

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

### **Announcement on Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2023**

The Board of Directors of the Company and all members of the Board warrant that there are no false representations, misleading statements and material omissions in this announcement, and accept legal responsibility for the authenticity, accuracy and completeness of the content herein.

#### **Reminder of important information:**

- Names of the guaranteed parties: the subsidiaries of the Company. Please refer to “II. The anticipated provision of Guarantees” for details.
- Estimated quota on the provision of guarantees in 2023: RMB 30,800 million.
- Accumulated amount of the guarantees provided to the subsidiaries: As of 31 December 2022, the balance of the guarantees provided to the subsidiaries by the Company amounted to RMB12,843,820,000, without any past-due guarantees.
- The anticipated provision of guarantees for the year is subject to the consideration and approval of the General Meeting of shareholders of the Company.

#### **I. Summary of the guarantees**

In order to meet the production and operation capital requirements and business development needs of the Company, its wholly-owned subsidiaries and the holding subsidiaries (hereinafter referred to as the “subsidiaries”), the Company intends to provide guarantees to the subsidiaries, guarantees to each other by its subsidiaries and guarantees to the Company by its subsidiaries, when the Company and its subsidiaries apply for comprehensive credit granting from the financial institution in 2023, with a cap amount of RMB 30,800 million.

The aforesaid guarantees include but are not limited to the guarantees provided for the actual amount incurred by the Company and its subsidiaries when they apply for comprehensive credit granting from the banks and other financial institutions, and applicable for the settlement of accounts payable to the suppliers, and the Company undertakes joint guarantee for liabilities with the financial institutions such as the guarantees by way of capital increase for banks granting borrowings to the subsidiaries, but exclude guarantees in which the Company and its subsidiaries pledge their assets or rights to carry out the aforesaid activities. The term of guarantee commences on the date of approval in the 2022 Annual General Meeting, and ends on the date of consideration of the estimated guarantees amounts to be provided to the Company and its subsidiaries in the next annual general meeting.

Pursuant to laws and regulations such as the *Company Law of People's Republic of China*, *Self-regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Regulation of Operations* (《上海证券交易所上市公司自律监管指引第1号——规范运作》) and the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, and the relevant requirements under the *Articles of Association of Haier Smart Home Co., Ltd.* (hereinafter referred to as the “*Articles of Association*”), the Company convened the 4th meeting of the 11th session of the Board of Directors on 30 March 2023, considered and approved the *Proposal on Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2023 of Haier Smart Home Co., Ltd.* (with 9 voted for it, 0 voted against it and 0 voted abstaining), agreed with the above prediction the provision of guarantees for the year, and will submit such proposal to the general meeting of shareholders of the Company for consideration.

## **II. The anticipated provision of guarantees in 2023**

Based on the development needs and budget on capital need of the subsidiaries in 2023, the Company intends to provide guarantees of no more than RMB 30,800 million in aggregate to the following subsidiaries (the guaranteed parties) in the guarantee

period. Particulars of the relevant subsidiaries and estimated guarantee amounts are as follows:

No.	Company name	Percentage of shareholding (%)	Registered capital (RMB0'000)	Legal representative	Principal business	Estimated quota on the provision of guarantee (RMB0'000)
1	Qingdao Haier Special Refrigerator Co., Ltd.	100	26,245.9	LI Weijie	Production of special fluorine-free refrigerators and their after-sales service	250,000
2	Hefei Haier Refrigerator Co., Ltd.	100	4,900	LI Weijie	Electrical, electronic products and related accessories manufacturing	500,000
3	Qingdao Haier Air-Conditioner Electronics Co., Ltd.	100	95,764	FU Songhui	Air conditioners, refrigeration equipment research and development, production, sales and after-sales service	300,000
4	Haier Electronics Group Co., Ltd.	100	//		Holding company	500,000
5	Qingdao Haier HVAC Equipment Co., Ltd.	100	40,000	FU Songhui	Refrigeration, air conditioning equipment manufacturing	230,000
6	Qingdao Haier Cooling Appliances Co., Ltd.	100	30,000	LI Weijie	Household appliance manufacturing	200,000
7	Qingdao Economy and Technology Development Zone Haier Water Heater Co., Ltd.	100	12,000	GUANG Jiangyong	Design, development, production and sales of water heaters	300,000
8	Haier Singapore Investment Holding Pte .Ltd.	100	/	/	Procurement, wholesale, retail, import and export of household appliances	600,000
9	Haier New Zealand Investment Holding Company Limited	100	/	/	Holding company	200,000
Total						3,080,000

Subject to the approval of the above-mentioned guarantees by the General Meeting of shareholders, the Board of Directors authorizes the president office to decide the particular issues on each of the above guarantees provided by the Company, adjust the guarantee quota among each level of the subsidiaries and among the subsidiaries in accordance with the actual operation needs of the Company, and execute the relevant legal documents on behalf of the Board of Directors. There is no need to convene additional board meetings or general meetings to consider the adjustment of above-mentioned guarantees amounts for subsidiaries. If the actual amount incurred and the status of performance has changed, the Company will disclose the progress as required.

### III. General information on the guaranteed parties

Unit: RMB

No.	Company name	Total assets	Total liabilities	Current liabilities	Bank borrowings	Net assets	Gearing ratio	Operating revenue
1	Qingdao Haier Special Refrigerator Co., Ltd.	2,404,244,564.11	1,056,767,678.88	1,018,071,768.66		1,347,476,885.23	44%	6,067,017,464.65
2	Hefei Haier Refrigerator Co., Ltd.	2,644,769,213.87	1,863,192,885.87	1,794,456,611.72		781,576,328.00	70%	9,494,602,183.28
3	Qingdao Haier Air-Conditioner Electronics Co., Ltd.	6,778,578,412.27	3,474,303,891.43	3,072,839,548.58		3,304,274,520.84	51%	5,445,474,810.48
4	Haier Electronics Group Co., Ltd.	37,359,233,073.63	30,561,466,782.09	29,773,293,816.71	2,327,580,000.00	6,797,766,291.54	82%	26,700,034,075.61
5	Qingdao Haier HVAC Equipment Co., Ltd.	593,333,864.67	198,858,815.91	179,465,230.91		394,475,048.76	34%	
6	Qingdao Haier Cooling Appliances Co., Ltd.	379,144,843.57	81,671,537.56	81,671,537.56		297,473,306.01	22%	
7	Qingdao Economy and Technology Development Zone Haier Water Heater Co., Ltd.	4,428,884,096.58	705,411,892.43	676,455,007.91		3,723,472,204.15	16%	2,844,218,932.83

8	Haier Singapore Investment Holding Pte .Ltd.	22,383,854,456.75	12,905,830,365.17	9,071,124,747.11	9,114,132,488.88	9,478,024,091.58	58%	16,203,085,746.61
9	Haier New Zealand Investment Holding Company Limited	6,986,976,233.80	3,267,217,008.33	1,510,744,162.35	1,023,288,825.00	3,719,759,225.47	47%	7,366,646,122.76

#### **IV. Particulars of the anticipated provision of guarantees for the year**

The Company and its subsidiaries have not entered into guarantee contracts or agreements with related parties such as banks yet, and the actual guarantee amount will subject to the signed and effected guarantee contracts. The guarantor, each guarantee amount and term of the guarantee will be stipulated separately in the specific contracts.

The Company will in strict compliance with the relevant laws and regulations as well as the constitutional documents such as the *Management Rules on External Guarantees of Haier Smart Home Co., Ltd.*, and conducts the internal approval procedures on the guarantees and relevant guarantee contracts of the Company and the subsidiaries so as to control the financial risks of the Company.

#### **V. The status in 2022**

As of 31 December 2022, the balance of guarantees provided by the Company and its subsidiaries to the subsidiaries amounted to RMB12,843,820,000, representing 13.7% of the latest audited net assets of the Company, and 5.5% of the latest audited total assets of the Company. Apart from that, there is no other external guarantee or past-due guarantees provided by the Company and the subsidiaries.

To sum up, the above guarantees are in line with the operational development needs of the Company. All the guaranteed parties are subsidiaries in the scope of the Company's consolidated statements, and the internal review procedures have been duly conducted when the guarantees actually took place, which effectively control and prevent the risks on these guarantees. The guarantees and relevant amounts provided by the Company to the subsidiaries which remain in the guarantee term are all executions of guarantees approved by the previous general meeting, thus there is no need for the Company to otherwise perform internal review procedures on such guarantees, the validity of which is subject to the conventions under the agreements entered into between the subsidiaries and the counter-parties.

## **VI. Opinions of the Board of Directors**

The Board of Directors of the Company is of the view that, the provision of the guarantee quota to the subsidiaries in 2023 are in line with the actual situations of the Company and comply with the relevant laws and regulations as well as the requirements under the *Articles of Association*. The risks of such guarantees are overall under control, and are in the interests of the Company's production and operation and long-term development. As such, the Board of Directors of the Company agrees that the Company and the subsidiaries provide a total of no more than RMB30,800 million guarantees to each other for banks and other various financing projects in 2023.

## **VII. Opinions of the independent directors**

The independent directors of the Company are of the view that, in 2023, the Company's intention on providing guarantees to the subsidiaries in applying for comprehensive credit granting from the financial institutions with a guarantee cap amount of RMB30,800 million complies with the relevant laws and regulations as well as the requirements under the *Articles of Association*, and is in the interests of the Company as a whole. There are no underlying material risks or damages to the interests of the Company and the shareholders, especially the minority shareholders.

It is hereby notified the above.

The Board of Directors of Haier Smart Home Co., Ltd.

30 March 2023