

Haier Smart Home Co., Ltd.

Announcement on Anticipated Provision of Guarantees for Subsidiaries in 2022

The Board of Directors of the Company and all members of the Board warrant that there are no false representation, misleading statement and material omission in this announcement, and are severally and jointly responsible 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. Anticipated provision of Guarantees” for details.
- Estimated quota on the provision of guarantees in 2022: RMB 30,800 million.
- Accumulated amount of the guarantees provided to the subsidiaries: As of 31 December 2021, the balance of the guarantees provided to the subsidiaries by the Company amounted to RMB11,357.28 million, without any overdue guarantees.
- 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 Haier Smart Home Co., Ltd. (hereinafter referred to as the “Company”) and its wholly-owned subsidiaries (hereinafter referred to as the “subsidiaries”), and to ensure that the subsidiaries could carry out the production and operation activities smoothly, the Company intends to provide guarantees to the

subsidiaries when they apply for comprehensive credit granting from financial institution in 2022, with a cap amount of RMB30,800 million.

The aforesaid guarantees for the subsidiaries include but are not limited to the guarantees to be provided for the actual amount incurred by the subsidiaries when they apply for comprehensive credit granting from the banks and other financial institutions, and apply for the settlement of accounts payable to the suppliers, and when the Company undertakes joint guarantee liabilities with the financial institutions such as banks granting borrowings to the subsidiaries by way of capital increase, but exclude guarantees in which the subsidiaries pledge their assets or rights to carry out the aforesaid activities. The term of guarantee commences on the date of approval in the 2021 Annual General Meeting, and ends on the date of consideration of anticipated guarantees to be provided to the 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 27th meeting of the 10th session of the Board of Directors on 30 March 2022, considered and approved the Proposal on Anticipated Provision of Guarantees for Subsidiaries in 2022 of Haier Smart Home Co., Ltd. with 11 votes for it, 0 vote against it and 0 vote abstaining, agreed with the above anticipated provision of guarantees for the year, and will submit such proposals to the general meeting of shareholders of the Company for consideration.

II. Anticipated provision of guarantees in 2022

Based on the development needs and budget on capital need of the subsidiaries in 2022, the Company intends to provide guarantees of no more than RMB30,800 million

in aggregate to the following subsidiaries (the guaranteed parties) in the guarantee period. Particulars of the subsidiaries 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	2,000	Li Weijie	Production of special fluorine-free refrigerators, and the after-sale services thereof, etc.	250,000
2	Hefei Haier Refrigerator Co., Ltd.	100	4,900	Li Weijie	Manufacture of electrical appliances, digital products and relevant accessories	300,000
3	Qingdao Haier Refrigerator Co., Ltd.	100	20,729	Li Weijie	Manufacturing of fluorine-free refrigerators, import and export of goods and technology, business management services and consulting, computer information technology services etc.	300,000
4	Zhengzhou Haier Air-conditioning Co., Ltd.	100	10,000	Bai Zeyuan	Manufacture, R&D and sale of air-conditioners, home appliances and cooling equipment, etc.	300,000
5	Chongqing Haier Air-conditioning Co., Limited	100	13,000	Wang Youning	Manufacture and sale of air-conditioners, home appliances and cooling equipment, etc.	230,000
6	Qingdao Haier Air-Conditioner Electronics Co., Ltd.	100	35,600	Wang Li	R&D, manufacture, sales and after sales service of air-conditioners and cooling equipment, etc.	500,000

7	Haier Singapore Investment Holding Pte. Ltd.	100	/	/	Purchase, wholesale, retail, import and export of home appliances, etc.	1,050,000
8	Haier New Zealand Investment Holding Company Limited	100	/	/	Investment holding	150,000
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 above-mentioned guarantees for subsidiaries. If the actual amount to be incurred and the status of performance change, the Company will disclose the progress as required.

III. General information on the guaranteed parties

Unit: RMB0'000

No.	Company name	Total assets	Total liabilities	Current liabilities	Bank borrowings	Net assets	Gearing ratio	Operating revenue
1	Qingdao Haier Special Refrigerator Co., Ltd.	255,679.18	164,667.21	160,445.59		91,011.97	64%	469,098.69
2	Hefei Haier Refrigerator Co., Ltd.	255,740.98	153,988.77	149,200.69		101,752.21	60%	955,389.05
3	Qingdao Haier Refrigerator Co., Ltd.	258,336.71	177,380.21	172,997.70		80,956.50	69%	644,524.22
4	Zhengzhou Haier Air Air-conditioning Co., Ltd.	103,163.58	49,243.30	48,901.37		53,920.28	48%	346,389.95
5	Chongqing Haier Air-conditioning Co., Ltd.	280,214.18	43,125.08	42,280.35		237,089.10	15%	340,780.63
6	Qingdao Haier Air-Conditioner Electronics Co., Ltd.	851,844.35	423,527.04	381,793.60		428,317.31	50%	508,254.23
7	Haier Singapore Investment Holding Pte.Ltd.	2,181,469.92	1,242,760.63	1,171,045.18	845,262.54	938,709.29	57%	1,486,358.74
8	Haier New Zealand Investment Holding Company Limited	687,115.66	369,752.49	286,170.69	124,738.70	317,363.16	54%	738,650.14

IV. Particulars of anticipated provision of guarantees for the year

The above guaranteed 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. Moreover, the Company may uses its subsidiaries to act as the guarantor under the specific guarantee contracts through. Each guarantee amount and term of the guarantee will be stipulated separately in the specific contracts.

The Company will be 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 of guarantees in 2021 and the latest status

As of 31 December 2021, the balance of guarantees provided by the Company, the wholly-owned and controlling subsidiaries of the Company to the subsidiaries amounted to RMB11,357.28 million, representing 14.2% of the latest audited net assets of the Company, and 5.2% of the latest audited total assets of the Company. As of 30 March 2022, the balance of guarantees provided by the Company, the wholly-owned and controlling subsidiaries of the Company to the subsidiaries amounted to RMB11,036.79 million, representing 13.8% of the latest audited net assets of the Company, and 5.1% 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. The latest actual guarantee situation is as follows:

(I) Guarantee progress

The current guarantee balance is as follows:

Unit: RMB0'000

No.	Guaranteed subsidiary name	Guaranteed amount balance
1	Candy Hoover GROUP SRL	70,659.00
2	Haier Europe Appliance Solutions S.P.A.	141,318.00
3	Haier New Zealand Investment Holding Company Limited	120,780.70
4	Haier Shareholdings(Hong Kong) Limited	56,527.20
5	Haier Singapore Investment Holding Pte.Ltd.	477,255.77
6	Harvest International Company	23,065.62
7	Haier Electronics Group Co., Ltd.	210,423.20
8	Qingdao Haier Air Conditioner Co., Ltd.	3,650.00
Total		1,103,679.49

Note: If the above guarantee amount involves foreign currency, the foreign exchange rate announced by the People's Bank of China on 28 February 2022 is used for calculation.

(II) General information on the guaranteed parties

(1) General information on the guaranteed parties

No.	Guaranteed subsidiary name	Shareholding ratio (%)	Place of registration	Legal representative	Business Scope
1	Candy Hoover GROUP SRL	100	Italy	/	Home appliance sales and manufacturing
2	Haier Europe Appliance Solutions S.P.A.	100	Italy	/	Home appliance sales and manufacturing
3	Haier New Zealand Investment Holding Company Limited	100	New Zealand	/	Holding company
4	Haier Shareholdings(Hong Kong) Limited	100	Hong Kong	/	Holding company
5	Haier Singapore Investment Holding Pte. Ltd.	100	Singapore	/	Holding company
6	Harvest International Company	100	Cayman	/	Holding company
7	Haier Electronics Group Co., Ltd.	100	Bermuda	/	Manufacture and sale of washing machines, water heaters, etc.
8	Qingdao Haier Air Conditioner Co., Ltd.	100	Qingdao City	Wang Youning	Refrigeration, air conditioning equipment manufacturing, etc.

(2) Financial status of the guaranteed parties

As of 31 December 2021 (/FY 2021), the basic financial data of the aforementioned guaranteed parties are as follows.

Unit: RMB0'000

No.	Guaranteed subsidiary name	Total assets	Total liabilities	Current liabilities	Bank borrowing	Net assets	Gearing ratio	Operating income
1	Candy Hoover GROUP SRL	765,934.46	690,334.62	667,170.27	204,767.31	75,599.84	90%	1,003,284.26
2	Haier Europe Appliance Solutions S.P.A.	1,560,263.11	1,519,840.35	1,405,422.42	756,414.82	40,422.75	97%	1,420,531.47
3	Haier New Zealand Investment Holding Company Limited	687,115.66	369,752.49	286,170.69	124,738.70	317,363.16	54%	738,650.14
4	Haier Shareholdings(Hong Kong) Limited	4,075,696.96	730,700.08	60,401.94	57,757.60	3,344,996.88	18%	-
5	Haier Singapore Investment Holding Pte. Ltd.	2,181,469.92	1,242,760.63	1,171,045.18	845,262.54	938,709.29	57%	1,486,358.74
6	HARVEST INTERNATIONAL COMPANY	733,506.18	708,449.54	625,454.11	-	25,056.64	97%	-
7	Haier Electronics Group Co., Ltd.	5,615,348.17	2,007,866.19	1,860,910.16	212,576.00	3,607,481.97	36%	10,397,372.61
8	Qingdao Haier Air Conditioner Co., Ltd.	644,362.07	37,526.47	29,557.84	-	606,835.60	6%	49,391.43

Note: If the above financial data involves foreign currency, the foreign exchange rate announced by the People's Bank of China on 31 December 2021 is used for calculation.

(III) The main content of the guarantee agreement

The main content of the guarantee agreement involved in the aforementioned guarantee are as follows:

Unit: RMB0'000

No.	Guaranteed parties	Creditor	Guarantee method	Guarantee type	Guarantee period	Guaranteed amount
1	Candy Hoover GROUP SRL	Banca Nazionale del Lavoro SpA (BNL)	Joint liability guarantee	Borrowing	12 months from issue date	70,659.00
2	Haier Europe Appliance Solutions S.P.A. (Note 2)	ICBC (Europe) S.A., Milan Branch and Natixis S.A. Milan Branch	Joint liability guarantee	Borrowing	24 months after the expiration date of the debt performance period	141,318.00
3	Haier New Zealand Investment Holding Company Limited	DBS Bank	Joint liability guarantee	Borrowing	6 months after the expiration date of the debt performance period	120,780.70
4	Haier Shareholdings(Hong Kong) Limited	Mizuho Bank	Joint liability guarantee	Borrowing	3 months after the expiration date of the debt performance period	56,527.20
5	Haier Singapore Investment Holding Pte. Ltd.	DBS Bank	Joint liability guarantee	Borrowing	6 months after the expiration date of the debt performance period	177,021.60
6	Haier Singapore Investment Holding Pte. Ltd.	Minsheng Bank	Joint liability guarantee	Borrowing	3 years from the date of expiration of the principal debtor's term of performance	126,437.30
7	Haier Singapore Investment Holding Pte. Ltd. (Note 1)	ING Bank N.V. Singapore Branch	Joint liability guarantee	Borrowing	48 months from issue date	141,318.00
8	Harvest International Company	/	Joint liability guarantee	H Shares CB guarantee	Two years after the expiration date of the debt performance period	23,065.62
9	Haier Electronics Group Co., Ltd.	DBS Bank	Joint liability guarantee	Borrowing	Continuous guarantee until the date when the secured principal claim is fully satisfied	210,423.20
10	Qingdao Haier Air Conditioner Co., Ltd.	CDB	Joint liability guarantee	Revenue complement	Two years after the expiration date of the debt performance period	3,650.00

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 execution

terms of guarantees approved by the previous general meeting, thus there is no need for the Company to otherwise perform internal review procedures and information disclosure obligations on such guarantees, the validity of which is subject to the conventions under the agreements entered into between the subsidiaries and the counterparties.

VI. Opinion 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 2022 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 2022.

VII. Opinion of the independent directors

The independent directors of the Company are of the view that, in 2022, 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 2022