

Haier lays foundation for success in thriving MEA region with new Egypt Ecological Park, featuring production capacities of over one million

On the morning of March 15, local time, Haier Egypt Ecological Park held a groundbreaking ceremony in the 10th of Ramadan City. Hossam Heiba, CEO of the General Authority for Investment and Free Zones in Egypt, Zhou Zhencheng, Minister Counsellor of the Economic and Commercial Affairs of the Chinese Embassy in Egypt, and Li Huagang, Chairman and President of Haier Smart Home, attended the groundbreaking ceremony together.

According to our information, the Haier Egypt Ecological Park has received a total investment of 160 million US dollars and covers an area of 200,000 square meters. The first phase of the project has focused on the production of three types of products: air conditioners, washing machines, and TVs. Production and operations are expected to start in the first half of 2024. The second phase of the project will focus on the production of refrigerators and freezers, with a total designed production capacity of more than one million units. "Made in Egypt" Haier appliances mainly target markets in Africa, the Middle East, and Europe, which will play an important role in establishing Haier Smart Home's "globally manufactured" strategy. The establishment of the Egyptian Ecological Park will be a testament to Haier Smart Home's global development achievements, represent another milestone in the company's

efforts to advance its ecosystem brands strategy worldwide, and lay the foundation for the global implementation of Haier' s smart home ecological brand.

The launch of the Egypt Ecological Park is set to strengthen Haier Smart Home's global supply chain system, highlighting the company' s “Three in One” localization strategy, which is a vital component of the brand's global identity and recognition. Haier Smart Home began by developing overseas brands and has since invested in establishing global supply chains and channels. Currently, Haier Smart Home has established 10+N R&D centers, 33 industrial parks, 133 manufacturing centers, and more than 230,000 sales networks worldwide. Its products are sold in nearly 200 countries and regions, serving over 1 billion households globally. These localized layouts have enabled Haier's brand to gain a foothold in the global market. Moreover, the new Ecological Park in Egypt serves as an important milestone in Haier' s global branding strategy. The initiative will help the Haier expand its market presence in the Middle East and Africa, enhance its global supply chain system, and strengthen its position as the world's leading home appliance brand.

The launch of the Egypt Ecological Park will reduce operating costs and position Haier to respond even more quickly to market demands. Previously, the large Egyptian market mainly relied on imports to meet user demands. But after the Egyptian ecological park is put into operation, Haier Smart Home will

have standardized, large-scale localized production for the local market. This will significantly reduce market response time, as well as bring benefits in terms of tariffs, transportation costs, and other factors.

Notably, in addition to being sold in the Egyptian market, "Made in Egypt" Haier products can also be sold in surrounding African, Middle East and European markets with zero tariffs. This positions Haier to better meet regional market demand, achieve global market leadership through differentiation, drive continuous brand growth abroad, and provide more users with high-quality smart home solutions they can enjoy.

The launch of the Egypt Ecological Park will help Haier better respond to national strategies and the "Belt and Road" initiative. Egypt is uniquely positioned to benefit from the Belt and Road and has been a historical hub connecting trade and culture between the East and West. Haier Smart Home has chosen this distinguished location to build a state-of-the-art, intelligent, digital, and flexible ecological factory. By building the Hainayun Digital Twin Park Platform, the ecological park will be able to show "people, events and things" on one screen. All of the park's elements and processes are visible and controllable, which makes it much easier to optimize resource allocation and management decisions. Additionally, the park's energy consumption, including water and electricity, can be accurately analyzed to achieve significant energy savings. The ecological park's completion will not only generate more than

2,000 jobs in Egypt but also cultivate excellent manufacturing and management talents for the country's sustainable growth. At the same time, the factory's establishment in Egypt can trigger the intelligent upgrading of the entire local home appliance industry chain, leading to the emergence of geopolitical advantages, population dividends, and facilitating local economic development.

At the launch ceremony, Li Huagang, Chairman and President of Haier Smart Home, said: "Haier aims to uphold high-end independent branding, enhance the user experience, expand our 'three-in-one' localized Strategy, and actively support the construction of the home appliance industry cluster. Through these commitments, we hope to promote Egypt as a smart manufacturing powerhouse and help made-in-Egypt products truly go global. The Egypt Ecological Park is an excellent example of Sino-Egyptian cooperation, and we're proud to be part of it."

With the establishment of Haier Egypt Ecological Park, Haier Smart Home's "three-in-one" localized Strategy will accelerate globally, demonstrating its determination to developing in the Middle East and Africa markets. The initiative reinforces Haier Smart Home's commitment to "made in the world, made for the world", and will help the company achieve more breakthroughs and obtain greater growth space in the global market.