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

**海爾智家股份有限公司**

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

**Stock Code: 6690**

**DISCLOSEABLE TRANSACTION AND  
CONNECTED TRANSACTION:  
ENTERING INTO OF THE  
VOTING RIGHTS ENTRUSTMENT AGREEMENT  
AND  
CONTINUING CONNECTED TRANSACTIONS:  
REVISION OF THE EXISTING ANNUAL CAPS OF  
THE SERVICES SUPPLY FRAMEWORK AGREEMENT**

**ENTERING INTO OF THE VOTING RIGHTS ENTRUSTMENT AGREEMENT**

At present, the Company is pushing forward its retail transformation and reform in the PRC and upgrading its localization capabilities in terms of overseas brands, thereby building its overall competitive edge to achieve sustainable and quality growth in the future. In particular, building an integrated logistics capacity covering the entire process of warehousing, distribution and delivery is crucial to the implementation of such reform. In view of the strategic goal, the Company intends to achieve its control over Gooday Supply Chain Technologies Co., Ltd. (“**Gooday**”) by way of voting rights entrustment, so as to put the logistics services function of the Company’s home appliances business under the control of a single entity and team who shares the same goal, opening up full connection between our business function and logistic function both in terms of personnel, system and data interface. This will serve to fully realize the goal of enhancing operational efficiency, accelerating the transformation of the Company’s business model, and creating new driver of business growth. In this regard, on 29 October 2024, Bingji, a subsidiary of Haier Group, entered into the Voting Rights Entrustment Agreement with Guanmei, an indirectly wholly-owned subsidiary of the Company, pursuant to which Bingji shall irrevocably, exclusively and solely entrust to Guanmei the exercise of all voting rights in respect of all equity interests in Youjin held by Bingji on or after the date of signing of that agreement, which, as at the date of this announcement, representing 55% of the current total registered capital of Youjin (the “**Subject Equity**”).

As at the date of this announcement, Bingji and Guanmei hold 55% and 45% of the equity interests in Youjin respectively. Upon the Voting Rights Entrustment Agreement becoming effective, Guanmei will effectively control 100% of the voting rights of Youjin, and Goodaymart (Shanghai) Investment Co., Ltd. (“**Goodaymart (Shanghai)**”), Gooday and their controlled subsidiaries, which are both under the control of Youjin, will become entities under the effective control of the Company. Youjin, Goodaymart (Shanghai), Gooday and their controlled subsidiaries will be included within the scope of the Company’s consolidated statements.

#### **REVISION OF THE EXISTING ANNUAL CAPS OF THE SERVICES SUPPLY FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 28 April 2022 in relation to, among other things, the Services Supply Framework Agreement entered into between the Company and Haier Group and the setting of the annual transaction caps for the three years ended/ending 31 December 2025 in respect of the Services Supply Framework Agreement. Pursuant to the Services Supply Framework Agreement, the Group provides certain sales-related services and other services to Haier Group and its associates on a non-exclusive basis from time to time. Given that upon the Voting Rights Entrustment Agreement becoming effective, Gooday will be included in the consolidated statements of the Company, the Company will incur additional connected transactions in respect of the provision of services to Haier Group and its controlled subsidiaries from Gooday and thus have to revise the existing annual caps of the Services Supply Framework Agreement accordingly. The Board considered and approved the revision of the existing annual caps of the Services Supply Framework Agreement on 29 October 2024 and agreed that the Company will enter into a supplemental agreement to the Services Supply Framework Agreement with Haier Group in due course to revise the existing annual caps of the Services Supply Framework Agreement, and extend the service contents to include “logistics services”. The supplemental agreement will be conditional upon the Voting Rights Entrustment Agreement becoming effective.

#### **IMPLICATIONS OF THE HONG KONG LISTING RULES**

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the issue contemplated under the Voting Rights Entrustment Agreement is higher than 5% but lower than 25%, the issue contemplated under the Voting Rights Entrustment Agreement constitutes a discloseable transaction of the Company and is therefore subject to the requirements of reporting and announcement under Chapter 14 of the Hong Kong Listing Rules, but is exempted from the requirement of shareholders’ approval under Chapter 14 of the Hong Kong Listing Rules.

As at the date of this announcement, Haier Group holds, directly and indirectly, approximately 34% of the voting rights in the Company and is therefore a controlling Shareholder of the Company. As such, Haier Group and Bingji, its subsidiary, are each a Connected Person of the Company. Consequently, the issue contemplated under the Voting Rights Entrustment Agreement constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules, and the transactions contemplated under the Services Supply Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

In terms of the entering into of the Voting Rights Entrustment Agreement, as the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the issue contemplated under the Voting Rights Entrustment Agreement is higher than 5%, the issue contemplated under the Voting Rights Entrustment Agreement, as a connected transaction of the Company, is subject to the requirements of reporting, announcement, independent financial advisor's opinions and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

In terms of the revision of the existing annual caps of the Services Supply Framework Agreement, as the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the revised annual caps of the Services Supply Framework Agreement is higher than 0.1% but lower than 5%, the transactions contemplated under that agreement are subject to the requirements of reporting, announcement and annual review but are exempted from the requirements of independent financial advisor's opinions and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

## **I. ENTERING INTO OF VOTING RIGHTS ENTRUSTMENT AGREEMENT**

On 29 October 2024, Bingji, a subsidiary of Haier Group, entered into the Voting Rights Entrustment Agreement with Guanmei, an indirectly wholly-owned subsidiary of the Company, pursuant to which Bingji shall irrevocably, exclusively and solely entrust to Guanmei the exercise of all voting rights in respect of the Subject Equity.

As at the date of this announcement, Bingji and Guanmei hold 55% and 45% of the equity interests in Youjin respectively. Upon the Voting Rights Entrustment Agreement becoming effective, Guanmei will effectively control 100% of the voting rights of Youjin, and Goodaymart (Shanghai), Gooday and their controlled subsidiaries, which are both under the control of Youjin, will become entities under the effective control of the Company. Youjin, Goodaymart (Shanghai), Gooday and their controlled subsidiaries will be included within the scope of the Company's consolidated statements.

## Voting Rights Entrustment Agreement

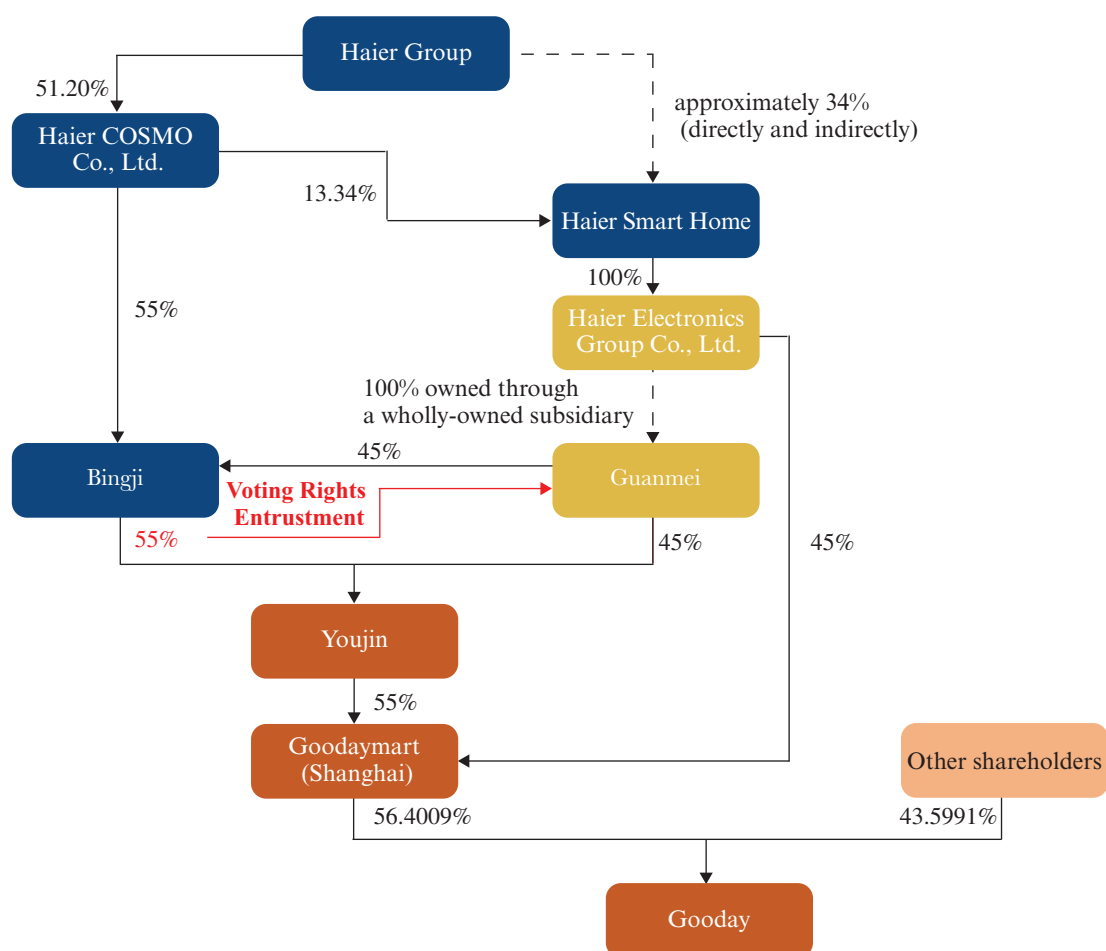
The principal terms of the Voting Rights Entrustment Agreement are summarized as follows:

Date	29 October 2024
Parties	(1) Bingji (a subsidiary of Haier Group, as entrusting party) ; and (2) Guanmei (an indirect wholly-owned subsidiary of the Company, as entrusted party)
Scope of the Entrustment	<ol style="list-style-type: none"><li>1. The entrusting party shall irrevocably, exclusively and solely entrust to the entrusted party the exercise of all voting rights in respect of the Subject Equity. The entrusted party shall be entitled to exercise all voting rights in respect of the Subject Equity (the “<b>Entrusted Rights</b>”) during the term of the entrustment in accordance with the articles of association of Youjin then in force, including but not limited to:<ol style="list-style-type: none"><li>(1) call, convene and attend the general meeting of Youjin and to exercise the proposal right as a shareholder;</li><li>(2) exercise the right to vote and sign the meeting documents in respect of all matters requiring discussion and resolution by a general meeting under relevant laws or the articles of association of Youjin, which shall include, but are not limited to, the sale, transfer, pledge or disposal of all or any part of its equity interests, as well as the appointment and election of the company’s legal representative, director(s), supervisor(s), general manager and other senior management who shall be appointed and dismissed by a general meeting;</li><li>(3) amend the articles of association;</li><li>(4) supervise the company’s business conduct and make recommendations or raise questions, determine the company’s profit distribution plan and investment plan;</li><li>(5) other voting rights of a shareholder under laws and regulations or the articles of association.</li></ol></li></ol>

2. The signing of the Voting Rights Entrustment Agreement shall not prejudice the entrusting party's right to income from the Subject Equity.
3. The entrusted party shall, within the scope of authorization provided for in the Voting Rights Entrustment Agreement, comply with the laws, administrative regulations and the articles of association to legally perform the entrusted obligations in a prudent and diligent manner, and to ensure that the voting methods and contents of relevant shareholders will not violate the laws, administrative regulations or the articles of association. The entrusting party shall acknowledge any legal consequences arising from the exercise of the abovementioned Entrusted Rights by the entrusted party and assumes the responsibility thereof.
4. During the term of the Voting Rights Entrustment Agreement, the entrusting party shall not dispose of any of its equity interests in Youjin (including transfer, pledge and otherwise) without the prior written consent of the entrusted party.
5. The entrusting party undertakes that, during the term of the Voting Rights Entrustment Agreement, it will neither exercise nor entrust to any third party other than the entrusted party the exercise of the Entrusted Rights.
6. During the term of the Voting Rights Entrustment Agreement, if the registered capital of Youjin held by the entrusting party decreases, the entrusted party may continue to exercise the voting rights in respect of the remaining registered capital in Youjin held by the entrusting party in the manner stipulated in the Voting Rights Entrustment Agreement; if the registered capital held by the entrusting party increases, the voting rights in respect of the additional registered capital shall also be exercised by the entrusted party in the manner stipulated in the Voting Rights Entrustment Agreement, unless otherwise agreed by both parties.

Term of the Entrustment	<ol style="list-style-type: none"> <li>1. The exercise of the entrusted voting rights pursuant to the Voting Rights Entrustment Agreement shall commence on the effective date of the Voting Rights Entrustment Agreement and expire upon the entrusting party ceasing to hold any equity interests in Youjin.</li> <li>2. The parties may terminate the Voting Rights Entrustment Agreement by mutual agreement.</li> <li>3. The entrusting party shall not unilaterally revoke the voting rights entrustment without the written consent of the entrusted party. Neither party may unilaterally terminate the Voting Rights Entrustment Agreement unless otherwise agreed in the Voting Rights Entrustment Agreement.</li> </ol>
Consideration	The voting rights entrustment does not involve a consideration payment arrangement, which is determined after arm's length negotiations between the parties.
Effective date of the agreement	The Voting Rights Entrustment Agreement shall be established on the date on which both parties affixed their common seals and become effective on the date on which the Voting Rights Entrustment Agreement is considered and approved by the Company's general meeting. Upon the Voting Rights Entrustment Agreement becoming effective, the entrusted party shall be entitled to the voting rights in respect of the Subject Equity (including the registered capital as agreed in paragraph 6 of the "Scope of the Entrustment" above) based on the Voting Rights Entrustment Agreement; before the Voting Rights Entrustment Agreement becoming effective, the entrusting party shall continue to be entitled to the voting rights in respect of the Subject Equity (including the registered capital as agreed in paragraph 6 of the "Scope of the Entrustment" above) on its own.

The specific details of voting rights entrustment are as follows:



### Information about the Target Company

Youjin is a company incorporated under the laws of the PRC in 2018. Its scope of operation includes corporate management and consultation and business information consultation. As at the date of this announcement, Youjin is held by Bingji and Guamei as to 55% and 45% respectively.



The unaudited total assets, total liabilities, net assets, operating revenue, profit before tax and profit after tax of Youjin for the two financial years ended 31 December 2022 and 31 December 2023 and the six months ended 30 June 2024 are set out below:

*(RMB)*

	<b>Year ended/as at 31 December 2022</b>	<b>Year ended/as at 31 December 2023</b>	<b>Six months ended/as at 30 June 2024</b>
Total assets	13,684,960,072	14,343,507,061	14,415,038,312
Total liabilities	7,636,716,699	7,820,295,296	7,676,731,428
Net assets	6,048,243,373	6,523,211,765	6,738,306,884
Operating revenue	16,846,945,345	18,423,619,654	9,332,737,742
Profit before tax	732,634,164	710,849,585	361,041,852
Profit after tax	575,036,895	567,874,621	285,607,529

According to the information available to the Directors, Bingji initially acquired 55% equity interests in Youjin at a cost of RMB550,000.

## **Reasons for and benefits of the transaction**

### ***1. Development history of Gooday***

Gooday originated from Haier Electronics' delivery service system. Relying on its strong industry competitiveness and excellent customer experience in major home appliance logistics, Gooday received investment from Alibaba in 2013. On the basis of strengthening cooperation with Alibaba's Tmall, it has begun to accelerate the expansion of third-party logistics services for large items such as home appliances and household items.

After years of development, Gooday's services have expanded from home appliances to e-commerce, automobiles, home furnishing, new energy and other industries, becoming the third largest end-to-end supply chain management service provider in China. It is the only supply chain management company being selected into the top 100 most valuable brands in China and ranked among the top 10 in China's private logistics industry. In 2023, the consolidated operating income and net profit of Youjin, the controlling platform company of Gooday, was RMB18.424 billion and RMB568 million, respectively.

In 2018, many well-known investment institutions such as Taobao Holdings, Goldman Sachs, and China Investment Corporation invested in Gooday. In 2019, Gooday departed from Haier Smart Home and began preparations for an



independent IPO. In 2021, Gooday submitted an IPO application to the GEM of the Shenzhen Stock Exchange and passed the review of the Listing Committee in 2023.

## **2. *Development strategy of Haier Smart Home***

In the domestic market, new sales channels such as content e-commerce are emerging. Resellers hope to focus more resources on the sales process. Their demands for the logistics link are to improve response speed, enhance customization capabilities, and improve matching efficiency with the sales link. In response to customer demands, Haier Smart Home has actively promoted its retail transformation strategy, aiming to provide customers with more competitive integrated warehousing, distribution, and delivery solutions, build shared inventory, and improve overall efficiency. Logistics capability building is a key part of Haier Smart Home's retail transformation and reform, and is crucial to the achievement of the strategy.

In overseas markets, Haier Smart Home has achieved a broad market layout and leading market scale after years of development. However, compared with competitors in Europe, America, Japan and South Korea, brand localization still needs to be deepened. In terms of warehousing and logistics, Haier Smart Home needs to open up overseas logistics management information systems, improve localized logistics operation capabilities, cultivate a localized logistics talent team, change the current logistics system in some regions where outsourcing is the main focus in all aspects such as systems, operations and warehousing, and comprehensively improve the overseas logistics management level of Haier Smart Home.

## **3. *The necessity of merging Gooday for the development of Haier Smart Home***

Gooday is the most important supply chain service provider to Haier Smart Home, and home appliance logistics is also the most important part of Gooday's business. Its professional understanding of the supply chain of the home appliance industry is at a leading level in the world. The cooperation between the two parties has a rich history and a solid foundation. Gooday is the best choice for Haier Smart Home to implement the domestic retail transformation and reform and overseas brand localization capacity building goals in the key logistics links.

During their early independent development stage, Haier Smart Home and Gooday were separated with each other in terms of system and data, and they were not able to apply flexible pricing mechanism according to the dynamic needs of the industry and users. In its retail transformation, Haier Smart Home needs to fully integrate the relevant processes, systems, and data of all business links. The integration of the business systems and data management of Gooday and Haier Smart Home will increase the supply chain management capabilities

of Haier Smart Home, expand the creation potential of the entire value chain, and provide customers with integrated solutions for the entire warehousing, distribution, and delivery process.

In terms of overseas business, Haier Smart Home hopes that Gooday, with its leading business model, operation system and professional team, as well as its experience in building full-process supply chain management systems for customers overseas, will change the current status quo of Haier Smart Home's localized logistics in certain overseas regions, which are mainly operated through outsourcing, and comprehensively improve Haier Smart Home's overseas logistics management standard.

**4. *Upon the completion of this issue, Haier Smart Home will achieve common development with Gooday***

After multiple rounds of negotiations, Haier Smart Home and Haier Group reached an agreement that Gooday shall be controlled by Haier Smart Home. Upon the completion of this voting rights entrustment, the two parties will, in terms of the logistics services function of Haier Smart Home's home appliances business, become one single entity and team who shares the same goals, promoting the improvement of our logistics capabilities based on the long-term development strategy of Haier Smart Home.

*(1) The Impact of this issue on Haier Smart Home*

Upon the completion of this voting rights entrustment, the implementation of Haier Smart Home's domestic retail transformation and reform and the upgrade of its overseas brand localization capabilities will be more effectively guaranteed in the logistics link. The staff, systems, and data interfaces used by both sides to connect with each other will all be connected. Haier Smart Home's ability to provide customers with integrated warehousing, distribution, and delivery services will be significantly improved. Haier Smart Home will fully accelerate inventory turnover, narrow the gap between key operating indicators such as transportation distance and freight and industry-leading levels, significantly reduce logistics costs, channel costs, and personnel overlap, and continue to enhance the market competitiveness of Haier Smart Home.

*(2) The Impact of this issue on Gooday*

Gooday will carry out business layout and investment planning with a longer-term development perspective, which can better improve its own capabilities and provide better services to customers in the fields of home appliances, e-commerce, automobile, home furnishing, new energy and other fields, which is conducive to more fully realizing the long-term interests of Haier Smart Home and Gooday.

Upon the completion of this voting rights entrustment, Gooday's third-party logistics development strategy remains unchanged. Gooday will focus more on improving core competitiveness such as warehousing and distribution scale and delivery efficiency, develop businesses that will help increase return on investment, and promote the steady and quality growth of third-party supply chain logistics business.

Gooday can fully enhance its competitiveness in overseas markets by deeply participating in Haier Smart Home's localized logistics system and capacity building in overseas markets. It will provide better services for the overseas development of major customers in the home appliances, e-commerce, automobile, home furnishing, new energy and other industries, opening up a new blue ocean of third-party supply chain logistics and creating new driver for Haier Smart Home's business growth.

## **II. REVISION OF THE EXISTING ANNUAL CAPS OF THE SERVICES SUPPLY FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 28 April 2022 in relation to, among other things, the Services Supply Framework Agreement entered into between the Company and Haier Group and the setting of the annual transaction caps for the three years ended/ending 31 December 2025 in respect of the Services Supply Framework Agreement. Pursuant to the Services Supply Framework Agreement, the Group provides certain sales-related services and other services to Haier Group and its associates on a non-exclusive basis from time to time. Given that upon the Voting Rights Entrustment Agreement becoming effective, Gooday will be included in the consolidated statements of the Company, the Company will incur additional connected transactions in respect of the provision of services to Haier Group and its controlled subsidiaries from Gooday and thus have to revise the existing annual caps of the Services Supply Framework Agreement accordingly. The Board considered and approved the revision of the existing annual caps of the Services Supply Framework Agreement on 29 October 2024 and agreed that the Company will enter into a supplemental agreement to the Services Supply Framework Agreement with Haier Group in due course to revise the existing annual caps of the Services Supply Framework Agreement, and extend the service contents to include "logistics services". The supplemental agreement will be conditional upon the Voting Rights Entrustment Agreement becoming effective.

### **Services Supply Framework Agreement**

Date 28 April 2022

Parties Haier Group (as service recipient); and  
The Group (as service provider).

## **Principal terms**

In accordance with the Services Supply Framework Agreement, Haier Group and its associates will from time to time purchase from the Group, and the Group will provide certain sales-related services and other services, including after-sale services, value-added services (such as installation, calibration, consultation, repair and maintenance and technical support), logistics services and other integrated services etc. to Haier Group and its associates on a non-exclusive basis, details of which will be agreed upon separately by both parties.

The Services Supply Framework Agreement is valid for a term commencing from 1 January 2023 to 31 December 2025. The Group has an option, in its entire discretion, to renew the Services Supply Framework Agreement upon expiry (subject to adjustment of fees where necessary) for another term of three years. Haier Group does not have reciprocal rights under the Services Supply Framework Agreement. Both parties and their respective subsidiaries or associates could enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Services Supply Framework Agreement.

## **Reasons for and benefits of the transaction**

The provision of sales-related services and other services under the Services Supply Framework Agreement fully leverages the Group's capabilities of customer services and technical support, such as installation, calibration, consultation, repair and maintenance, technical support, logistics services and other integrated services etc., and provides Haier Group with a one-stop solution in relation to its demands for Products and Materials from the Group, which is beneficial for strengthening the Group's capabilities of customer services. Our Directors believe that the enhancement of purchase experience of Haier Group through provision of sales-related services and other services helps the Group maintain a stable and quality business relationship with Haier Group and is in the interests of the Group and the Shareholders as a whole.

## Pricing policy

Pricing for the after-sale and value-added services provided by the Group to Haier Group and its associates pursuant to the Services Supply Framework Agreement varies taking into account the type and nature of each type of service, and pricing will increase when a higher degree of technicality or costs are involved for the required service. Each type of service shall be provided on terms no less favourable to the Group than those prevailing in the PRC market for the services of the same or comparable type, nature and quality and at the similar time, with reference to market prices or normal commercial terms of this type of transactions with Independent Third Parties.

In determining the prevailing market price, the Group will collect the relevant market information, review and compare the transactions conducted or quotes of the same or similar type and quality entered into between the Independent Third Parties and the Group on a regular basis, and consider the historical prices charged by the Group on Independent Third Parties in supplying services of similar type and nature. The exact service fees charged by the Group and the time for payment will be determined at arm's length basis between the parties when entering into separate underlying contracts according to the principles provided in the Services Supply Framework Agreement.

## Historical amount

The total transaction amount of the above services provided by the Group to Haier Group and its associates for each of the two years ended 31 December 2023 and the six months ended 30 June 2024 were approximately RMB81 million, RMB69 million and RMB51 million, respectively.

## Existing Annual Caps and revised annual caps

The existing annual caps and revised annual transaction caps under the Services Supply Framework Agreement for the three years ended/ending 31 December 2025 are as follows:

	Existing annual caps for the year ended/ending 31 December (RMB million)			Revised annual caps for the year ended/ending 31 December (RMB million)		
	2023	2024	2025	2023	2024	2025
Annual transaction caps	260	280	310	400	500	600

### **Reasons for and basis of the revision of annual caps**

Based on the data forecast of Gooday in 2023, the amounts of Gooday's connected transactions in respect of the provision of services to Haier Group and its associates (other than the Company and its controlled subsidiaries) was approximately RMB300 million. The Board has considered and approved to increase the annual caps of the transactions under the Services Supply Framework Agreement for the three years ended/ending 31 December 2025 by RMB140 million, RMB220 million and RMB290 million, respectively. The adjusted annual transaction caps are RMB400 million, RMB500 million and RMB600 million, respectively.

### **III. INTERNAL CONTROL MEASURES**

In order to ensure the terms under the framework agreement for the continuing connected transactions are fair and reasonable or no less favourable than terms available to or from Independent Third Parties and are carried out under normal commercial terms or better, which are in line with the interests of the shareholders of our Company and the Group as a whole, our Company has adopted the following guidelines and principles in monitoring the transactions between the Group and our connected parties, namely:

- our Company will report the transactions under the relevant agreements entered into with our connected parties to the independent non-executive Directors during the audit committee meeting (if necessary) according to the Audit Committee meeting agenda each year;
- our Company will review the transactions with our connected parties to identify any continuing connected transactions that may be at risk of exceeding the proposed annual caps, and any measures to be taken in respect of such continuing connected transactions. The Group has established a series of measures to ensure that such continuing connected transactions will be conducted in accordance with the terms of the relevant agreements. These measures include:
  - (1) our Company will have specifically designated personnel from the relevant departments to monitor the transactions under the relevant agreements and will report to the management of the Company quarterly and the Board biannually in relation to the transactions; and



- (2) our Company will review the fee quotations and terms provided by independent third parties and Haier Group and its associates. In respect of the approval process for obtaining the quotations, each business department shall submit request in relation to purchase transaction on the Company's information technology management system for connected transactions, together with a draft agreement and the quotations from the independent third party, for review, discussion and approval by the head of the relevant business department, the head of the accounting department and the secretary to the Board;
  - (3) in order to ensure that, in the absence of suitable independent third parties who supply products of the same or similar quality, Haier Group and its associates will effectively fulfill their undertakings, the finance department and internal audit department of the Company have been entrusted with the access to the financial systems of the Haier Group in relation to brown goods business, such that those personnel are able to verify the selling prices of the same or similar products supplied by the Haier Group to other third parties. In addition, the business department of the Company will monitor the market prices of the same and similar products from time to time to ensure that the Group's selling prices and the prices obtained from the Haier Group and its associates are fair and reasonable; and
  - (4) the Group will conduct random internal checks to ensure that the internal control measures in respect of the continuing connected transactions remain complete and effective.
- Our independent non-executive Directors will review the continuing connected transactions under the relevant agreements annually to check and confirm in the annual reports of our Company whether such continuing connected transactions have been conducted in the ordinary and usual course of business of our Company, on normal commercial terms or better, in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and whether the internal control procedures put in place by our Company are adequate and effective to ensure that such continuing connected transactions are conducted in accordance with the pricing policy set out in the relevant agreements.

The Directors are of the view that the above internal control and risk management procedures adopted by the Group are appropriate and sufficient, and that the procedures and measures give assurance to the Independent Shareholders that the occurrence of the above continuous connected transactions between the Company and Haier Group will be appropriately monitored. In addition, the internal control measures and procedures would be carried out during the valid term of the framework agreement.



#### **IV. IMPLICATIONS OF THE HONG KONG LISTING RULES**

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the issue contemplated under the Voting Rights Entrustment Agreement is higher than 5% but lower than 25%, the issue contemplated under the Voting Rights Entrustment Agreement constitutes a discloseable transaction of the Company and is therefore subject to the requirements of reporting and announcement under Chapter 14 of the Hong Kong Listing Rules, but is exempted from the requirement of shareholders' approval under Chapter 14 of the Hong Kong Listing Rules.

As at the date of this announcement, Haier Group holds, directly and indirectly, approximately 34% of the voting rights in the Company and is therefore a controlling shareholder of the Company. As such, Haier Group and Bingji, its subsidiary, are each a Connected Person of the Company. Consequently, the issue contemplated under the Voting Rights Entrustment Agreement constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules, and the transactions contemplated under the Services Supply Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

In terms of the entering into of the Voting Rights Entrustment Agreement, as the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the issue contemplated under the Voting Rights Entrustment Agreement is higher than 5%, the issue contemplated under the Voting Rights Entrustment Agreement, as a connected transaction of the Company, is subject to the requirements of reporting, announcement, independent financial advisor's opinions and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

In terms of the revision of the existing annual caps of the Services Supply Framework Agreement, as the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the revised annual caps of the Services Supply Framework Agreement is higher than 0.1% but lower than 5%, the transactions contemplated under that agreement are subject to the requirements of reporting, announcement and annual review but are exempted from the requirements of independent financial advisor's opinions and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

## **Opinions of the Board**

In terms of the entering into of the Voting Rights Entrustment Agreement, the Directors (including the independent non-executive Directors) consider that the terms of the issue contemplated under the Voting Rights Entrustment Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, but are not in the ordinary or usual business course of the Group due to the nature of the issue.

In terms of the revision of the existing annual caps of the Services Supply Framework Agreement, the Directors (including the independent non-executive Directors) consider that the terms of the transactions contemplated under the Services Supply Framework Agreement and the revised annual caps thereunder are on normal commercial terms and in the ordinary or usual business course of the Group, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Mr. LI Huagang, Ms. SHAO Xinzhi and Mr. GONG Wei, each a Director of the Company, have relevant interests in Haier Group, they have abstained from voting on the resolutions of the Board for approving the entering into of the Voting Rights Entrustment Agreement and revision of the existing annual caps of the Services Supply Framework Agreement. Save as disclosed above, there are no other Directors who have any material interest in the above resolution and are required to abstain from voting on the resolution of the Board for considering and approving the above proposal.

## **V. GENERAL INFORMATION**

### **Information of the Company**

The Company is a joint stock company incorporated in the PRC with limited liability, whose A Shares are listed on the Shanghai Stock Exchange, whose D Shares are listed on the Frankfurt Stock Exchange and whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange. The Company is a leading provider of home appliances and smart home solutions in the world. The Company's main businesses include the research and development, production and sales of smart home appliances such as refrigerators/freezers, washing machines, air conditioners, water heaters, kitchen appliances, small home appliances, and smart home scenario solutions. It creates whole scenario smart life experience with its rich product, brand and solution package to meet the needs of users for a better life.

### **Information of Guanmei**

Guanmei is a company incorporated under the laws of the PRC in 2017. Its scope of operation includes corporate management and consultation and business information consultation. As at the date of this announcement, Guanmei is an indirectly wholly-owned subsidiary of the Company.

### **Information of Haier Group**

Haier Group is a company incorporated under the laws of the PRC in 1984 and a controlling Shareholder of the Company. Its scope of operation includes: technology development, technology consultancy, technology transfer, technology services, including industrial internet, etc.; data processing; engaged in digital technology, intelligent technology, software technology; the research and development, sales and after-sales services of robots and automation equipment products; logistics information services; the research and development and sales of intelligent household equipment and solution system software technology (方案系統軟件技術); the production of household appliances, electronic products, communication equipment, electronic computers and accessories, general machinery, kitchen appliances and robots for industrial purpose; domestic commercial (excluding national restricted, licensed and controlled commodities) wholesale and retail; export and import business (refer to foreign enterprise confirmation certificate for details); economic technology consultancy; the research and development and transfer of technological achievements; and lease of self-owned properties. Haier Group is an enterprise under urban collective ownership. According to the Regulations on Urban Collective Ownership Enterprises of the People's Republic of China promulgated by the State Council, which was revised in February 2016, all property under the urban collective ownership belongs to the working people collectively and the worker representative organization is its governing body.

### **Information of Bingji**

Bingji is a company incorporated under the laws of the PRC in 2018. Its scope of operation includes corporate management and consultation and business consultation. As at the date of this announcement, Bingji is held by Haier COSMO and Guanmei as to 55% and 45% respectively, and it is ultimately beneficially owned by Haier Group.

## **VI. EXTRAORDINARY GENERAL MEETING**

The Company will convene an extraordinary general meeting (“EGM”) to consider and approve the entering into of the Voting Rights Entrustment Agreement. Haier Group and its associates will abstain from voting on the resolution in respect of the entering into of the Voting Rights Entrustment Agreement at the EGM. As at the date of this announcement, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed in this announcement, there

are no other Shareholders who are required to abstain from voting on the above resolution. The above resolution will be approved by way of ordinary resolution and voted by poll. An independent board committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders on the entering into of the Voting Rights Entrustment Agreement. The Company has appointed Somerley Capital Limited as the Independent Financial Advisor to advise the independent board committee and the Independent Shareholders on the same. A circular containing, among other things, particulars of the entering into of the Voting Rights Entrustment Agreement, a letter from the independent board committee, a letter from the independent financial advisor, together with a notice convening the EGM will be published on the HKEXnews website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company's website (<http://smart-home.haier.com>) in due course. As the Company needs additional time to conduct various preparation works, the circular is expected to be published 15 business days after the publication of this announcement.

## VII. DEFINITION

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“A Share(s)”	the ordinary share(s) issued by the Company and subscribed for in RMB, which are listed on the Shanghai Stock Exchange
“Bingji”	Bingji (Shanghai) Enterprise Management Co., Ltd.* (冰戟(上海)企業管理有限公司), a company incorporated under the laws of the PRC. As at the date of this announcement, Bingji is held by Haier COSMO and Guanmei as to 55% and 45% respectively
“Board”	the board of Directors of the Company
“China” or “PRC”	the People's Republic of China
“Company”	Haier Smart Home Co., Ltd., a joint stock company incorporated in the PRC with limited liability, whose A Shares are listed on the Shanghai Stock Exchange (stock code: 600690), whose D Shares are listed on the China Europe International Exchange AG D Share Market and quoted on the Frankfurt Stock Exchange (stock code: 690D), and whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 6690)
“Connected Person(s)”	has the meaning as ascribed under the Hong Kong Listing Rules

“D Share(s)”	the D shares in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed and traded on the China Europe International Exchange AG D Share Market of the Frankfurt Stock Exchange (stock code: 690D)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Guanmei”	Guanmei (Shanghai) Enterprise Management Co., Ltd.* (貫美(上海)企業管理有限公司), a company incorporated under the laws of the PRC. As at the date of this announcement, Guanmei is an indirectly wholly-owned subsidiary of the Company
“H Share(s)”	the H shares in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange (stock code: 6690)
“Haier COSMO”	Haier COSMO Co., Ltd. (海爾卡奧斯股份有限公司) (formerly Haier Electric Appliances International Co., Ltd.), a company incorporated under the laws of the PRC and a subsidiary of Haier Group. Based on public information available to the Company, Haier Group holds 51.20% of the issued shares in Haier COSMO Co., Ltd., and is entitled to exercise the remaining 48.80% voting rights in Haier COSMO Co., Ltd. through an irrevocable voting rights entrustment arrangement
“Haier Group”	Haier Group Corporation, a company incorporated under the laws of the PRC and a controlling Shareholder of the Company
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent committee under the Board comprising all independent non-executive Directors, namely Mr. CHIEN Da-Chun, Mr. WONG Hak Kun, Mr. LI Shipeng and Mr. WU Qi. The Committee has been established to advise the Independent Shareholders on entering into of the Voting Rights Entrustment Agreement

“Independent Financial Advisor”	Somerley Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial advisor to advise the Independent Board Committee and the Independent Shareholders on entering into of the Voting Rights Entrustment Agreement
“Independent Shareholders”	the Shareholders of the Company other than Haier Group and its associates
“Independent Third Party(ies)”	party(ies) not connected with the Group within the meaning of the Hong Kong Listing Rules as far as the Directors are aware after having made all reasonable enquiries
“RMB”	Renminbi, the lawful currency of the PRC
“Services Supply Framework Agreement”	the services supply framework agreement dated 28 April 2022 entered into between the Company and Haier Group
“Share(s)”	the ordinary shares of the Company, including A Share(s), D Share(s) and H Share(s) of the Company
“Shareholder(s)”	holders of the share(s) of the Company
“Youjin” or “Target Company”	Youjin (Shanghai) Corporate Management Co., Ltd.* (優瑾(上海)企業管理有限公司). As at the date of this announcement, Youjin is held by Bingji and Guanmei as to 55% and 45% respectively
“%”	per cent

By order of the Board  
**Haier Smart Home Co., Ltd.\***  
**LI Huagang**  
*Chairman*

Qingdao, the PRC  
29 October 2024

*As at the date of this announcement, the executive Directors of the Company are Mr. LI Huagang and Mr. GONG Wei; the non-executive Directors are Mr. YU Hon To, David, Ms. Eva LI Kam Fun and Ms. SHAO Xinzhi; and the independent non-executive Directors are Mr. CHIEN Da-Chun, Mr. WONG Hak Kun, Mr. LI Shipeng and Mr. WU Qi.*

\* For identification purpose only