

Stock code: 002508

Stock name: Robam Appliances

Announcement No.: 2022-049

Hangzhou Robam Appliances Co., Ltd.

Q3 2022 Report

Hangzhou Robam Appliances Co., Ltd. (the Company) and all members of its Board of Directors hereby guarantee that there are no false representations, misleading statements or material omissions in this Quarterly Report (“the Report”), and the information contained herein is authentic, accurate and complete.

Important Notes

1. The Board of Directors, the Board of Supervisors, as well as the directors, supervisors and senior management of the Company hereby guarantee that there are no false representations, misleading statements or material omissions in the Report, and are severally and jointly liable for the authenticity, accuracy and completeness of the information contained herein.

2. The head of the Company, the person in charge of the Company’s accounting and the head of the accounting department (the accountant in charge) hereby declare and warrant that the financial report contained in the Report is authentic, accurate, and complete.

3. Whether the Q3 report has been audited?

Yes No

I. Key Financial Data

(I) Key Accounting Data and Financial Indicators

Whether the Company needs to retroactively adjust or restate the accounting data of previous years?

Yes No

| | The reporting period | YoY change | From the beginning of the year to the end of the reporting period | YoY change |
|--|-----------------------------|----------------------------------|---|----------------------------------|
| Operating income (RMB) | 2,792,652,705.58 | 1.74% | 7,236,962,805.27 | 2.35% |
| Net profit attributable to shareholders of the listed company (RMB) | 509,980,371.09 | -7.62% | 1,233,529,752.34 | -8.11% |
| Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses (RMB) | 496,561,217.73 | -8.82% | 1,132,406,301.80 | -12.28% |
| Net cash flow from operating activities (RMB) | — | — | 1,177,230,706.54 | -2.05% |
| Basic earnings per share (EPS) (RMB/share) | 0.54 | -6.90% | 1.30 | -8.45% |
| Diluted EPS (RMB/share) | 0.54 | -6.90% | 1.30 | -8.45% |
| Weighted average return on net assets | 5.58% | Reduced by 0.97 percentage point | 13.58% | Reduced by 2.38 percentage point |
| | End of the reporting period | End of last year | Change | |
| Total assets (RMB) | 14,399,660,135.37 | 13,906,035,181.12 | 3.55% | |
| Owner's equity attributable to shareholders of listed company (RMB) | 9,396,082,926.93 | 8,627,026,739.27 | 8.91% | |

(II) Items and Amounts of Non-recurring Gains and Losses

Applicable Not Applicable

In RMB

| Item | Amount in the reporting period | Amount from the beginning of the year to the end of the reporting period | Description |
|--|--------------------------------|--|-------------|
| Gains and losses on disposal of non-current assets (including the part written-off with provision for asset impairment accrued) | -128,419.05 | -162,598.77 | |
| Government subsidy included in current gains and losses (except the government subsidy closely related to the Company's normal business, in line with national policy and enjoyed by quota or ration in accordance with the unified national standard) | 15,486,532.28 | 85,777,631.79 | |
| Reversal of provision for separate impairment of accounts receivable | 3,330,554.19 | 38,578,840.66 | |
| Other non-operating revenues and expenses except the above items | -259,989.51 | 949,881.55 | |
| Less: Affected amount of income tax | 3,138,289.40 | 19,207,531.03 | |
| Affected amount of minority shareholders' equity (after tax) | 1,871,235.15 | 4,812,773.66 | |
| Total | 13,419,153.36 | 101,123,450.54 | -- |

Other items of gains and losses meeting the definition of non-recurring gains and losses:

Applicable Not Applicable

The Company does not have other items of gains and losses meeting the definition of non-recurring gains and losses.

Explanation on the circumstance where items of the non-recurring gains and losses listed in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public — Non-recurring Gains and Losses* (referred to as “Announcement No.1”) are defined as recurring gains and losses

Applicable Not Applicable

There is no circumstance where the items of non-recurring gains and losses enumerated in accordance with the Announcement No.1 are defined as recurring gains and losses.

(III) Changes in Major Accounting Data and Financial Indicators and Their Reasons

Applicable Not Applicable

1. Balance sheet items

At the end of the reporting period, notes receivable decreased by 40.47% as compared with that at the beginning of the year, mainly due to the decrease in the construction business settled with notes receivable in the current period.

At the end of the reporting period, prepayments increased by 47.21% as compared with that at the beginning of the year, mainly due to the increase in the prepayments for the purchase of raw materials in the current period.

At the end of the reporting period, investment real estate increased by 361.96% as compared with that at the beginning of the year, mainly due to the increase in the leased real estates in the current period.

At the end of the reporting period, other non-current assets increased by 154.73% as compared with that at the beginning of the year, mainly due to the increase in the mortgage of properties by property developers and prepayments for purchasing fixed assets.

At the end of the reporting period, short-term loans increased by 123.32% as compared with that at the beginning of the year, mainly due to the increase in the bank loans of Kinde, a subsidiary.

At the end of the reporting period, the payroll payable decreased by 56.17% as compared with that at the beginning of the year, mainly due to the completion of the payment of employees' salaries and bonuses last year.

2. Income statement items

Other incomes increased by 85.53% as compared with that during the same period of the previous year, mainly due to the increase in the government subsidy.

II. Shareholder Information

(I) Total Number of Common Shareholders and Preferred Shareholders with the Voting Rights Recovered and Shareholding of the Top 10 Shareholders

Unit: share

| Total number of common shareholders at the end of the reporting period | | 89,966 | Total number of preferred shareholders with the voting rights recovered at the end of reporting period | | 0 | |
|--|-----------------------|--------------------|--|--|----------------------------------|--------|
| Shareholding of the top 10 shareholders | | | | | | |
| Name of shareholder | Nature of shareholder | Shareholding ratio | Number of shares | Number of shares subject to sales restrictions | Pledged, marked or frozen shares | |
| | | | | | Status | Number |
| Hangzhou Robam | Domestic | 49.68% | 471,510,000 | | | |

| Industrial Group Co., Ltd. | non-state-owned corporation | | | | | |
|---|---|-------|------------|---------------------|-------------|--|
| Hong Kong Securities Clearing Company Limited | Overseas corporation | 7.23% | 68,621,451 | | | |
| TEMASEK FULLERTON ALPHA PTE LTD | Overseas corporation | 1.65% | 15,690,099 | | | |
| Shen Guoying | Domestic natural person | 1.29% | 12,240,000 | | | |
| PICC Life Insurance Company Limited—Dividend - Individual Insurance Dividend | Others | 0.77% | 7,301,114 | | | |
| Hangzhou Jinchuang Investment Co., Ltd. | Domestic non-state-owned corporation | 0.70% | 6,640,085 | | | |
| PICC Property and Casualty Company Limited—Traditional- General Insurance Products | Others | 0.67% | 6,382,713 | | | |
| Hangzhou Yinchuang Investment Co., Ltd. | Domestic non-state-owned corporation | 0.67% | 6,318,000 | | | |
| CITIC Securities Co., Ltd - Social Security Fund 1106 Portfolio | Others | 0.63% | 5,989,930 | | | |
| Ren Jianhua | Domestic natural person | 0.62% | 5,923,150 | 4,442,362 | | |
| Shareholdings of the top 10 shareholders not subject to sales restrictions | | | | | | |
| Name of shareholder | Number of shares held not subject to sales restrictions | | | Type of share | | |
| | | | | Type of share | Number | |
| Hangzhou Robam Industrial Group Co., Ltd. | 471,510,000 | | | RMB ordinary shares | 471,510,000 | |
| Hong Kong Securities Clearing Company Limited | 68,621,451 | | | RMB ordinary shares | 68,621,451 | |
| TEMASEK FULLERTON ALPHA PTE LTD | 15,690,099 | | | RMB ordinary shares | 15,690,099 | |
| Shen Guoying | 12,240,000 | | | RMB ordinary shares | 12,240,000 | |
| PICC Life Insurance Company Limited—Dividend - Individual Insurance Dividend | 7,301,114 | | | RMB ordinary shares | 7,301,114 | |
| Hangzhou Jinchuang Investment Co., Ltd. | 6,640,085 | | | RMB ordinary shares | 6,640,085 | |
| PICC Property and Casualty Company Limited—Traditional - General Insurance Products | 6,382,713 | | | RMB ordinary shares | 6,382,713 | |
| Hangzhou Yinchuang Investment Co., Ltd. | 6,318,000 | | | RMB ordinary shares | 6,318,000 | |
| CITIC Securities Co., Ltd - Social Security Fund 1106 Portfolio | 5,989,930 | | | RMB ordinary shares | 5,989,930 | |
| PICC Life Insurance Company Limited—Traditional - General Insurance Products | 5,814,597 | | | RMB ordinary shares | 5,814,597 | |

| | |
|--|--|
| Description of the associated relationship or consistent actions of the above shareholders | Mr. Ren Jianhua is the actual controller of the controlling shareholder Hangzhou Robam Industrial Group Co., Ltd. and the shareholder Hangzhou Jinchuang Investment Co., Ltd.; and the natural person shareholder, Shen Guoying, is his wife. Therefore, there is a possibility that these shareholders will act in concert. |
|--|--|

(II) Total Number of the Company's Preferred Shareholders and Shareholding of the Top 10 Preferred Shareholders

Applicable Not Applicable

III. Other Significant Matters

Applicable Not Applicable

IV. Quarterly Financial Statements

(I) Financial Statements

1. Consolidated balance sheet

Prepared by: Hangzhou Robam Appliances Co., Ltd.

September 30, 2022

In RMB

| Item | September 30, 2022 | January 1, 2022 |
|--|--------------------|-------------------|
| Current assets: | | |
| Monetary capital | 4,411,289,816.16 | 3,802,201,346.55 |
| Deposit reservation for balance | | |
| Lendings to banks and other financial institutions | | |
| Financial assets held for trading | 2,679,960,000.00 | 2,872,312,500.00 |
| Derivative financial assets | | |
| Notes receivable | 791,814,506.69 | 1,330,193,894.82 |
| Accounts receivable | 1,875,849,677.88 | 1,597,692,860.90 |
| Accounts receivable financing | | |
| Prepayments | 193,089,646.51 | 131,162,030.95 |
| Receivable premium | | |
| Reinsurance accounts receivable | | |
| Provision of cession receivable | | |
| Other receivables | 83,015,180.45 | 73,487,381.46 |
| Including: Interests receivable | | |
| Dividends receivable | | |
| Redemptory monetary capital for sale | | |
| Inventory | 1,632,574,306.96 | 1,772,231,632.25 |
| Contract assets | | |
| Assets held for sale | | |
| Non-current assets due within one year | | |
| Other current assets | 3,480,070.93 | 4,110,429.16 |
| Total current assets | 11,671,073,205.58 | 11,583,392,076.09 |
| Non-current assets: | | |
| Loans and advances | | |

| | | |
|--|-------------------|-------------------|
| Debt investment | | |
| Other debt investment | | |
| Long-term account receivable | | |
| Long-term equity investment | 6,496,917.82 | 5,405,129.91 |
| Investment in other equity instruments | 2,116,023.22 | 2,116,023.22 |
| Other non-current financial assets | | |
| Investment real estate | 51,212,047.26 | 11,085,896.07 |
| Fixed assets | 1,336,617,833.24 | 1,179,306,020.01 |
| Projects under construction | 567,324,203.29 | 454,643,364.82 |
| Productive biological assets | | |
| Oil and gas assets | | |
| Right-of-use assets | 23,656,046.31 | 29,902,954.22 |
| Intangible assets | 223,014,127.81 | 229,391,803.26 |
| Development expenses | | |
| Goodwill | 80,589,565.84 | 80,589,565.84 |
| Long-term deferred expenses | 5,226,421.90 | 5,385,436.20 |
| Deferred income tax assets | 334,340,529.77 | 286,348,037.04 |
| Other non-current assets | 97,993,213.33 | 38,468,874.44 |
| Total non-current assets | 2,728,586,929.79 | 2,322,643,105.03 |
| Total assets | 14,399,660,135.37 | 13,906,035,181.12 |
| Current liabilities: | | |
| Short-term loans | 66,140,464.48 | 29,616,655.41 |
| Borrowings from the central bank | | |
| Borrowings from banks and other financial institutions | | |
| Financial liabilities held for trading | | |
| Derivative financial liabilities | | |
| Notes payable | 800,307,846.19 | 962,665,463.99 |
| Accounts payable | 2,250,346,882.10 | 2,181,900,261.00 |
| Advance receipts | | |
| Contract liabilities | 860,905,500.04 | 1,026,782,402.35 |
| Financial assets sold for repurchase | | |
| Deposits from customers and interbank | | |
| Receivings from vicariously traded securities | | |
| Receivings from vicariously sold securities | | |
| Payroll payable | 72,400,044.92 | 165,177,425.08 |
| Taxes payable | 273,291,844.65 | 212,202,393.54 |
| Other payables | 270,923,054.62 | 267,781,215.06 |
| Including: Interests payable | | |
| Dividends payable | | |
| Fees and commissions payable | | |
| Dividends payable for reinsurance | | |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | 5,183,639.41 | 5,387,591.43 |
| Other current liabilities | 111,842,706.15 | 124,284,081.56 |
| Total current liabilities | 4,711,341,982.56 | 4,975,797,489.42 |
| Non-current liabilities: | | |
| Reserves for insurance contracts | | |
| Long-term loans | | |
| Bonds payable | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | 20,196,019.79 | 26,177,034.29 |

| | | |
|---|-------------------|-------------------|
| Long-term accounts payable | | |
| Long-term payroll payable | | |
| Estimated liabilities | | |
| Deferred income | 123,193,962.13 | 131,747,378.42 |
| Deferred income tax liabilities | 9,356,188.87 | 6,254,762.76 |
| Other non-current liabilities | | |
| Total non-current liabilities | 152,746,170.79 | 164,179,175.47 |
| Total liabilities | 4,864,088,153.35 | 5,139,976,664.89 |
| Owner's equity: | | |
| Capital stock | 949,024,050.00 | 949,024,050.00 |
| Other equity instruments | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserve | 412,491,991.47 | 404,918,098.15 |
| Less: treasury share | 199,995,742.59 | 199,995,742.59 |
| Other comprehensive income | -100,157,634.16 | -100,157,634.16 |
| Special reserves | | |
| Surplus reserves | 474,516,412.50 | 474,516,412.50 |
| General risk reserves | | |
| Undistributed profits | 7,860,203,849.71 | 7,098,721,555.37 |
| Total owners' equity attributable to parent company | 9,396,082,926.93 | 8,627,026,739.27 |
| Minority interests | 139,489,055.09 | 139,031,776.96 |
| Total owner's equity | 9,535,571,982.02 | 8,766,058,516.23 |
| Total liabilities and owners' equity | 14,399,660,135.37 | 13,906,035,181.12 |

Legal representative: Ren Jianhua Person in charge of accounting: Zhang Guofu

Head of the accounting department: Zhang Guofu

2. Consolidated income statement from the beginning of the year to the end of the reporting period

In RMB

| Item | Amount of the current period | Amount of the previous period |
|---|------------------------------|-------------------------------|
| I. Total operating income | 7,236,962,805.27 | 7,070,851,819.18 |
| Including: Operating income | 7,236,962,805.27 | 7,070,851,819.18 |
| Interest income | | |
| Earned premium | | |
| Fee and commission income | | |
| II. Total operating costs | 5,965,479,924.57 | 5,554,983,345.32 |
| Including: Operating costs | 3,573,210,065.74 | 3,210,473,182.28 |
| Interest expenses | | |
| Fee and commission expenses | | |
| Surrender value | | |
| Net payments for insurance claims | | |
| Net allotment of reserves for insurance liabilities | | |
| Policy dividend expenditures | | |
| Reinsurance expenses | | |
| Taxes and surcharges | 42,859,193.20 | 50,227,331.81 |
| Selling expenses | 1,915,765,604.19 | 1,934,679,096.44 |
| Overhead costs | 294,475,343.69 | 241,171,206.79 |

| | | |
|---|------------------|------------------|
| R&D expenses | 262,231,594.46 | 232,277,748.19 |
| Financial expenses | -123,061,876.71 | -113,845,220.19 |
| Including: Interest expenses | 1,864,718.80 | 2,864,994.32 |
| Interest income | 117,507,053.77 | 118,558,363.39 |
| Add: other incomes | 118,257,023.22 | 63,739,955.94 |
| Investment income (“-” for losses) | 51,502,591.29 | 60,694,501.06 |
| Including: Income from investment in joint ventures and affiliated enterprises | -3,048,212.09 | 1,325,050.76 |
| Gains on derecognition of financial assets measured at amortized cost | | |
| Exchange gains (“-” for losses) | | |
| Net exposure hedging gains (“-” for losses) | | |
| Gains from changes in fair value (“-” for losses) | | |
| Losses from credit impairment (“-” for losses) | -12,024,378.87 | -43,868,939.26 |
| Losses from asset impairment (“-” for losses) | 24,056,013.60 | |
| Gains on disposal of assets (“-” for losses) | -90,580.30 | -1,917,639.76 |
| III. Operating profits (“-” for losses) | 1,453,183,549.64 | 1,594,516,351.84 |
| Add: non-operating income | 2,827,736.31 | 1,545,434.70 |
| Less: non-operating expenditure | 1,949,873.23 | 1,806,988.33 |
| IV. Total profits (“-” for total losses) | 1,454,061,412.72 | 1,594,254,798.21 |
| Less: income tax expenses | 221,274,382.25 | 236,336,437.30 |
| V. Net profits (“-” for net losses) | 1,232,787,030.47 | 1,357,918,360.91 |
| (I) By operational sustainability | | |
| 1. Net profits from continuing operations (“-” for net losses) | 1,232,787,030.47 | 1,357,918,360.91 |
| 2. Net profits from discontinued operations (“-” for net losses) | | |
| (II) By ownership | | |
| 1. Net profits attributable to the shareholders of parent company (“-” for net losses) | 1,233,529,752.34 | 1,342,461,093.93 |
| 2. Minority shareholders' gains and losses (“-” for net losses) | -742,721.87 | 15,457,266.98 |
| VI. After-tax net amount of other comprehensive income | | |
| After-tax net amount of other comprehensive income attributable to the owners of parent company | | |
| (I) Other comprehensive income that cannot be reclassified into gains and losses | | |
| 1. Changes in re-measured and defined benefit plans | | |
| 2. Other comprehensive income which cannot be transferred to gains or | | |

| | | |
|--|------------------|------------------|
| losses under the equity method | | |
| 3. Changes in fair value of the investment in other equity instruments | | |
| 4. Changes in fair value of the credit risk of the Company | | |
| 5. Others | | |
| (II) Other comprehensive income which will be reclassified into gains and losses | | |
| 1. Other comprehensive income which can be transferred into gains and losses under the equity method | | |
| 2. Changes in fair value of other debt investments | | |
| 3. Amount of financial assets reclassified into other comprehensive income | | |
| 4. Provision for credit impairment of other debt investments | | |
| 5. Cash flow hedge reserve | | |
| 6. Converted difference in foreign currency statements | | |
| 7. Others | | |
| After-tax net amount of other comprehensive income attributable to minority shareholders | | |
| VII. Total comprehensive income | 1,232,787,030.47 | 1,357,918,360.91 |
| (I) Total comprehensive income attributable to the owners of parent company | 1,233,529,752.34 | 1,342,461,093.93 |
| (II) Total comprehensive income attributable to minority shareholders | -742,721.87 | 15,457,266.98 |
| VIII. Earnings per share (EPS): | | |
| (I) Basic EPS | 1.30 | 1.42 |
| (II) Diluted EPS | 1.30 | 1.42 |

Legal representative: Ren Jianhua

Person in charge of accounting: Zhang Guofu

Head of the accounting department: Zhang Guofu

3. Consolidated cash flow statement from the beginning of the year to the end of the reporting period

In RMB

| Item | Amount of the current period | Amount of the previous period |
|--|------------------------------|-------------------------------|
| I. Cash flow from operating activities: | | |
| Cash received for the sale of goods and rendering of services | 8,031,812,929.93 | 7,324,508,658.96 |
| Net increase in clients' deposits and deposits from banks and other financial institutions | | |
| Net increase in borrowings from the central bank | | |
| Net increase in borrowings from other financial institutions | | |
| Cash received from receiving insurance premium of the original | | |

| | | |
|---|------------------|------------------|
| insurance contract | | |
| Net cash from receiving reinsurance premium | | |
| Net increase in deposits and investment of insured persons | | |
| Cash received from interests, fees and commissions | | |
| Net increase in borrowed funds | | |
| Net increase in repurchase business funds | | |
| Net cash received from vicariously traded securities | | |
| Refunds of taxes | 38,162,435.78 | 10,979,888.36 |
| Cash received related to other operating activities | 265,142,174.84 | 201,223,220.26 |
| Subtotal of cash inflow from the operating activities | 8,335,117,540.55 | 7,536,711,767.58 |
| Cash paid for purchased products and received services | 3,938,478,765.23 | 3,622,856,682.21 |
| Net increase in loans and advances to customers | | |
| Net increase in deposits with the central bank and other financial institutions | | |
| Cash paid for claims of original insurance contract | | |
| Net increase in lending funds | | |
| Cash paid for interests, fees and commissions | | |
| Cash paid for policy dividends | | |
| Cash paid to and on behalf of employees | 735,694,008.12 | 845,300,418.79 |
| Cash paid for taxes | 629,048,914.31 | 416,514,502.07 |
| Cash paid related to other operating activities | 1,854,665,146.35 | 1,450,115,667.31 |
| Subtotal of cash outflow from operating activities | 7,157,886,834.01 | 6,334,787,270.38 |
| Net cash flow from operating activities | 1,177,230,706.54 | 1,201,924,497.20 |
| II. Cash flow from investing activities: | | |
| Cash received from return of investments | 1,617,712,500.00 | 1,915,000,000.00 |
| Cash received from return on investments | 55,713,731.22 | 60,399,512.45 |
| Net cash received from the disposal of fixed assets, intangible assets and other long-term assets | 1,031,370.40 | 2,553,081.90 |
| Net cash received from disposal of subsidiaries and other business entities | | |
| Cashes received related to other investment activities | | |
| Subtotal of cash inflow from investment activities | 1,674,457,601.62 | 1,977,952,594.35 |
| Cash paid for purchase and construction of fixed assets, intangible | 386,052,885.51 | 279,588,832.92 |

| | | |
|--|------------------|------------------|
| assets and other long-term assets | | |
| Cash paid for investments | 1,429,500,000.00 | 1,662,000,000.00 |
| Net increase in pledged loans | | |
| Net cash from subsidiaries and other operating entities | | |
| Cash paid related to other investment activities | | |
| Subtotal of cash outflow from investment activities | 1,815,552,885.51 | 1,941,588,832.92 |
| Net cash flow from investment activities | -141,095,283.89 | 36,363,761.43 |
| III. Cash flow from financing activities: | | |
| Cash from acquiring investments | 11,000,000.00 | 850,000.00 |
| Including: Cash received by subsidiaries from investments of minority shareholders | 11,000,000.00 | 850,000.00 |
| Cash from acquiring debts | 66,000,000.00 | |
| Other cash received in relation to financing activities | 1,012,732.06 | 8,068,758.07 |
| Subtotal of cash inflow from financing activities | 78,012,732.06 | 8,918,758.07 |
| Cash paid for repayments of debts | 23,500,000.00 | |
| Cash paid for distribution of dividends, profits or interest expenses | 481,842,468.46 | 495,485,158.00 |
| Including: Dividends or profits paid by subsidiaries to minority shareholders | 9,555,200.00 | |
| Other cash paid in relation to financing activities | 9,152,571.47 | 199,995,742.59 |
| Subtotal of cash outflow from financing activities | 514,495,039.93 | 695,480,900.59 |
| Net cash flow from financing activities | -436,482,307.87 | -686,562,142.52 |
| IV. Effect of change in exchange rate on cash and cash equivalents | 6,795,553.67 | -101,137.11 |
| V. Net increase in cash and cash equivalents | 606,448,668.45 | 551,624,979.00 |
| Add: Opening balance of cash and cash equivalents | 3,719,988,820.35 | 3,886,096,513.56 |
| VI. Closing balance of cash and cash equivalents | 4,326,437,488.80 | 4,437,721,492.56 |

(III) Audit Report

Whether the Q3 report has been audited?

Yes No

The Q3 report of the Company has not been audited.

Board of Directors of Hangzhou Robam Appliances Co., Ltd.

October 25, 2022