

Haier Smart Home Co., Ltd.

Announcement on Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2024

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 “II. The anticipated provision of Guarantees” for details.
- Estimated quota on the provision of guarantees in 2024: RMB33,500 million.
- Accumulated amount of the guarantees provided to the subsidiaries: As of 31 December 2023, the balance of the guarantees provided to the subsidiaries by the Company amounted to RMB12,286.47 million, 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 2024, with a cap amount of RMB33,500 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 2023 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* 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 9th meeting of the 11th session of the Board of Directors on 27 March 2024, considered and approved the *Proposal on Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2024 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 2024

Based on the development needs and budget on capital need of the subsidiaries in 2024, the Company intends to provide guarantees of no more than RMB33,500 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 (table 1):

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	26,246	LI Weijie	Production of special fluorine-free refrigerators and their after-sales service	300,000
2	Hefei Haier Refrigerator Co., Ltd.	100	4,900	LI Weijie	Electrical, electronic products and related accessories manufacturing	380,000
3	Qingdao Haier Air-Conditioner Electronics Co., Ltd.	100	96,709	FU Songhui	Air conditioners, refrigeration equipment research and development, production, sales and after-sales service	300,000
4	Haier Electronics Group Co., Ltd.	100	/	/		250,000
5	Qingdao Haier HVAC Equipment Co., Ltd.	99	40,000	ZHAO Ligu	Refrigeration, air conditioning equipment manufacturing	230,000
6	Qingdao Haier Cooling Appliances Co., Ltd.	100	30,000	LI Weijie	Household appliance manufacturing; retail of daily household appliances; import and export of goods	250,000
7	Qingdao Haier Technology Co., Ltd.	100	8,000	DENG Qiuwei	Import and export of goods; import and export of technology	300,000
8	Haier Singapore Investment Holding Pte. Ltd.	100	/	/	Procurement, wholesale, retail, import and export of household appliances	440,000
9	Haier New Zealand Investment Holding Company Limited	100	/	/	Holding company	250,000
10	Candy S.P.A.	100	/	/	Holding company	650,000
Total						3,350,000

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 (table 2)

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.	2,257,294,289.19	1,102,471,197.89	1,074,613,506.70	-	1,154,823,091.30	49%	6,302,388,730.10
2	Hefei Haier Refrigerator Co., Ltd.	3,077,609,069.35	2,299,371,321.56	2,250,095,674.54	-	778,237,747.79	75%	9,924,185,449.82
3	Qingdao Haier Air-Conditioner Electronics Co., Ltd.	6,841,686,089.56	4,402,649,886.06	4,014,066,662.19	-	2,439,036,203.50	64%	5,746,807,262.48
4	Haier Electronics Group Co., Ltd.	40,123,138,763.90	32,045,181,074.31	31,199,806,279.75	2,369,120,000.00	8,077,957,689.59	80%	26,707,086,264.44
5	Qingdao Haier HVAC Equipment Co., Ltd.	759,213,688.50	377,057,775.93	307,664,190.93	50,000,000.00	382,155,912.57	50%	-
6	Qingdao Haier Cooling	1,913,320,496.57	1,695,982,985.57	1,671,357,985.57	-	217,337,511.00	89%	9,747,045.76

	Appliances Co., Ltd.							
7	Qingdao Haier Technology Co., Ltd.	752,468,552.91	433,839,241.46	418,213,304.35	-	318,629,311.45	58%	1,648,125,075.80
8	Haier Singapore Investment Holding Pte .Ltd.	28,458,655,459.27	15,969,647,874.19	12,428,293,881.11	8,480,935,810.16	12,489,007,585.08	56%	17,657,488,129.69
9	Haier New Zealand Investment Holding Company Limited	7,555,194,273.32	3,638,772,926.18	1,789,262,115.22	1,034,286,451.77	3,916,421,347.14	48%	6,570,589,550.45
10	Candy S.P.A.	19,792,031,880.89	18,628,958,664.86	12,555,219,595.78	5,633,586,789.37	1,163,073,216.03	94%	15,757,300,354.78

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 conduct 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 of guarantees in 2023 and updates

As of 31 December 2023, the balance of guarantees provided by the Company and its subsidiaries to the subsidiaries amounted to RMB12,286.47 million, representing 11.9% of the latest audited net assets of the Company, and 4.8% 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.

As of 27 March 2024, the status of the Company's guarantees is as follows:

(I) Progress of guarantees

The current balance of guarantees is as follows:

Unit: RMB0'000

No.	Name of the guaranteed subsidiary	The balance amount of guarantees provided
1	Qingdao Haier Air Conditioner Gen Corp., Ltd.	3,650
2	Qingdao Haier HVAC Equipment Co., Ltd.	15,000
3	Qingdao Hailvyuan Recycling Technology Co., Ltd.	15,923
4	Qingdao Haier Cooling Appliances Co., Ltd.	50,000
5	Haier Singapore Investment Holding Pte. Ltd.	393,805
6	Candy S.P.A.	463,494
7	Haier New Zealand Investment Holding Company Limited	100,170
8	Haier Electronics Group Co., Ltd.	235,958
Total		1,278,000

Note: If any of the above amount of guarantees involves foreign currency, its translation shall be based on the exchange rate published by the PBOC on 29 February 2024.

(II) Profile of the Guaranteed Party

(1) Information of the guaranteed party

No.	Name of the guaranteed subsidiary	Shareholding percentage (%)	Place of registration	Legal representative	Business scope
1	Qingdao Haier Air Conditioner Gen Corp., Ltd.	98	Qingdao	SONG Yujun	R&D, manufacturing, installation and sales of household appliance
2	Qingdao Hailvyuan Recycling Technology Co., Ltd.	89		WANG Jun	Waste electrical and electronic product treatment, hazardous waste operation

In order to avoid repetition, the above information of the guaranteed party (guaranteed subsidiary) is only presented for those companies that do not appear in "table 1" of this announcement. Therefore, for complete information of the guaranteed party (guaranteed subsidiary), please refer to both the above table and "table 1".

(2) Financial condition of the guaranteed party

As of 31 December 2023 (the year of 2023), the basic financial data of the aforementioned guaranteed party is as follows:

Unit: RMB

No.	Name of the guaranteed subsidiary	Total assets	Total liabilities	Current liabilities	Bank loan	Net assets	Debt to asset ratio	Operating income
1	Qingdao Haier Air Conditioner Gen Corp., Ltd.	6,927,606,211.4	4,142,274,796.4	4,072,609,684.6	-	2,785,331,415.1	60%	1,811,922,865.1
2	Qingdao Hailvyuan Recycling Technology Co., Ltd.	660,242,559.5	600,396,755.1	371,928,917.2	159,226,448.0	59,845,804.5	91%	558,978,393.7

Note: (1) If any of the above financial data involves foreign currency, its translation shall be based on the exchange rate published by the PBOC on 31 December 2023;

(2) In order to avoid repetition, the financial condition of the guaranteed party is only presented for those companies that do not appear in "table 2" of this announcement.

Therefore, for complete financial condition of the guaranteed party, please refer to both the above table and "table 2".

(III) Main Content of the Guarantee Agreement

The main content of the guarantee agreement in relation to the aforementioned guarantee is as follows:

Unit: RMB0'000

No.	Guaranteed party	Creditor	Mode of guarantee	Type of guarantee	Term of guarantee	Amount of guarantee
1	Qingdao Haier Air Conditioner Gen Corp., Ltd.	CDB	Joint-liability guarantee	Guarantee	Two years after the expiration of the debt performance period	Not more than RMB36.5 million
2	Qingdao Haier HVAC Equipment Co., Ltd.	CCB Haier Road Sub-branch	Joint-liability guarantee	Guarantee	Three years after the expiration of the debt performance period under the master contract	Not more than RMB1.3 billion
3	Qingdao Hailvyuan Recycling Technology Co., Ltd.	ABC Qingdao Branch	Joint-liability guarantee	Guarantee	Three years after the expiration of the debt performance period agreed upon in the master contract	Not more than RMB400.86 million
4	Qingdao Haier Cooling Appliances Co., Ltd.	CCB Haier Road Sub-branch	Joint-liability guarantee	Guarantee	Three years after the expiration of the debt performance period under the master contract	Not more than RMB2.4 billion
5	Haier Singapore Investment Holding Pte. Ltd.	DBS	Joint-liability guarantee	Guarantee	6 months after the expiration of the debt performance period	Not more than EUR350 million
6	Haier Singapore Investment Holding Pte. Ltd.	ING	Joint-liability guarantee	Guarantee	36 months from the date of issue	Not more than EUR100 million
7	Haier Singapore Investment Holding Pte. Ltd.	BNP Paribas	Joint-liability guarantee	Guarantee	Six years from the date of first drawdown	Not more than EUR150 million
8	Candy S.P.A.	ING Bank N.V., London Branch、Intesa Sanpaolo S.p.A.、ING Bank N.V., Milan Branch、ICBC (Europe) S.A., Milan Branch、Banca Nazionale del Lavoro S.p.A	Joint-liability guarantee	Guarantee	2 years after termination date	Not more than EUR600 million
9	Haier New Zealand Investment Holding Company Limited	DBS	Joint-liability guarantee	Guarantee	Final maturity date under the loan agreement	Not more than NZD230 million
10	Haier Electronics Group Co., Ltd.	DBS	Joint-liability guarantee	Guarantee	Until the date when the debt under the master contract is repaid in full	Not more than HKD 2.6 billion

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 2024 is 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 RMB33,500 million guarantees to each other for banks and other various financing projects in 2024.

It is hereby notified the above.

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

27 March 2024