

Stock code: 002508

Stock name: Robam Appliances

Announcement No.: 2023-049

Hangzhou Robam Appliances Co., Ltd.

Q3 2023 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)	2,998,449,763.72	7.37%	7,933,319,563.87	9.62%
Net profit attributable to shareholders of the listed company (RMB)	543,262,685.56	6.53%	1,372,981,036.25	11.31%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses (RMB)	536,650,325.70	8.07%	1,283,342,303.07	13.33%
Net cash flow from operating activities (RMB)	—	—	1,394,577,576.86	18.46%
Basic earnings per share (EPS) (RMB/share)	0.58	7.41%	1.45	11.54%
Diluted EPS (RMB/share)	0.58	7.41%	1.45	11.54%
Weighted average return on net assets	5.24%	Reduced by 0.34 percentage point	13.45%	Reduced by 0.13 percentage point
	End of the reporting period	End of last year	Change	
Total assets (RMB)	15,960,765,016.17	15,039,825,287.53	6.12%	
Owner's equity attributable to shareholders of listed company (RMB)	10,642,489,301.75	9,732,463,766.91	9.35%	

(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)	-1,107,091.61	-1,684,073.97	
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)	8,895,975.40	69,417,181.51	
Reversal of provision for separate impairment of accounts receivable	4,309,824.22	42,866,465.36	
Other non-operating revenues and expenses except the above items	-3,949,986.53	-2,595,637.57	
Less: Affected amount of income tax	1,270,786.03	16,794,996.63	
Affected amount of minority shareholders' equity (after tax)	265,575.58	1,570,205.52	
Total	6,612,359.87	89,638,733.18	--

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

Item	Amount involved (in RMB)	Description
VAT exemption and refund	29,273,458.72	National tax policies, regular operations
Personal income tax procedure fee reimbursement	684,354.91	National tax policies, regular operation
Total	29,957,813.63	—

(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, prepayments increased by 23.70% as compared with that at the beginning of the year, mainly due to the increase in the prepayments for the purchase of raw materials.

At the end of the reporting period, other receivables decreased by 28.91% as compared with that at the beginning of the year, mainly due to the decrease in third-party collection payments.

At the end of the reporting period, long-term equity investment decreased by 23.84% as compared with that at the beginning of the year, mainly due to the investment losses in joint ventures and affiliated enterprises.

At the end of the reporting period, investment in real estate increased by 67.43% as compared with that at the beginning of the year, mainly due to the increase in the leased factory buildings used by the subsidiary Kinde.

At the end of the reporting period, right-of-use assets decreased by 31.59% and lease liabilities decreased by 25.96% as compared with that at the beginning of the year, mainly due to the complete payment of lease expenses for the current period.

At the end of the reporting period, short-term loans increased by 90.73% 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, taxes payable increased by 49.47% as compared with that at the beginning of the year, mainly due to the increase in the income tax and value-added tax.

At the end of the reporting period, the payroll payable decreased by 42.50% 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.

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		46,650	Total number of preferred shareholders with the voting rights recovered at the end of reporting period (if applicable)		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 Industrial Group Co., Ltd.	Domestic non-state-owned corporation	49.68%	471,510,000			
Hong Kong Securities Clearing Company Limited	Overseas corporation	8.03%	76,228,134			
TEMASEK FULLERTON ALPHA PTE LTD	Overseas corporation	1.81%	17,208,661			
Shen Guoying	Domestic natural person	1.29%	12,240,000			
National Social Security Fund 413 Portfolio	Others	1.01%	9,631,700			
Hangzhou Jinchuang Investment Co., Ltd.	Domestic non-state-owned corporation	0.70%	6,640,085			
Hangzhou Yinchuang Investment Co., Ltd.	Domestic non-state-owned corporation	0.67%	6,318,000			
Ren Jianhua	Domestic natural person	0.62%	5,923,150	4,442,362		
ICBC Limited - Penghua Quality Preferred Mixed Securities Investment Fund	Others	0.61%	5,787,141			
CITIC Securities Co., Ltd. - Social Security Fund 1106 Portfolio	Others	0.59%	5,565,600			
Shareholdings of the top 10 shareholders not subject to sales restrictions						
Name of shareholder	Number of shares held not subject to sales restrictions			Type and number 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	76,228,134			RMB ordinary shares	76,228,134	
TEMASEK FULLERTON ALPHA PTE LTD	17,208,661			RMB ordinary shares	17,208,661	
Shen Guoying	12,240,000			RMB ordinary	12,240,000	

		shares	
National Social Security Fund 413 Portfolio	9,631,700	RMB ordinary shares	9,631,700
Hangzhou Jinchuang Investment Co., Ltd.	6,640,085	RMB ordinary shares	6,640,085
Hangzhou Yinchuang Investment Co., Ltd.	6,318,000	RMB ordinary shares	6,318,000
ICBC Limited - Penghua Quality Preferred Mixed Securities Investment Fund	5,787,141	RMB ordinary shares	5,787,141
CITIC Securities Co., Ltd - Social Security Fund 1106 Portfolio	5,565,600	RMB ordinary shares	5,565,600
PICC Life Insurance Company Limited – Traditional - General Insurance Products	5,517,000	RMB ordinary shares	5,517,000
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.		
Explanation of the participation of the top 10 shareholders in margin trading and securities lending business (if applicable)	None		

(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, 2023

In RMB

Item	September 30, 2023	January 1, 2023
Current assets:		
Monetary capital	5,642,064,274.64	5,292,762,670.94
Deposit reservation for balance		
Lendings to banks and other financial institutions		
Financial assets held for trading	2,912,300,000.00	2,511,844,508.00
Derivative financial assets		
Notes receivable	976,100,459.51	881,773,341.71
Accounts receivable	1,776,786,307.72	1,689,606,828.94
Accounts receivable financing		

Prepayments	219,566,641.35	177,500,353.37
Receivable premium		
Reinsurance accounts receivable		
Provision of cession receivable		
Other receivables	57,174,064.02	80,429,057.84
Including: Interests receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventory	1,498,601,688.34	1,610,110,798.10
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	5,149,600.87	334,348.76
Total current assets	13,087,743,036.45	12,244,361,907.66
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	6,640,313.46	8,718,505.62
Investment in other equity instruments	2,116,023.22	2,116,023.22
Other non-current financial assets		
Investment real estate	93,572,954.80	55,887,198.54
Fixed assets	1,705,906,480.01	1,622,235,227.74
Projects under construction	338,469,136.68	406,258,146.69
Productive biological assets		
Oil and gas assets		
Right-of-use assets	15,201,552.42	22,220,144.13
Intangible assets	216,421,436.91	221,356,558.38
Development expenses		
Goodwill	60,573,832.56	60,573,832.56
Long-term deferred expenses	4,692,411.08	5,852,899.90
Deferred income tax assets	364,128,817.48	340,811,345.96
Other non-current assets	65,299,021.10	49,433,497.13
Total non-current assets	2,873,021,979.72	2,795,463,379.87
Total assets	15,960,765,016.17	15,039,825,287.53
Current liabilities:		
Short-term loans	98,653,320.70	51,723,429.99
Borrowings from the central bank		
Borrowings from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	907,242,903.32	872,550,306.86
Accounts payable	2,495,008,240.97	2,418,755,167.31
Advance receipts		
Contract liabilities	828,417,020.81	959,915,567.03
Financial assets sold for repurchase		
Deposits from customers and interbank		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Payroll payable	88,513,285.42	153,942,329.88
Taxes payable	227,716,523.00	152,351,620.58
Other payables	298,195,613.39	281,878,208.25

Including: Interests payable		
Dividends payable		
Fees and commissions payable		
Dividends payable for reinsurance		
Liabilities held for sale		
Non-current liabilities due within one year	3,230,865.88	5,720,175.21
Other current liabilities	107,666,725.12	120,126,501.73
Total current liabilities	5,054,644,498.61	5,016,963,306.84
Non-current liabilities:		
Reserves for insurance contracts		
Long-term loans		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	13,764,004.53	18,588,966.67
Long-term accounts payable		
Long-term payroll payable		
Estimated liabilities		
Deferred income	113,923,958.56	123,912,110.43
Deferred income tax liabilities	21,215,883.12	22,107,934.58
Other non-current liabilities		
Total non-current liabilities	148,903,846.21	164,609,011.68
Total liabilities	5,203,548,344.82	5,181,572,318.52
Owner's equity:		
Capital stock	949,024,050.00	949,024,050.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	419,089,622.17	409,997,665.58
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	9,100,012,593.83	8,199,079,015.58
Total owners' equity attributable to parent company	10,642,489,301.75	9,732,463,766.91
Minority interests	114,727,369.60	125,789,202.10
Total owner's equity	10,757,216,671.35	9,858,252,969.01
Total liabilities and owners' equity	15,960,765,016.17	15,039,825,287.53

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	7,933,319,563.87	7,236,962,805.27
Including: Operating income	7,933,319,563.87	7,236,962,805.27
Interest income		
Earned premium		
Fee and commission income		
II. Total operating costs	6,498,916,320.12	5,965,479,924.57

Including: Operating costs	3,805,533,766.69	3,573,210,065.74
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	53,213,630.60	42,859,193.20
Selling expenses	2,139,755,936.49	1,915,765,604.19
Overhead costs	326,660,700.72	294,475,343.69
R&D expenses	279,326,363.45	262,231,594.46
Financial expenses	-105,574,077.83	-123,061,876.71
Including: Interest expenses	4,604,050.66	1,864,718.80
Interest income	108,569,307.33	117,507,053.77
Add: other incomes	99,374,995.14	118,257,023.22
Investment income (“-” for losses)	34,689,912.04	51,502,591.29
Including: Income from investment in joint ventures and affiliated enterprises	-1,730,643.18	-3,048,212.09
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)	42,031,011.45	-12,024,378.87
Losses from asset impairment (“-” for losses)	8,547,180.72	24,056,013.60
Gains on disposal of assets (“-” for losses)	-1,683,400.02	-90,580.30
III. Operating profits (“-” for losses)	1,617,362,943.08	1,453,183,549.64
Add: non-operating income	3,890,738.08	2,827,736.31
Less: non-operating expenditure	6,487,049.60	1,949,873.23
IV. Total profits (“-” for total losses)	1,614,766,631.56	1,454,061,412.72
Less: income tax expenses	252,847,427.81	221,274,382.25
V. Net profits (“-” for net losses)	1,361,919,203.75	1,232,787,030.47
(I) By operational sustainability		
1. Net profits from continuing operations (“-” for net losses)	1,361,919,203.75	1,232,787,030.47
2. Net profits from discontinued operations (“-” for net losses)		
(II) By ownership		
1. Net profits attributable to the	1,372,981,036.25	1,233,529,752.34

shareholders of parent company (“-” for net losses)		
2. Minority shareholders' gains and losses (“-” for net losses)	-11,061,832.50	-742,721.87
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	1,361,919,203.75	1,232,787,030.47
(I) Total comprehensive income attributable to the owners of parent company	1,372,981,036.25	1,233,529,752.34
(II) Total comprehensive income attributable to minority shareholders	-11,061,832.50	-742,721.87
VIII. Earnings per share (EPS):		
(I) Basic EPS	1.45	1.30
(II) Diluted EPS	1.45	1.30

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	8,497,222,426.53	8,031,812,929.93
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	30,246,149.17	38,162,435.78
Cash received related to other operating activities	220,282,103.32	265,142,174.84
Subtotal of cash inflow from the operating activities	8,747,750,679.02	8,335,117,540.55
Cash paid for purchased products and received services	3,904,549,806.71	3,938,478,765.23
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	781,249,979.73	735,694,008.12
Cash paid for taxes	702,313,359.46	629,048,914.31
Cash paid related to other operating activities	1,965,059,956.26	1,854,665,146.35
Subtotal of cash outflow from operating activities	7,353,173,102.16	7,157,886,834.01

Net cash flow from operating activities	1,394,577,576.86	1,177,230,706.54
II. Cash flow from investing activities:		
Cash received from return of investments	1,311,844,508.00	1,617,712,500.00
Cash received from return on investments	36,813,951.62	55,713,731.22
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	385,481.33	1,031,370.40
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	1,349,043,940.95	1,674,457,601.62
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	261,045,291.01	386,052,885.51
Cash paid for investments	1,712,300,000.00	1,429,500,000.00
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	1,973,345,291.01	1,815,552,885.51
Net cash flow from investment activities	-624,301,350.06	-141,095,283.89
III. Cash flow from financing activities:		
Cash from acquiring investments		11,000,000.00
Including: Cash received by subsidiaries from investments of minority shareholders		11,000,000.00
Cash from acquiring debts	77,000,000.00	66,000,000.00
Other cashes received in relation to financing activities	13,510,296.65	1,012,732.06
Subtotal of cash inflow from financing activities	90,510,296.65	78,012,732.06
Cash paid for repayments of debts	43,500,000.00	23,500,000.00
Cash paid for distribution of dividends, profits or interest expenses	472,051,329.00	481,842,468.46
Including: Dividends or profits paid by subsidiaries to minority shareholders		9,555,200.00
Other cashes paid in relation to financing activities	4,983,858.67	9,152,571.47
Subtotal of cash outflow from financing activities	520,535,187.67	514,495,039.93
Net cash flow from financing activities	-430,024,891.02	-436,482,307.87
IV. Effect of change in exchange rate on cash and cash equivalents	2,026,181.05	6,795,553.67
V. Net increase in cash and cash equivalents	342,277,516.83	606,448,668.45
Add: Opening balance of cash and cash equivalents	5,196,414,341.74	3,719,988,820.35
VI. Closing balance of cash and cash equivalents	5,538,691,858.57	4,326,437,488.80

(II) Adjustments Related to the First-Time Implementation of the New Accounting Standards in the Financial Statements at the Beginning of the Year for the First Time from 2023

Applicable Not Applicable

(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 26, 2023