

Stock Name: Haier Smart Home **Stock Code:** 600690 **No.:** L2022-051

Haier Smart Home Co., Ltd.

Announcement on Completion of Registration of Grant of the 2022 A Share Option Incentive Scheme

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 are severally and jointly responsible for the authenticity, accuracy and completeness of the content herein.

IMPORTANT HIGHLIGHTS

Completion date of registration of Share Options: 13 July 2022

Number of Share Options granted: 104,756,896 Options

Grant Date of Share Options: 28 June 2022

Number of registrations for Share Options granted: 1,834 people

According to the *Administrative Measures on Share Incentives of Listed Companies* (《上市公司股權激勵管理辦法》) issued by the CSRC and the relevant requirements of the Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited Shanghai Branch, Haier Smart Home Co., Ltd. (hereinafter referred to as the “Haier Smart Home” or the “Company”) has completed the registration of the grant of the 2022 A Share Option Incentive Scheme (hereinafter referred to as the “Incentive Scheme”) and hereby announces the relevant matters as follows:

I. Grant of the Incentive Scheme

1. The Company convened the 28th Meeting of the 10th Session of the Board and the 25th Meeting of the 10th Session of the Board of Supervisors on 28 April, 2022, considering and approving the proposals on matters related to the Incentive Scheme,

such as the *2022 A Share Option Incentive Scheme (draft) of Haier Smart Home Co., Ltd. and its Summary*. The independent directors of the Company issued their independent opinions on whether the Incentive Scheme is beneficial to the sustainable development of the Company and whether there are circumstances that are detrimental to the interests of the Company and all shareholders as a whole, and publicly solicited the voting rights on 29 April, 2022.

2. On 31 May, 2022, the Company publicized the list of Participants granted under the Incentive Scheme on the Company's internal website for the period from 31 May, 2022 to 9 June, 2022, during which the Company did not receive any objection from any organization or individual to the Participants granted under the Incentive Scheme of the Company.

3. On 17 June, 2022, the Company verified the list of Participants granted under the Incentive Scheme at 26th Meeting of the 10th Session of the Board of Supervisors and considered and approved the *Verification Opinions and Public Statements on the List of Participants Granted under 2022 A Share Option Incentive Scheme*. On 18 June, 2022, the Company publicly disclosed the *Announcement on the Verification Opinions on the List of the Eligible Participants of the Share Incentive Scheme by the Board of Supervisors and Status of Internal Notification*.

4. On 28 June, 2022, the Company convened the 2021 Annual General Meeting, the First A Share/D Share/H Share Class Meeting of 2022, considered and approved proposals on matters related to the Incentive Scheme, such as the *2022 A Share Option Incentive Scheme (draft) of Haier Smart Home Co., Ltd. and its Summary*, and made public disclosure. At the same time, the Company conducted a self-inspection on the trading of the Company's shares by the insiders within 6 months before the public disclosure of the draft for the Incentive Scheme, and disclosed *Report on Self-Inspection of Trading in the Company's Shares by Insiders under the 2022 A Share Option Incentive Scheme of Haier Smart Home Co., Ltd.* The Company was not aware of any situation where insider trading occurs due to knowledge of insider information for stock trading or disclosure of the Incentive Scheme.

5. On 28 June, 2022, the Company convened the First Meeting of the 11th Session of the Board of Directors and the First Meeting of the 11th Session of the Board of Supervisors, considering and approving the *Proposal on Adjustment of 2022 A Share Option Incentive Scheme of Haier Smart Home Co., Ltd.* and the *Proposal on Grant of Share Options to Participants of Haier Smart Home Co., Ltd.* The Board of Supervisors of the Company verified the list of the Participants which were granted options. The independent directors of the Company published concurring opinions and made public disclosures.

II. Details of the Grant under the Incentive Scheme

1. Grant Date: 28 June 2022

2. Grant Amount: 104,756,896 Options

3. Number of Participants of Grant: 1,834 people

4. Exercise Price of the Grant: RMB23.86 per Share

5. Source of Shares: ordinary A shares to be directly issued to the Participants by the Company

6. Validity period, vesting period and exercise arrangement of the Incentive Scheme

The Share Options granted will be valid for a maximum period of 60 months commencing from the Grant Date to the date of full exercise or cancellation of all Share Options granted to the Participants.

Upon the expiry of the 12-month period from the Grant Date of Share Options granted under the Incentive Scheme, and subject to the satisfaction of the Exercise Conditions, the Participants may exercise the Options in four phases, with specific exercise arrangement as follows:

Exercise arrangement	Exercise period	Quantity exercisable as a percentage of the number of options granted
First Exercise Period of the grant of Share Options	Commencing from the first trading day upon the expiry of 12 months from the Grant Date to the last trading day before the expiry of 24 months from the Grant Date	25%

Second Exercise Period of the grant of Share Options	Commencing from the first trading day upon the expiry of 24 months from the Grant Date to the last trading day before the expiry of 36 months from the Grant Date	25%
Third Exercise Period of the grant of Share Options	Commencing from the first trading day upon the expiry of 36 months from the Grant Date to the last trading day before the expiry of 48 months from the Grant Date	25%
Fourth Exercise Period of the grant of Share Options	Commencing from the first trading day upon the expiry of 48 months from the Grant Date to the last trading day before the expiry of 60 months from the Grant Date	25%

7. List of Participants and particulars of the grant

The Company granted 104,756,896 Share Options, representing 1.11% of the total number of shares of the Company as at the date of announcement of the Incentive Scheme. The allocation of the Share Options granted to the Participants is as follows:

Participants	Numbers of Share Options granted (0'000)	As percentage to the total number of Share Options granted	Percentage to the existing share capital
Head of operation of the Company, core technical (technical personnel and business) backbone staff (1,834 people)(Note)	10,475.6896	100%	1.11%

Note: The Participant, LIU Xiaomei, was newly appointed as a senior executive (Secretary to the Board) at the time of the Grant, and the number of Share Options granted to her was 116,468, representing 0.11% of the total number of Share Options granted.

III. Completion of the Registration of the Grant under this Incentive Scheme

The registration of 104,756,896 Share Options granted under the Incentive Scheme of the Company was completed in China Securities Depository and Clearing Corporation Shanghai Branch on 13 July 2022.

IV. Impact on the Company's Financial Position after the Grant of Entitlement

In accordance with the requirements of the *Accounting Standards for Enterprises No.11 - Share-based Payment* and the *Accounting Standards for Enterprises No.22 - Recognition and Measurement of Financial Instrument* issued by the Ministry of Finance, the Company shall, on each balance sheet date during the Vesting Period, adjust the estimated number of Share Options that may be exercised in accordance with the latest number of the Participants who have fulfilled the exercise conditions and the performance indicators, and recognize the services received during the period as the relevant costs or expenses and capital reserve in accordance with the fair value of the Shares Option on the Grant Date.

The Company granted options on 28 June 2022 and the amortization of the Share Options costs for years 2022 – 2026 would be as follows (in RMB hundred million):

Numbers of Share Options granted (0'000)	Total cost to be amortized	2022	2023	2024	2025	2026
10,475.6896	7.77	1.87	2.93	1.75	0.93	0.29

Note: 1. The above results do not represent the final accounting costs. Apart from the Grant Date, the grant price and the number of grants, the actual accounting costs will also depend on the actual effective and lapsed quantities.

2. The final result of the impact of the above on the Company's operating results will be subject to the annual audit report issued by the accounting firm.

3. In the above table, the numbers may not add up due to rounding adjustments.

It is hereby notified the above.

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

14 July 2022