao Haier New Materials R & D Co., Ltd.                                              | 455,209,329.84   | 336,704,809.61   |
| Wolong Electric (Jinan) Motor Co., Ltd.                                                  | 38,796,579.00    | 6,643,894.00     |
| <b>Accounts payable:</b>                                                                 |                  |                  |
| Controladora Mabe S.A.de C.V.                                                            | 1,401,566,311.92 | 1,036,070,558.18 |
| Qingdao Haier International Trading Co., Ltd.                                            | 110,329,652.31   | 220,206,536.59   |
| HNR (Private) Company Limited                                                            | 105,770,296.18   | 2,019,530.59     |
| Qingdao Haier New Materials R & D Co., Ltd.                                              | 98,780,783.89    | 92,751,346.46    |
| Qingdao Lingzhi Electronic Technology Co., Ltd. (青島領智電子科技有限公司)                           | 76,979,990.05    | 32,483,627.17    |
| Dalian Haier International Trading Co., Ltd.                                             | 72,364,408.14    | 34,191,943.53    |
| Thailand Histar Technology Co., Ltd                                                      | 62,037,020.26    | 68,202,373.17    |
| Qingdao Dingxin Electronic Technology Co., Ltd. (青島鼎新電子科技有限公司)                           | 56,236,331.95    | 10,779,491.89    |
| Wolong Electric (Jinan) Motor Co., Ltd.                                                  | 45,645,744.97    | 71,939,568.11    |
| Other related parties                                                                    | 470,165,286.88   | 408,806,408.28   |
| <b>Contract liabilities:</b>                                                             |                  |                  |
| Qingdao Haier International Trading Co., Ltd.                                            | 100,023,464.66   | 45,490.79        |
| Mitsubishi Heavy Industry Haier (Qingdao) Air Conditioner Co., Ltd.                      | 35,274,630.60    | 399.60           |
| Qingdao Haier Parts Procurement Co., Ltd.                                                | 30,642,209.77    |                  |
| Wolong Electric (Jinan) Motor Co., Ltd.                                                  | 19,505,816.07    |                  |
| Other related parties                                                                    | 36,610,255.17    | 35,442,758.48    |
| <b>Other payables:</b>                                                                   |                  |                  |
| Dalian Haier International Trading Co., Ltd.                                             | 21,899,297.26    | 21,899,297.26    |
| Qingdao Manniq Intelligent Technology Co., Ltd.                                          | 21,704,973.67    | 46,404,473.49    |
|                                                                                          | 13,822,205.20    | 21,925,926.08    |
| Feiketeng Intelligent Technology (Qingdao) Co., Ltd.(斐科騰智能科技(青島)有限公司)                    | 13,715,135.65    | 15,356,340.96    |
| Qingdao Haier International Travel Agency Co., Ltd.                                      | 12,251,014.68    | 15,933,086.90    |
| COSMO Industrial Intelligence Research Institute (Qingdao) Co., LTD (卡奧斯工業智能研究院(青島)有限公司) | 10,396,897.44    |                  |

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| Items and name of customers                                                                        | Closing Balance  | Opening Balance |
|----------------------------------------------------------------------------------------------------|------------------|-----------------|
| Qingdao Haier Optoelectronics Co., Ltd.<br>(青岛海尔光电有限公司)                                            | 6,028,308.41     | 4,866,175.06    |
| Qingdao Haier International Trading Co., Ltd.                                                      | 5,050,465.00     |                 |
| Henan Anshuo Electric Co., Ltd.<br>(河南安硕电器有限公司)                                                    | 22,978,417.49    | 118,435,364.39  |
| Other related parties                                                                              |                  |                 |
| <b>Dividends payable:</b>                                                                          |                  |                 |
| Haier COSMO Co., Ltd. (海尔卡奥斯股份有限公司)                                                                | 1,214,681,202.55 |                 |
| Haier Group Corporation                                                                            | 1,035,112,291.69 |                 |
| Qingdao Haier Venture & Investment Information Co., Ltd. (青岛海尔创业投资咨询有限公司)                          | 166,230,610.50   |                 |
| Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership)<br>(青岛海创智管理咨询企业(有限合伙)) | 129,113,722.61   |                 |

#### 4. Other related party transactions

√ Applicable    □ Not Applicable

- (1) On 30 March 2023, Haier Group Corporation and Haier Group Finance Co., Ltd. (hereafter, the "Finance Company") renewed the Financial Services Framework Agreement, and the "resolution on the renewal of the Financial Services Framework Agreement between Haier Smart Home Co., Ltd. and Haier Group Corporation and the estimated amount of connected transaction" was considered and passed at the general meeting. The Financial Services Framework Agreement became effective from the passing of the resolution.

Various current balances of the Company and the Finance Company are as follows:

| Items                                                                | Closing Balance   | Opening Balance   |
|----------------------------------------------------------------------|-------------------|-------------------|
| Monetary funds deposited at the Finance Company                      | 20,194,208,511.13 | 20,498,535,069.50 |
| Debt investment deposited at the Finance Company                     | 12,065,000,000.00 | 12,605,000,000.00 |
| Debt investment due within one year deposited at the Finance Company | 1,617,500,000.00  | 327,500,000.00    |
| Other current assets deposited at the Finance Company                | 89,500,000.00     | 453,550,000.00    |
| Loans of the Finance Company                                         | 2,294,062,603.51  | 196,200,183.66    |
| Interest receivable from the Finance Company                         | 1,487,164,042.35  | 1,164,072,073.76  |
| Interest payable to the Finance Company                              | 17,175,060.62     | 2,070,180.99      |
| Bills issued                                                         | 8,029,203,957.89  | 7,770,695,481.53  |
| Foreign exchange derivatives of the Finance Company                  | -629,666.94       | 2,413,311.00      |

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Various balances of the Company and the Finance Company are as follows:

| Items                                                                    | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|--------------------------------------------------------------------------|-------------------------------------|--------------------------------------|
| Interest income of the Finance Company                                   | 411,893,046.61                      | 439,523,818.78                       |
| Interest expense of the Finance Company                                  | 14,237,380.91                       |                                      |
| Service fee of the Finance Company                                       | 4,336,109.25                        | 4,425,427.95                         |
| Spot foreign exchange business<br>(foreign exchange settlement and sale) | 3,239,292,158.45                    | 2,455,313,888.20                     |

- (2) The lease expense of the Company and its subsidiaries for production and operation leased from related parties for the current period was RMB30 million (amount for the corresponding period: RMB57 million).
- (3) Haier Group Corporation provided joint liability guarantee for certain bills payable of the subsidiaries of the Company with the guaranteed amount of RMB1,789 million at the end of the period (amount at the beginning of the period: RMB2,182 million).
- (4) The Company's subsidiary, Haier Pakistan (Private) Limited, has a loan balance of RMB497 million from its related party, HNR Private Limited.

### (IV) Pricing Policy

#### 1. Related-party Sales

Some related parties purchase components through the independent procurement platform of the Company, purchase electrical appliances for sales from the Company, and receive after-sales services, R&D service, housing rental and other business provided by the company due to their business needs. In April 2022, according to the implementation of connected transactions in the early stage and the relevant listing requirements in Hong Kong, the Company and Haier Group Corporation revised and signed the Product and Materials Sales Framework Agreement, the Service Provision Framework Agreement and the Property Leasing Framework Agreement on the basis of the original execution contract, which agreed on the financial connected transactions. The pricing principle included that both parties should agree on the price which is not less favourable than those provided by the Company to the Independent Third Parties on arm's length to ensure the fairness and reasonableness of connected transactions. The valid term of the agreement commenced from 1 January 2023 to 31 December 2025, which can be renewed for another three years upon expire.

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### 2. Related-party Procurement

In addition to independent procurement platform, the Company entrusted Haier Group Corporation and its subsidiaries for procurements of part of raw materials. Moreover, the Company entrusted Haier Group Corporation and its subsidiaries to provide the Company with logistics and distribution, energy and power, basic research and testing, equipment leasing, house leasing and maintenance, greening and cleaning, gift procurement, design, consulting, various ticket booking and other services. In April 2022, according to the implementation of connected transactions in the early stage and the relevant listing requirements in Hong Kong, the Company and Haier Group Corporation revised and signed the Product and Materials Sales Framework Agreement, the Service Provision Framework Agreement and the Property Leasing Framework Agreement on the basis of the original execution contract, which agreed on the financial connected transactions. The pricing principle included that both parties should agree on the price which is not less favourable than those provided by the Company to the Independent Third Parties on arm's length to ensure the fairness and reasonableness of connected transactions. The valid term of the agreement commenced from 1 January 2023 to 31 December 2025, which can be renewed for another three years upon expire.

### 3. Financial aspect

Some of the financial services such as deposit and loan service, discounting service and foreign exchange derivatives needed by the Company are provided by Haier Group Corporation, its subsidiaries and other companies. According to the Financial Service Agreement entered among the Company, Haier Group Corporation and other parties, the price of financial services is determined by the principle of not less favourable than market value fair. The Company is entitled to decide whether to keep cooperation relationship with them with the knowledge of the price prevailing in the market and in combination with its own interests. While performing the agreement, the Company could also require other financial service institutions to provide related financial services basing on actual situation. In order to meet the Company's demands such as the avoidance of foreign exchange fluctuation risk, the Company may choose Haier Group Finance Co., Ltd. to provide some foreign exchange derivative business after comparing with comparable companies. The Company will uphold the safe and sound, appropriate and reasonable principle, under which all foreign exchange capital business shall have a normal and reasonable business background to eliminate speculative operation. At the same time, the Company has specified the examination and permission rights, management positions and responsibilities at all levels for its foreign exchange capital business to eradicate the risks of operation by persons and improved its response speed to risks on the premise that the risks are effectively controlled. In March 2023, the Company and Haier Group Corporation renewed the Financial Services Framework Agreement, which agreed on the financial connected transactions. The pricing principle included the deposit interest rate not lower than the maximum interest rate of major banks listed and the loan interest rate not less favourable than the market price to ensure the fairness and reasonableness of connected transactions. The valid term of the agreement lasts until 31 December 2026, which can be renewed for another three years upon expire.

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### 4. Others

The Company signed the Intellectual Property Licensing Framework Agreement with Haier Group Corporation in November 2020. According to the agreement, Haier Group has agreed to grant or procure its subsidiaries and contact persons to grant the license to the Company at nil consideration to use all its intellectual property rights, including but not limited to trademarks, patents, copyrights and logos for the products, packaging, services and business introduction documents of the Company. The date of the Intellectual Property Licensing Framework Agreement shall be permanently effective from the listing date. When such specific intellectual property rights expire and are not renewed by Haier Group, our right to use certain intellectual property rights under the Intellectual Property Licensing Framework Agreement will terminate.

## XIV.SHARE-BASED PAYMENTS

### 1. Equity instruments

#### (1) Details

☒ Applicable ☐ Not Applicable

Unit of number: shares Unit and Currency of Amount: RMB

| Categories of participants      | Granted during the period |                | Exercised during the period |        | Vested during the period |               | Lapsed during the period |                |
|---------------------------------|---------------------------|----------------|-----------------------------|--------|--------------------------|---------------|--------------------------|----------------|
|                                 | Number                    | Amount         | Number                      | Amount | Number                   | Amount        | Number                   | Amount         |
| Directors and senior management | 956,512.00                | 19,873,999.82  |                             |        | 171,547.00               | 3,909,858.59  | 1,114,664.00             | 8,878,280.27   |
| Staff                           | 6,370,513.00              | 132,363,811.65 |                             |        | 777,372.00               | 17,717,678.50 | 34,254,021.00            | 283,222,451.28 |
| Total                           | 7,327,025.00              | 152,237,811.46 |                             |        | 948,919.00               | 21,627,537.09 | 35,368,685.00            | 292,100,731.55 |

#### (2) Outstanding share options or other equity instruments at the end of the period

☒ Applicable ☐ Not Applicable

| Share-based payment items   | Outstanding share options at the end of the period |                                 | Outstanding other equity instruments at the end of the period |                                |
|-----------------------------|----------------------------------------------------|---------------------------------|---------------------------------------------------------------|--------------------------------|
|                             | Exercise price                                     | The remaining contractual term  | Exercise price                                                | The remaining contractual term |
| 2021 First Option           | RMB25.63 per share                                 | September 2021 – September 2026 |                                                               |                                |
| 2021 Second Option          | RMB25.63 per share                                 | December 2021 – December 2026   |                                                               |                                |
| 2022 Option                 | RMB23.86 per share                                 | June 2022 – June 2026           |                                                               |                                |
| 2023 Stock Ownership Plan A |                                                    |                                 | N/A                                                           | July 2023 – July 2025          |
| 2023 Stock Ownership Plan H |                                                    |                                 | N/A                                                           | July 2023 – July 2025          |
| 2024 Stock Ownership Plan A |                                                    |                                 | N/A                                                           | August 2024 – August 2026      |
| 2024 Stock Ownership Plan H |                                                    |                                 | N/A                                                           | August 2024 – August 2026      |
| 2023 Restricted Shares      |                                                    |                                 | N/A                                                           | July 2023- June 2026           |
| 2024 Restricted Shares      |                                                    |                                 | N/A                                                           | June 2024- May 2027            |
| 2025 Restricted Shares      |                                                    |                                 | N/A                                                           | June 2025- June 2028           |

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### 2. Equity-settled share-based payments

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB'00,000,000

|                                                                                          |                                                                  |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Method of determining the fair value of equity instrument on the date of grant           | Closing price of share on the date of grant, Black-Scholes Model |
| Important parameters of the fair value of equity instrument on the date of grant         | Historical volatility rate, risk-free rate, yield rate           |
| Basis for determining the number of exercisable equity instruments                       | The best estimate of the management                              |
| Reason for significant differences between current and prior period estimates            | Nil                                                              |
| Accumulated amount of equity-settled share-based payment included in the capital reserve | RMB13.06                                                         |

### 3. Cash-settled share-based payments

☐ Applicable ☒ Not Applicable

### 4. Share-based payments for the current period

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Categories of participants  | Equity-settled share-based payment | Cash-settled share-based payment |
|-----------------------------|------------------------------------|----------------------------------|
| Director, Senior management | 37,348,957.05                      |                                  |
| Staff                       | 183,724,982.34                     |                                  |
| Total                       | 221,073,939.39                     |                                  |

### 5. Modification and termination of share-based payments

☐ Applicable ☒ Not Applicable

## XV. CONTINGENCIES

As of 28 August 2025, the Company has no significant contingencies that need to be disclosed.

## XVI. EVENTS AFTER THE BALANCE SHEET DATE

According to the resolution of the 2nd meeting of the 12th session of the Board of Directors of the Company held on 28 August 2025, the profit for the period is proposed to be distributed on the basis of the total number of shares on the record date after deducting the repurchased shares from the repurchased account when the plan is implemented in the future, the Company will declare cash dividend of RMB2.69 (including taxes) for every 10 shares to all shareholders.

## XVII. RISKS RELATED TO FINANCIAL INSTRUMENTS

√ Applicable    ☐ Not Applicable

The book value of various financial instruments on the balance sheet date is as follows:

### Financial assets

| Items                                  | Closing Balance                                                                                  |                            |                                                                                                     | Total             |
|----------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------|-------------------|
|                                        | Financial assets measured at fair value and changes of which included in current profit and loss | Measured at amortized cost | Financial assets measured at fair value and changes of which included in other comprehensive income |                   |
| Monetary funds                         |                                                                                                  | 55,357,102,536.82          |                                                                                                     | 55,357,102,536.82 |
| Financial assets held for trading      | 8,815,448,315.62                                                                                 |                            |                                                                                                     | 8,815,448,315.62  |
| Derivative financial assets            |                                                                                                  |                            | 79,365,117.40                                                                                       | 79,365,117.40     |
| Bills receivable                       |                                                                                                  | 6,907,611,901.39           |                                                                                                     | 6,907,611,901.39  |
| Accounts receivable                    |                                                                                                  | 31,125,796,665.70          |                                                                                                     | 31,125,796,665.70 |
| Financing receivables                  |                                                                                                  |                            | 1,248,197,448.34                                                                                    | 1,248,197,448.34  |
| Other receivables                      |                                                                                                  | 4,228,793,070.44           |                                                                                                     | 4,228,793,070.44  |
| Non-current assets due within one year |                                                                                                  | 2,307,574,005.86           |                                                                                                     | 2,307,574,005.86  |
| Other current assets                   |                                                                                                  | 115,221,674.82             |                                                                                                     | 115,221,674.82    |
| Debt investments                       |                                                                                                  | 14,590,918,331.42          |                                                                                                     | 14,590,918,331.42 |
| Long-term receivables                  |                                                                                                  | 139,022,168.65             |                                                                                                     | 139,022,168.65    |
| Other equity instruments               |                                                                                                  |                            | 5,650,156,251.25                                                                                    | 5,650,156,251.25  |

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### Financial assets (continued)

| Items                                  | Opening Balance                                                                                  |                                                                                                     | Total             |
|----------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------|
|                                        | Financial assets measured at fair value and changes of which included in current profit and loss | Financial assets measured at fair value and changes of which included in other comprehensive income |                   |
|                                        |                                                                                                  | Measured at amortized cost                                                                          |                   |
| Monetary funds                         |                                                                                                  | 55,597,554,622.83                                                                                   | 55,597,554,622.83 |
| Financial assets held for trading      | 1,236,017,839.53                                                                                 |                                                                                                     | 1,236,017,839.53  |
| Derivative financial assets            |                                                                                                  | 142,709,716.91                                                                                      | 142,709,716.91    |
| Bills receivable                       |                                                                                                  | 12,179,856,870.01                                                                                   | 12,179,856,870.01 |
| Accounts receivable                    |                                                                                                  | 26,494,845,510.56                                                                                   | 26,494,845,510.56 |
| Financing receivables                  |                                                                                                  | 412,922,615.25                                                                                      | 412,922,615.25    |
| Other receivables                      |                                                                                                  | 3,601,357,495.02                                                                                    | 3,601,357,495.02  |
| Other current assets                   |                                                                                                  | 491,724,709.59                                                                                      | 491,724,709.59    |
| Non-current assets due within one year |                                                                                                  | 1,439,758,652.55                                                                                    | 1,439,758,652.55  |
| Debt investments                       |                                                                                                  | 15,474,759,856.99                                                                                   | 15,474,759,856.99 |
| Long-term receivables                  |                                                                                                  | 224,724,107.31                                                                                      | 224,724,107.31    |
| Other equity instruments               |                                                                                                  | 6,073,680,870.82                                                                                    | 6,073,680,870.82  |

### Financial liabilities

| Items                                   | Closing Balance                              |                                                  | Total             |
|-----------------------------------------|----------------------------------------------|--------------------------------------------------|-------------------|
|                                         | Financial liabilities measured at fair value | Financial liabilities measured at amortised cost |                   |
| Short-term borrowings                   |                                              | 16,127,614,637.24                                | 16,127,614,637.24 |
| Derivative financial liabilities        | 440,096,398.09                               |                                                  | 440,096,398.09    |
| Bills payable                           |                                              | 25,408,488,465.99                                | 25,408,488,465.99 |
| Accounts payable                        |                                              | 53,257,299,256.55                                | 53,257,299,256.55 |
| Other payables                          |                                              | 30,240,547,430.91                                | 30,240,547,430.91 |
| Non-current liabilities due in one year |                                              | 6,926,553,073.51                                 | 6,926,553,073.51  |
| Long-term borrowings                    |                                              | 10,595,616,602.87                                | 10,595,616,602.87 |
| Bond payables                           |                                              | 3,500,000,000.00                                 | 3,500,000,000.00  |
| Long-term payables                      |                                              | 138,177,568.54                                   | 138,177,568.54    |

## Financial liabilities (continued)

| Items                                   | Opening Balance                              |                                                  | Total             |
|-----------------------------------------|----------------------------------------------|--------------------------------------------------|-------------------|
|                                         | Financial liabilities measured at fair value | Financial liabilities measured at amortised cost |                   |
| Short-term borrowings                   |                                              | 13,784,367,443.93                                | 13,784,367,443.93 |
| Derivative financial liabilities        | 71,011,310.01                                |                                                  | 71,011,310.01     |
| Bills payable                           |                                              | 21,220,364,311.81                                | 21,220,364,311.81 |
| Accounts payable                        |                                              | 54,665,277,420.32                                | 54,665,277,420.32 |
| Other payables                          |                                              | 21,746,135,764.08                                | 21,746,135,764.08 |
| Non-current liabilities due in one year |                                              | 12,389,280,182.98                                | 12,389,280,182.98 |
| Long-term borrowings                    |                                              | 9,665,074,313.67                                 | 9,665,074,313.67  |
| Long-term payables                      |                                              | 188,220,056.59                                   | 188,220,056.59    |

Please refer to related items in Note VII for details on each of the financial instruments of the Company. Risks related to these financial instruments and the risk management policies taken by the Company to mitigate these risks are summarized below. The management of the Company manages and monitors these risk exposures to ensure the above risks are well under control.

#### 1. Credit risk

The credit risk of the Company mainly arises from bank deposits, bills receivable, accounts receivable, interest receivable, other receivables and wealth management products.

- (1) The Company's bank deposits and wealth management products are mainly deposited in Haier Finance Co., Ltd., state-owned banks and other large and medium-sized listed banks. The interest receivables are mainly the accrued interests from fixed deposits which are deposited in the above banks. The Group does not believe there is any significant credit risk due to defaults of its counterparties which would cause any significant loss.
- (2) Accounts receivable and bills receivable: The Company only trades with approved and reputable third parties. All customers who are traded by credit are subject to credit assessment according to the policies of the Company, and the payment terms shall be determined on a reasonable basis. The Company monitors the balances of accounts receivable on an ongoing basis and purchases credit insurance for receivables of large-amount credit customers in order to ensure the Company is free from material bad debts risks.
- (3) Other receivables of the Company mainly include export tax refund, borrowings and contingency provision. The Company strengthened its management and continuous monitoring in respect of these receivables and relevant economic business based on historical data, so as to ensure that the Company's significant risk of bad debts is controllable and will be further reduced.

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### 2. Liquidity risk

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in fulfilling obligations associated with financial liabilities. To control such risk, the Company utilizes various financing methods such as notes settlement and bank loans to strive for a balance between sustainable and flexible financing. It also has obtained bank credit facilities from several commercial banks to satisfy its needs for working capital and capital expenditures.

### 3. Exchange rate risk

The Company's businesses are based in mainland China, USA, Japan, Southeast Asia, South Asia, central and east Africa, Europe, and Australia, etc. and are settled in RMB, USD, and other currencies.

The Company's overseas assets and liabilities denominated in foreign currencies as well as transactions to be settled in foreign currencies expose the Company to fluctuations in exchange rates. The Company's finance department is responsible for monitoring the size of transactions in foreign currencies and assets and liabilities denominated in foreign currencies to minimize the risk of exposure to fluctuation in exchange rate; the Company resorts the way of signing forward foreign exchange contracts to avoid the risk of exchange fluctuation.

### 4. Interest rate risk

The Company's interest rate risk arises primarily from its long- and short- term bank loans and bonds payables which are interest-bearing debts. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rates expose the Company to fair value interest rate risk. The Group determines the relative proportion of fixed-interest rate and floating interest rate contracts in light of the prevailing market conditions.

## XVIII. OTHER SIGNIFICANT EVENTS

As of 28 August 2025, the Company has no other significant events that need to be disclosed.

## XIX. NOTES TO MAIN ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY

### 1. Accounts receivable

| Aging                       | Closing Balance  | Opening Balance  |
|-----------------------------|------------------|------------------|
| Within 1 year               | 693,244,700.84   | 467,689,337.45   |
| 1-2 years                   | 628,512,946.09   | 714,128,728.58   |
| 2-3 years                   | 639,447,810.65   | 378,071,982.79   |
| Over 3 years                | 586,003,840.60   | 529,373,541.54   |
| Accounts receivable balance | 2,547,209,298.18 | 2,089,263,590.36 |
| Allowance for bad debts     |                  |                  |
| Net accounts receivable     | 2,547,209,298.18 | 2,089,263,590.36 |

Changes in bad debt provision for accounts receivable in the current period:

| Items                   | Opening Balance | Increase for the current period  |                | Decrease for the current period |                              | Closing Balance |
|-------------------------|-----------------|----------------------------------|----------------|---------------------------------|------------------------------|-----------------|
|                         |                 | Provision for the current period | Other increase | Reversal                        | Write-off and other movement |                 |
| Allowance for bad debts |                 |                                  |                |                                 |                              |                 |

### 2. Other receivables

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items               | Closing Balance   | Opening Balance   |
|---------------------|-------------------|-------------------|
| Interest receivable | 66,600,316.50     | 137,951,583.62    |
| Dividend receivable | 3,615,317,738.91  | 955,746,044.23    |
| Other receivables   | 58,557,152,555.17 | 34,215,510,473.88 |
| Total               | 62,239,070,610.58 | 35,309,208,101.73 |

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### Interest receivable

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items            | Closing Balance | Opening Balance |
|------------------|-----------------|-----------------|
| Within 1 year    | 30,639,716.27   | 70,005,254.26   |
| More than 1 year | 35,960,600.23   | 67,946,329.36   |
| Total            | 66,600,316.50   | 137,951,583.62  |

### Dividend receivable

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items            | Closing Balance  | Opening Balance |
|------------------|------------------|-----------------|
| Within 1 year    | 2,659,571,694.68 | 385,746,044.23  |
| More than 1 year | 955,746,044.23   | 570,000,000.00  |
| Total            | 3,615,317,738.91 | 955,746,044.23  |

### Other receivables

① The disclosure of other receivables by aging is as follows:

| Aging                     | Closing Balance   | Opening Balance   |
|---------------------------|-------------------|-------------------|
| Within 1 year             | 48,546,317,312.85 | 23,315,358,021.45 |
| More than 1 year          | 10,014,901,515.69 | 10,903,518,725.80 |
| Other receivables balance | 58,561,218,828.54 | 34,218,876,747.25 |
| Allowance for bad debts   | 4,066,273.37      | 3,366,273.37      |
| Net other receivables     | 58,557,152,555.17 | 34,215,510,473.88 |

② Changes in bad debt provision for other receivables in the current period:

| Items                   | Opening Balance | Increase for the current period  |                | Decrease for the current period |                              | Closing Balance |
|-------------------------|-----------------|----------------------------------|----------------|---------------------------------|------------------------------|-----------------|
|                         |                 | Provision for the current period | Other increase | Reversal                        | Write-off and other movement |                 |
| Allowance for bad debts | 3,366,273.37    | 700,000.00                       |                |                                 |                              | 4,066,273.37    |

### 3. Long-term equity investment

√ Applicable    □ Not Applicable

#### (1) Details of long-term equity investments:

| Items                                                   | Closing Balance   |                          | Opening Balance   |                          |
|---------------------------------------------------------|-------------------|--------------------------|-------------------|--------------------------|
|                                                         | Book balance      | Provision for impairment | Book balance      | Provision for impairment |
| Long-term equity investment                             |                   |                          |                   |                          |
| Including: Long-term equity investments in subsidiaries | 59,214,568,571.82 | 7,100,000.00             | 59,022,876,043.31 | 7,100,000.00             |
| Long-term equity investments in associates              | 3,477,408,814.49  | 109,300,000.00           | 3,287,178,712.86  | 109,300,000.00           |
| Total                                                   | 62,691,977,386.31 | 116,400,000.00           | 62,310,054,756.17 | 116,400,000.00           |

#### (2) Long-term equity investments to subsidiaries

| Name of investee                                                        | Opening Balance  | Increase/<br>Decrease<br>for the period | Closing Balance  | Impairment<br>provisions<br>at the end<br>of the period |
|-------------------------------------------------------------------------|------------------|-----------------------------------------|------------------|---------------------------------------------------------|
| I. Subsidiaries:                                                        |                  |                                         |                  |                                                         |
| Chongqing Haier Electronics Sales Co., Ltd.                             | 9,500,000.00     |                                         | 9,500,000.00     |                                                         |
| Haier Group (Dalian) Electrical Appliances Industry Co., Ltd.           | 34,735,489.79    |                                         | 34,735,489.79    |                                                         |
| Qingdao Haier Refrigerator Co., Ltd.                                    | 402,667,504.64   |                                         | 402,667,504.64   |                                                         |
| Qingdao Haier Special Refrigerator Co., Ltd.                            | 426,736,418.99   |                                         | 426,736,418.99   |                                                         |
| Qingdao Haier Information Plastic Development Co., Ltd.                 | 102,888,407.30   |                                         | 102,888,407.30   |                                                         |
| Dalian Haier Precision Products Co., Ltd.                               | 41,836,159.33    |                                         | 41,836,159.33    |                                                         |
| Hefei Haier Plastic Co., Ltd.                                           | 72,350,283.21    |                                         | 72,350,283.21    |                                                         |
| Qingdao Haier Technology Co., Ltd.                                      | 16,817,162.03    |                                         | 16,817,162.03    |                                                         |
| Qingdao Household Appliance Technology and Equipment Research Institute | 66,778,810.80    |                                         | 66,778,810.80    |                                                         |
| Qingdao Meier Plastic Powder Co., Ltd.                                  | 24,327,257.77    |                                         | 24,327,257.77    |                                                         |
| Chongqing Haier Precision Plastic Co., Ltd.                             | 47,811,283.24    |                                         | 47,811,283.24    |                                                         |
| Qingdao Haier Electronic Plastic Co., Ltd.                              | 69,200,000.00    |                                         | 69,200,000.00    |                                                         |
| Dalian Haier Refrigerator Co., Ltd.                                     | 138,600,000.00   |                                         | 138,600,000.00   |                                                         |
| Dalian Haier Air-conditioning Co., Ltd.                                 | 99,000,000.00    |                                         | 99,000,000.00    |                                                         |
| COSMOPlat Mould (Qingdao) Co., Ltd.                                     |                  | 53,324,428.51                           | 53,324,428.51    |                                                         |
| Hefei Haier Air-conditioning Co., Limited                               | 79,403,123.85    |                                         | 79,403,123.85    |                                                         |
| Qingdao Haier Refrigerator (International) Co., Ltd.                    | 238,758,240.85   |                                         | 238,758,240.85   |                                                         |
| Qingdao Haier Air-Conditioner Electronics Co., Ltd.                     | 1,131,107,944.51 |                                         | 1,131,107,944.51 |                                                         |
| Qingdao Haier Air Conditioner Gen Corp., Ltd.                           | 220,636,306.02   |                                         | 220,636,306.02   |                                                         |
| Qingdao Haier Special Freezer Co., Ltd.                                 | 471,530,562.76   |                                         | 471,530,562.76   |                                                         |

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| Name of investee                                                | Opening<br>Balance | Increase/<br>Decrease<br>for the period | Closing Balance   | Impairment<br>provisions<br>at the end<br>of the period |
|-----------------------------------------------------------------|--------------------|-----------------------------------------|-------------------|---------------------------------------------------------|
| Qingdao Haier Dishwasher Co., Ltd.                              | 206,594,292.82     |                                         | 206,594,292.82    |                                                         |
| Wuhan Haier Freezer Co., Ltd.                                   | 47,310,000.00      |                                         | 47,310,000.00     |                                                         |
| Wuhan Haier Electronics Holding Co., Ltd.                       | 100,715,445.04     |                                         | 100,715,445.04    |                                                         |
| Chongqing Haier Air-conditioning Co., Ltd.                      | 100,000,000.00     |                                         | 100,000,000.00    |                                                         |
| Hefei Haier Refrigerator Co., Ltd.                              | 49,000,000.00      |                                         | 49,000,000.00     |                                                         |
| Qingdao Haier Whole Set Home Appliance<br>Service Co., Ltd.     | 118,000,000.00     |                                         | 118,000,000.00    |                                                         |
| Chongqing Haier Refrigeration Appliance<br>Co., Ltd.            | 91,750,000.00      |                                         | 91,750,000.00     |                                                         |
| Haier Shanghai Zhongzhi Fang Chuang Ke<br>Management Co., Ltd.  | 2,000,000.00       |                                         | 2,000,000.00      |                                                         |
| Qingdao Haier Special Refrigerating<br>Appliance Co., Ltd.      | 100,000,000.00     |                                         | 100,000,000.00    |                                                         |
| Haier Shareholdings (Hong Kong) Limited                         | 35,448,380,641.24  | 138,368,100.00                          | 35,586,748,741.24 |                                                         |
| Shenyang Haier Refrigerator Co., Ltd.                           | 100,000,000.00     |                                         | 100,000,000.00    |                                                         |
| Foshan Haier Freezer Co., Ltd.                                  | 100,000,000.00     |                                         | 100,000,000.00    |                                                         |
| Zhengzhou Haier Air-conditioning Co., Ltd.                      | 100,000,000.00     |                                         | 100,000,000.00    |                                                         |
| Qingdao Haidayuan Procurement Service<br>Co., Ltd.              | 20,000,000.00      |                                         | 20,000,000.00     |                                                         |
| Qingdao Haier Intelligent Technology<br>Development Co., Ltd.   | 130,000,000.00     |                                         | 130,000,000.00    |                                                         |
| Qingdao Haier Technology Investment Co.,<br>Ltd.                | 410,375,635.00     |                                         | 410,375,635.00    |                                                         |
| Qingdao Casarte Smart Living Appliances<br>Co., Ltd.            | 10,000,000.00      |                                         | 10,000,000.00     |                                                         |
| Haier Overseas Electric Appliance Co., Ltd.                     | 500,000,000.00     |                                         | 500,000,000.00    |                                                         |
| Haier (Shanghai) Electronics Co., Ltd.                          | 12,500,000.00      |                                         | 12,500,000.00     |                                                         |
| Haier U+smart Intelligent Technology<br>(Beijing) Co., Ltd.     | 143,000,000.00     |                                         | 143,000,000.00    |                                                         |
| Haier Electronics Group Co., Ltd.                               | 3,979,407,602.61   |                                         | 3,979,407,602.61  | 7,100,000.00                                            |
| Flourishing Reach Limited (SPVX)                                | 12,751,300,336.02  |                                         | 12,751,300,336.02 |                                                         |
| Qingdao Haidarui Procurement Service Co.,<br>Ltd.               | 107,800,000.00     |                                         | 107,800,000.00    |                                                         |
| Qingdao Haier Intelligent Household<br>Appliances Co., Ltd.     | 326,400,000.00     |                                         | 326,400,000.00    |                                                         |
| Qingdao Haidacheng Procurement Service<br>Co., Ltd.             | 100,000,000.00     |                                         | 100,000,000.00    |                                                         |
| Qingdao Haier Quality Inspection Co., Ltd.                      | 18,657,135.49      |                                         | 18,657,135.49     |                                                         |
| Qingdao Haier Home AI Industry Innovation<br>Center Co., Ltd.   | 100,000,000.00     |                                         | 100,000,000.00    |                                                         |
| Haier Zhjia Experience Cloud Ecological<br>Technology Co., Ltd. | 100,000,000.00     |                                         | 100,000,000.00    |                                                         |
| Qingdao Ruibo Ecological Environmental<br>Technology Co., Ltd.  | 55,000,000.00      |                                         | 55,000,000.00     |                                                         |
| Total                                                           | 59,022,876,043.31  | 191,692,528.51                          | 59,214,568,571.82 | 7,100,000.00                                            |

## Section VIII Financial Report

### (3) Long-term equity investments to associates

| Name of investee                                                               | Opening Balance  | Increase/Decrease for the current period          |                                                  | Others         | Closing Balance  | Impairment provisions at the end of the period |
|--------------------------------------------------------------------------------|------------------|---------------------------------------------------|--------------------------------------------------|----------------|------------------|------------------------------------------------|
|                                                                                |                  | Increased/decreased amount for the current period | Investment income recognized under equity method |                |                  |                                                |
| Wolong Electric (Jinan) Motor Co., Ltd.                                        | 193,369,088.85   |                                                   | 14,593,823.15                                    | -15,000,000.00 | 192,962,912.00   |                                                |
| Qingdao Haier SAIF Smart Home Industry Investment Center (Limited Partnership) | 191,276,594.86   |                                                   |                                                  |                | 191,276,594.86   |                                                |
| Bank of Qingdao Co., Ltd.                                                      | 1,375,893,627.61 |                                                   | 88,115,757.76                                    | 27,197,537.58  | 1,491,206,922.95 |                                                |
| Mitsubishi Heavy Industries Haier (Qingdao) Air-conditioners Co., Ltd.         | 698,845,993.61   |                                                   | 71,576,418.84                                    |                | 770,422,412.45   |                                                |
| Qingdao Haier Carrier Refrigeration Equipment Co., Ltd.                        | 416,283,326.98   |                                                   | 1,089,446.19                                     |                | 417,372,773.17   | 21,000,000.00                                  |
| Qingdao Haier Multimedia Co., Ltd.                                             | 88,300,000.00    |                                                   |                                                  |                | 88,300,000.00    | 88,300,000.00                                  |
| Qingdao HBIS New Material Technology Co., Ltd.                                 | 323,210,080.95   |                                                   | 6,843,983.51                                     | -4,186,865.40  | 325,867,199.06   |                                                |
| Total                                                                          | 3,287,178,712.86 |                                                   | 182,219,429.45                                   | 8,010,672.18   | 3,477,408,814.49 | 109,300,000.00                                 |

### 4. Operating revenue and operating cost

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB

| Item             | Amount for the current period |                | Amount for the previous period |                |
|------------------|-------------------------------|----------------|--------------------------------|----------------|
|                  | Revenue                       | Cost           | Revenue                        | Cost           |
| Primary Business | 412,412,887.84                | 388,616,965.82 | 209,681,355.52                 | 183,992,284.05 |
| Other Business   | 41,377,431.52                 | 33,009,861.52  | 41,920,259.24                  | 39,451,949.45  |
| Total            | 453,790,319.36                | 421,626,827.34 | 251,601,614.76                 | 223,444,233.50 |

## Section VIII Financial Report

### 5. Investment income

√ Applicable    ☐ Not Applicable

Unit and Currency: RMB

| Items                                                                                     | Amount for<br>the current<br>period | Amount for<br>the previous<br>period |
|-------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------|
| Investment income from long-term equity<br>investment accounted for using cost method     | 2,659,571,694.68                    | 302,819,744.23                       |
| Long-term equity investments income calculated<br>by the equity method                    | 182,219,429.45                      | 180,476,867.12                       |
| Income from wealth management products                                                    | 29,446,717.52                       | 24,878,729.85                        |
| Investment income from investment in other equity<br>instrument during the holding period | 322,683.64                          |                                      |
| Total                                                                                     | 2,871,560,525.29                    | 508,175,341.20                       |

## XX. APPROVAL OF FINANCIAL REPORT

This financial report was approved for publication by the Board of Directors of the Company on 28 August 2025.

## XXI. OTHER SUPPLEMENTARY INFORMATION

### 1. Basic earnings per share and diluted earnings per share

| Items                                                                                                                    | Amount for the current period                  |                                |                                  | Amount for the previous period                 |                                |                                  |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------|----------------------------------|------------------------------------------------|--------------------------------|----------------------------------|
|                                                                                                                          | Earnings per share                             |                                |                                  | Earnings per share                             |                                |                                  |
|                                                                                                                          | (RMB)                                          |                                |                                  | (RMB)                                          |                                |                                  |
|                                                                                                                          | Weighted<br>average<br>return on<br>net assets | Basic<br>earnings<br>per share | Diluted<br>earnings<br>per share | Weighted<br>average<br>return on<br>net assets | Basic<br>earnings<br>per share | Diluted<br>earnings<br>per share |
| Net profit attributable to ordinary<br>shareholders of the Company                                                       | 10.34%                                         | 1.30                           | 1.29                             | 9.82%                                          | 1.13                           | 1.12                             |
| Net profit attributable to ordinary<br>shareholders of the Company<br>after deduction of non-recurring<br>profit or loss | 10.05%                                         | 1.27                           | 1.26                             | 9.43%                                          | 1.10                           | 1.09                             |

## Section VIII Financial Report

### 2. Non-recurring profit or loss

√ Applicable    □ Not Applicable

Unit and Currency: RMB

| Items                                                                                                                                                                                                                                                                                                                              | Amount          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Profit or loss from disposal of non-current assets,<br>including the write-off of provision for asset impairment                                                                                                                                                                                                                   | -25,721,740.02  |
| Government subsidies included in current profit or loss,<br>except for government subsidies that are closely related<br>to the Company's normal business operations,<br>conformed to requirements of state policies and<br>granted according to specific criteria, and have a<br>sustained impact on the Company's profit or loss  | 511,165,290.49  |
| Profit or loss arising from changes in fair value of financial<br>assets and financial liabilities held by non-financial<br>entities, and profit or loss arising from disposal of<br>financial assets and financial liabilities, except for<br>effective hedging activities related to the Company's<br>normal business operations | 57,589,058.88   |
| Net profit or loss of subsidiaries arising from business<br>combinations under common control of the current<br>period from the beginning of the period to the date of<br>consolidation                                                                                                                                            | 3,593,306.97    |
| Other non-operating income and expenses except the<br>aforementioned items                                                                                                                                                                                                                                                         | -121,916,440.93 |
| Less: Effect of income tax                                                                                                                                                                                                                                                                                                         | -70,186,916.68  |
| Effect of minority equity interest (After Tax)                                                                                                                                                                                                                                                                                     | -23,935,295.14  |
| Total                                                                                                                                                                                                                                                                                                                              | 330,587,263.57  |

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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" 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" designated as recurring profit or loss items, reasons shall be specified.

☐ Applicable ☒ Not Applicable

Haier Smart Home Co., Ltd.  
Chairman: LI Huagang  
28 August 2025

### Information of amendment

☐ Applicable ☒ Not Applicable