

Haier Smart Home Co., Ltd.

Announcement on Adjustment to the Distribution

Ratio per Share for the 2021 Annual Profit

Distribution Plan

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.

I. The 2021 Profit Distribution Plan as Considered and Approved by the General Meeting

On 28 June 2022, Haier Smart Home Co., Ltd. (hereinafter referred to as the “Company”) held the 2021 Annual General Meeting, at which the *Proposal of Profit Distribution in 2021 of Haier Smart Home Co., Ltd.* was considered and approved. The Company intends to pay a cash dividend of RMB4.60 per 10 shares (tax included) to all shareholders (other than to the repurchased shares on the repurchase account). Based on the total share capital of the Company of 9,392,202,199 shares after deducting the repurchased shares from the repurchase account at that time as disclosed in the profit distribution proposal, the total amount of dividends was RMB4,320,413,011.54 (tax included), which corresponds to the ratio of cash dividends to the net profit attributable to shareholders of the Company for the current year of 33.1%. During the period from the disclosure date of the profit distribution proposal to the registration date for the implementation of the equity distribution, if the total share capital of the Company changes as a result of share repurchases, shares granted by share incentives, share repurchase and cancellation, share repurchase pursuant to significant asset reorganizations, etc., the Company intends to maintain the total distribution unchanged and adjust the distribution ratio per share accordingly. For the current year, the Company will not increase its share capital by transferring from its reserves and will not distribute any bonus shares. The equity distribution will constitute a differentiated distribution.

II. Relevant Changes since the Disclosure of the Profit Distribution Proposal

(i) The general information of the Company's A-share repurchase

On 5 March 2021, the Company held 16th Meeting of the 10th Session of the Board of Directors, at which the *Proposal on the Repurchase of a Portion of Public Shares of Haier Smart Home Co., Ltd.* was considered and approved. It was agreed that the Company might repurchase a portion of its A shares through centralized bidding transactions with its own funds, providing that the repurchase price would be no more than RMB46/share and the proposed total amount of funds used for repurchase would be no more than RMB4 billion but no less than RMB2 billion. The implementation period for repurchase falls within 12 months from the date the Board considered and approved the share repurchase scheme. The share repurchase plan will be utilized for the Employee Stock Ownership Plan or the Share Incentive Scheme. Such repurchase was completed on 16 November 2021. A total of 79,492,366 A shares of the Company were repurchased, of which 25,440,807 shares were transferred to the special account of "Haier Smart Home Co., Ltd. - A-share Core Employee Stock Ownership Plan (2021-2025)" in a non-trading manner on 23 July 2021. Therefore, a total of 54,051,559 repurchased A shares were deposited in the "Special Securities Account for Repurchase of Haier Smart Home Co., Ltd." (referred to as "Repurchase Account 1").

On 30 March 2022, the Company held 27th Meeting of the 10th Session of the Board of Directors, at which the *Proposal on the Repurchase Plan of a Portion of Public Shares of A-share of Haier Smart Home Co., Ltd.* was considered and approved. It was agreed that the Company might repurchase a portion of its A shares through centralized bidding transactions with its own funds, providing that the repurchase price would be no more than RMB35/share and the proposed total amount of funds used for repurchase would be no more than RMB3 billion but no less than RMB1.5 billion. The implementation period for repurchase falls within 12 months from the date the Board considered and approved the share repurchase plan. The share repurchase plan will be utilized for the Employee Stock Ownership Plan. As of the date disclosed in this announcement, the Company has repurchased 56,504,239 shares in all, of which 26,814,055 shares were transferred to the special account of "Haier Smart Home Co., Ltd. - 2022 A-share Core Employee Stock Ownership Plan" in a non-trading manner on 21 July 2022. Therefore, a total of 29,690,184 repurchased A shares were deposited in the "Special Securities Account for Repurchase of Haier Smart Home Co., Ltd." (referred to as "Repurchase Account 2").

To sum up, in the Company's Repurchase Account 1 and Repurchase Account 2, there were 83,741,743 repurchased A shares in total.

In accordance with the relevant requirements, during the period from the date disclosed in this announcement to the registration date for the implementation of the

2021 annual equity distribution (inclusive), the Company will not perform any acts that may result in any changes in such as the total share capital of A-share, class of securities and number of shares in the repurchase accounts by, including but not limited to, share repurchase, share cancellation and other acts. Based on the above, as of the registration date for the implementation of the 2021 annual equity distribution, it is expected that the total share capital of the Company's A-share will be 6,308,552,654 shares, and the total number of A-share deposited in the special repurchase accounts of the Company will be 83,741,743 shares. The Article 23 of the *Self-regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 7 — Share Repurchase* provides that "the shares deposited in the special repurchase account of a listed company do not have the rights of voting at general meetings, profit distribution, capitalisation of reserve, subscription of new shares and convertible corporate bonds, and shall not be pledged or lent". Accordingly, 83,741,743 repurchased shares registered under the name of the special repurchase accounts will not participate in this distribution, and the total number of A-share actually participating in the distribution is 6,224,810,911 shares.

(ii) The general information of the Company's H-Share convertible bonds conversion and H-Share repurchase and cancellation

On 23 December 2020, the Company's 2,448,279,814 H shares were listed and traded on the Main Board of Hong Kong Stock Exchange. At the same time, the H-share convertible bonds with a total amount of HK\$7,993,000,000 became effective and operational. The Company held the 2021 Annual General Meeting and 2022 First A-Share/D-Share/H-Share Class Meeting on 28 June 2022, at which *Haier Smart Home Co., Ltd.'s Resolution on the General Meeting to Grant a General Mandate to the Board of Directors to Decide to Repurchase Not More Than 10% of the Total Number of H Shares of the Company in Issue* was passed after consideration and approval. The Company intends to repurchase and cancel H shares within the agreed period.

Pursuant to the aforementioned arrangements, the Company has implemented relevant operations such as the conversion of H-share convertible bonds and the repurchase of H shares during the period from the date of disclosure of the profit distribution proposal to the equity registration date for the H-share profit distribution (i.e. 13 July 2022). The number of H shares registered on the date of registration of H-share that can participate in profit distribution was 2,868,761,701 shares in total.

III. Explanations on Adjustment to the Distribution Ratio per Share for the 2021 Annual Profit Distribution Plan

According to the aforementioned the Company's A-share repurchase and H-Share convertible bonds conversion, and the relevant requirements under the *Articles of Association*, the Company will make profit distribution to shareholders on the register after the close of business on the record date as determined in the announcements of the implementation of the equity distribution, other than those on the Company's special

repurchase account. Under the condition that the total distribution amount of RMB4,320,413,011.54 (tax included)(Note) remains unchanged, the total share capital of the Company that can participate in profit distribution is 9,364,586,585 shares (including 6,224,810,911 A shares, 271,013,973 D shares, and 2,868,761,701 H shares). The corresponding distribution ratio per share is adjusted to a cash dividend of RMB4.61357 per 10 shares (tax included).

Note: (1) In accordance with the market practice in Shanghai, the actual cash dividend per share distributed to holders of A-share is RMB0.46136; (2) the actual total distribution (RMB4,320,436,247.53) calculated based on the aforementioned adjusted “distribution ratio per share * actual number of shares participating in the distribution” is slightly more than the total distribution under the plan (RMB 4,320,413,011.54).

For details of the profit distribution, please refer to the Company’s announcement on the implementation of the 2021 annual A-share equity distribution to be published, and the announcements on the equity distribution related to D shares and H shares.

It is hereby notified the above.

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

9 August 2022