Haier Smart Home Co., Ltd.
Qingdao City, China

ISIN D-Shares: CNE1000031C1
ISIN A-Shares: CNE000000CG9
ISIN H-Shares: CNE1000048K8

(**''Haier Smart Home''** or the **''Company''**)

NOTICE:

The following document is a Circular (the **''Circular''**) published on the website of the Hong Kong Stock Exchange regarding the upcoming Annual General Meeting and the Class Meeting of the Company scheduled for 20 June 2024 (the **''AGM''**). It is directed at holders of H Shares of the Company only and therefore includes information for H Shareholders of the Company.

The Circular includes information about the Company and the agenda items of the AGM which may be of interest for the holders of D Shares in the Company as well. For the convenience of its D Shareholders, the Company makes the Circular available to the D Shareholders on the D Shares segment of its website as well.

D Shareholders should however note that provisions regarding registration, attendance and voting at the AGM and Class Meeting as well as other formal provisions regarding the AGM and Class Meeting in the Circular apply to H Shareholders only and not to D Shareholders.

For information regarding registration, attendance and voting at the AGM and the D Shares Class Meeting as well as other formal provisions regarding the AGM and the D Shares Class Meeting relevant for D Shareholders, D Shareholders should refer to **1. invitation letter for D shareholders** and **2. information for registration and voting representation, including voting form, for D Shareholders** in the D Shares section of the Company's website under the heading ''Shareholders Meeting'' (https://smart-home.haier.com/en/sm/).

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Haier Smart Home Co., Ltd.**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Haier

Haier Smart Home Co., Ltd.*

海 爾 智 家 股 份 有 限 公 司

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 6690

(1) 2023 FINANCIAL STATEMENTS;
(2) 2023 REPORT ON THE WORK OF THE BOARD OF DIRECTORS;
(3) 2023 REPORT ON THE WORK OF THE BOARD OF SUPERVISORS;
(4) 2023 ANNUAL REPORT AND ANNUAL REPORT SUMMARY;
(5) 2023 AUDIT REPORT ON INTERNAL CONTROL;
(6) 2023 PROFIT DISTRIBUTION PLAN;
(7) FORMULATION OF THE SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2024–2026);
(8) RE-APPOINTMENT OF PRC ACCOUNTING STANDARDS AUDITORS FOR 2024;
(9) RE-APPOINTMENT OF INTERNATIONAL ACCOUNTING STANDARDS AUDITORS FOR 2024;
(10) ANTICIPATED GUARANTEES' AMOUNTS FOR THE COMPANY AND ITS SUBSIDIARIES IN 2024;
(11) CONDUCT OF FOREIGN EXCHANGE FUND DERIVATIVES BUSINESS;
(12) CHANGE OF USE AND CANCELLATION OF PARTIAL REPURCHASED SHARES;
(13) GENERAL MANDATE TO DECIDE TO ISSUE DOMESTIC AND OVERSEAS DEBT FINANCING INSTRUMENTS;
(14) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF A SHARES;
(15) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF H SHARES;
(16) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF D SHARES;
(17) GENERAL MANDATE TO REPURCHASE H SHARES;
(18) GENERAL MANDATE TO REPURCHASE D SHARES;
(19) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY;
(20) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING;
(21) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS;
(22) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF SUPERVISORS;
(23) PROPOSED AMENDMENTS TO THE REGULATIONS ON THE MANAGEMENT OF FUND RAISING;
(24) PROPOSED AMENDMENTS TO THE INDEPENDENT DIRECTORS SYSTEM;
(25) PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF ENTRUSTED WEALTH MANAGEMENT;
(26) 2024 A SHARE CORE EMPLOYEE STOCK OWNERSHIP PLAN (DRAFT) AND ITS SUMMARY;
(27) 2024 H SHARE CORE EMPLOYEE STOCK OWNERSHIP PLAN (DRAFT) AND ITS SUMMARY;
(28) ADJUSTMENT OF DIRECTORS' REMUNERATION;
(29) PROPOSED RE-ELECTION OF SUPERVISORS;
(30) REVISED NOTICE OF THE 2023 AGM; AND
(31) NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2024

The Letter from the Board is set out on pages 4 to 33 of this circular.

The Company will convene the AGM and Class Meetings by way of on-site meeting at 2:00 p.m. on Thursday, 20 June 2024 at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC. The revised notice of the AGM and the notice of H Share Class Meeting are set out on pages 211 to 217 of this circular.

Whether or not you intend to attend and/or vote at the AGM and H Share Class Meeting in person, you are requested to complete the form(s) of proxy in accordance with the instructions printed thereon and return the form(s) of proxy to Tricor Investor Services Limited, the H Shares Registrar of the Company (for the H Shareholders) as soon as possible and in any event not less than 24 hours before the scheduled time for the holding of the AGM and H Share Class Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM and H Share Class Meeting or any adjournment thereof should you so wish.

This circular has been prepared in Chinese and English. In case of any inconsistency, unless otherwise stated, the Chinese text of this circular shall prevail over the English text.

* *For identification purpose only*

29 May 2024

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"A Share(s)"	the A Shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed and traded on the Shanghai Stock Exchange (stock code: 600690)
"A Shareholders"	holders of A Shares of the Company
"AGM"	the annual general meeting of 2023 of the Company to be held by way of on-site meeting at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC at 2:00 p.m. on Thursday, 20 June 2024
"Articles of Association" or "Articles"	the articles of association of the Company, as amended, supplemented or otherwise amended from time to time
"associate(s)"	has the meaning as ascribed under the Hong Kong Listing Rules
"Board" or "Board of Directors"	the board of Directors of the Company
"Board of Supervisors"	the board of Supervisors of our Company
"China" or "PRC"	the People's Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan, except where the context indicates or requires otherwise
"Class Meetings"	the first A Shares/D Shares/H Share Class Meetings of 2024 of the Company to be held by way of on-site meeting at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC immediately after the AGM of the Company on Thursday, 20 June 2024
"Company"	Haier Smart Home Co., Ltd., a joint stock company incorporated in the PRC with limited liability, whose A Shares are listed on the Shanghai Stock Exchange (stock code: 600690), whose D Shares are listed on the China Europe International Exchange AG D Share Market and quoted on the Frankfurt Stock Exchange (stock code: 690D), and whose H Shares are listed on the Main Board of the Stock Exchange (stock code: 6690)
"Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》)

"Controlling Shareholder(s)"	has the meaning as ascribed under the Hong Kong Listing Rules
"D Share(s)"	the D shares in the ordinary share capital of the Company, with a par value of RMB1.00 each, which are listed and traded on the China Europe International Exchange AG D Share Market of the Frankfurt Stock Exchange (stock code: 690D)
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries from time to time, and the expression ***member(s) of the Group*** shall be construed accordingly
"H Share Class Meeting"	the first H Share Class Meeting of 2024 of the Company to be held by way of on-site meeting at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC immediately after the AGM of 2023, the first A Share Class Meeting of 2024 and the first D Share Class Meeting of 2024 of the Company on Thursday, 20 June 2024
"H Shareholders"	holders of H Shares of the Company
"H Shares"	the H shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange (stock code: 6690)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Independent Director(s)" or "Independent Non-executive Director(s)"	the independent Director(s) referred to the Articles and the independent non-executive Director(s) under the Listing Rules
"Latest Practicable Date"	27 May 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its printing
"PBOC"	the People' Bank of China
"RMB"	Renminbi, the lawful currency of the PRC

"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	the ordinary shares of the Company, including A Share(s), D Share(s) and H Share(s) of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning as ascribed under the Hong Kong Listing Rules unless the context otherwise requires
"Supervisor(s)"	supervisors(s) of the Company
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buy-backs (as amended from time to time)
"USD" or "US$"	United States dollars, the lawful currency of the United States
"%"	per cent

Certain amounts and percentage figures in this circular have been subject to rounding adjustments. Accordingly, figures shown as currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

Haier Smart Home Co., Ltd.*
海 爾 智 家 股 份 有 限 公 司

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 6690

Executive Directors:
LI Huagang *(Chairman)*
GONG Wei

Non-executive Directors:
YU Hon To, David
Eva LI Kam Fun
SHAO Xinzhi

Independent Non-executive Directors:
CHIEN Da-Chun
WONG Hak Kun
LI Shipeng
WU Qi

Registered office and Headquarters:
Haier Science and Technology Innovation Ecological Park (originally known as Haier Information Industry Park)
Laoshan District
Qingdao, Shandong Province
PRC

Principal place of business in Hong Kong:
Unit 1908, 19/F, Harbour Center
25 Harbour Road, Wanchai
Hong Kong

To the Shareholders,

Dear Sir or Madam,

(1) 2023 FINANCIAL STATEMENTS;
(2) 2023 REPORT ON THE WORK OF THE BOARD OF DIRECTORS;
(3) 2023 REPORT ON THE WORK OF THE BOARD OF SUPERVISORS;
(4) 2023 ANNUAL REPORT AND ANNUAL REPORT SUMMARY;
(5) 2023 AUDIT REPORT ON INTERNAL CONTROL;
(6) 2023 PROFIT DISTRIBUTION PLAN;
(7) FORMULATION OF THE SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2024–2026);
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(10) ANTICIPATED GUARANTEES' AMOUNTS FOR THE COMPANY AND ITS SUBSIDIARIES IN 2024;
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(12) CHANGE OF USE AND CANCELLATION OF PARTIAL REPURCHASED SHARES;
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(27) 2024 H SHARE CORE EMPLOYEE STOCK OWNERSHIP PLAN (DRAFT) AND ITS SUMMARY;
(28) ADJUSTMENT OF DIRECTORS' REMUNERATION;
(29) PROPOSED RE-ELECTION OF SUPERVISORS;
(30) REVISED NOTICE OF THE 2023 AGM; AND
(31) NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2024

* *For identification purpose only*

I. INTRODUCTION

The Company will convene the AGM at 2:00 p.m. on Thursday, 20 June 2024, at which the following resolutions (special resolutions are marked with#) will be proposed for the Shareholders to consider and approve, if thought fit:

RESOLUTIONS

1. To Consider and Approve 2023 Financial Statements

2. To Consider and Approve 2023 Report on the Work of the Board of Directors

3. To Consider and Approve 2023 Report on the Work of the Board of Supervisors

4. To Consider and Approve 2023 Annual Report and Annual Report Summary

5. To Consider and Approve 2023 Audit Report on Internal Control

6. To Consider and Approve 2023 Profit Distribution Plan

7. To Consider and Approve the Resolution on Formulation of the Shareholder Return Plan for the Next Three Years (2024–2026)

8. To Consider and Approve the Resolution on the Re-appointment of PRC Accounting Standards Auditor

9. To Consider and Approve the Resolution on the Re-appointment of International Accounting Standards Auditor

10. To Consider and Approve the Resolution on the Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2024

11. To Consider and Approve the Resolution on the Conduct of Foreign Exchange Fund Derivatives Business

12. #To Consider and Approve the Resolution on the Change of Use and Cancellation of Partial Repurchased Shares

13. #To Consider and Approve the Resolution on the General Meeting to Grant a General Mandate to the Board of Directors to Decide to Issue Domestic and Overseas Debt Financing Instruments

14. #To Consider and Approve the Resolution on the General Meeting to Grant a General Mandate to the Board of Directors on Additional Issuance of A Shares of the Company

15. #To Consider and Approve the Resolution on the General Meeting to Grant a General Mandate to the Board of Directors on Additional Issuance of H Shares of the Company

16. #To Consider and Approve the Resolution on the General Meeting to Grant a General Mandate to the Board of Directors on Additional Issuance of D Shares of the Company

17. #To Consider and Approve the 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

18. #To Consider and Approve the 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 D Shares of the Company in Issue

19. #To Consider and Approve the Resolution on Amendments to the Articles of Association of the Company

20. To Consider and Approve the Resolution on Amendments to the Rules of Procedure for the General Meeting

21. To Consider and Approve the Resolution on Amendments to the Rules of Procedure for the Board of Directors

22. To Consider and Approve the Resolution on Amendments to the Rules of Procedure for the Board of Supervisors

23. To Consider and Approve the Resolution on Amendments to Regulations on the Management of Fund Raising

24. To Consider and Approve the Resolution on Amendments to Independent Directors System

25. To Consider and Approve the Resolution on Amendments to Management System of Entrusted Wealth Management

26. #To Consider and Approve the 2024 A Share Core Employee Stock Ownership Plan (Draft) and its Summary

27. #To Consider and Approve the 2024 H Share Core Employee Stock Ownership Plan (Draft) and its Summary

28. To Consider and Approve the Resolution on the Adjustment of Directors' Remuneration

29. To Consider and Approve the Resolution on the Re-election of Supervisors

In addition, the AGM will listen to Independent Directors' report on their work in 2023.

In addition, the A Share Class Meeting, D Share Class Meeting and H Share Class Meeting are to be held immediately after the AGM on Thursday, 20 June 2024. At each of the Class Meetings, three special resolutions will be proposed for the Shareholders to consider and approve, if thought fit:

SPECIAL RESOLUTIONS

1. To Consider and Approve the Resolution on the Change of Use and Cancellation of Partial Repurchased Shares

2. To Consider and Approve 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

3. To Consider and Approve 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 D Shares of the Company in Issue

The purpose of this circular is to provide you with the information regarding the resolutions to be considered and approved at the AGM and the H Share Class Meeting for approval. The revised notice of the AGM and notice of the H Share Class Meeting are set out on pages 211 to 217 of this circular.

II. RESOLUTIONS TO BE CONSIDERED AND APPROVED AT THE AGM

1. 2023 Financial Statements

Please refer to the financial report section in the 2023 Annual Report (A Shares) and 2023 Annual Report (H Shares) respectively published by the Company.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

2. 2023 Report on the Work of the Board of Directors

For the main content of the 2023 Report on the Work of the Board of Directors, please refer to the relevant part of the 2023 annual report published by the Company.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

3. 2023 Report on the Work of the Board of Supervisors

An ordinary resolution will be proposed at the AGM to consider and approve the 2023 Report on the Work of the Board of Supervisors.

The 2023 Report on the Work of the Board of Supervisors of the Company is as follows:

1. The Work of the Board of Supervisors

During the Reporting Period, the Board of Supervisors convened 5 meetings and attended general meetings and Board meetings to listen to the Company's production and operation and financial operations, participated in the decision-making process of major issues of the Company, and reviewed the Company's regular reports and relevant information during the year in accordance with the requirements of regulators strictly.

2. Independent Opinion of the Board of Supervisors on the Company's Operation in accordance with Laws

(1) Independent Opinion of the Board of Supervisors on the Company's Operation in accordance with Laws

In accordance with relevant national laws and regulations, the Board of Supervisors of the Company supervises procedures for convening general meetings and Board meetings of the Company, the resolutions thereof, the execution of resolutions of the general meetings by the Board of Directors, the performance of senior management of the Company and the management system of the Company, and procedures for approving decisions on related-party transactions. By attending all Board meetings and general meetings, the Board of Supervisors performed its duties on supervision, and is of the view that the Company's decision-making procedures are legal, a relatively sound corporate governance structure is in place, and relevant internal control systems have been formed. Directors and senior management of the Company did not violate the laws, regulations, the Articles of Association or harm the interests of the Company.

(2) Independent Opinion of the Board of Supervisors on the Company's Financial Condition

During the Reporting Period, to guarantee the Company's standardized operation and the legitimate rights and interests of Shareholders, the Board of Supervisors of the Company carefully reviewed the Audit Opinion on the Financial Report issued by Hexin Certified Public Accountants LLP and HLB Hodgson Impey Cheng Limited, and believed that it reflected the true picture of the Company's financial condition, operating results and cash flow, which are objective and fair.

(3) Independent Opinion of the Board of Supervisors on the Company's Related-Party Transactions

During the Reporting Period, the related-party transactions between the Company and related Shareholders were executed in accordance with market pricing principles without prejudicing the interests of the Company and Shareholders. The Board of Directors of the Company fulfilled the obligation of good faith when voting on relevant related-party transactions. The related-party transactions are conducted in a fair and reasonable manner, and the procedures thereof comply with the relevant provisions of the Company Law, the Rules Governing the Listing of Shares on the Shanghai Stock Exchange and the Articles of Association.

(4) Independent Opinion of the Board of Supervisors on the Company's Evaluation Report on Internal Control

During the Reporting Period, the Board of Supervisors of the Company carefully reviewed the Evaluation Report on the Internal Control of Haier Smart Home Co., Ltd. in accordance with relevant national laws and regulations, and believed that it truly, objectively and fairly reflected the implementation and effectiveness of the Company's internal control.

This resolution has been reviewed and approved by the meeting of the Board of Supervisors on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

4. 2023 Annual Report and Annual Report Summary

Please refer to the 2023 Annual Report published by the Company.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

5. 2023 Audit Report on Internal Control

An ordinary resolution is to be proposed at the AGM to consider and approve the 2023 Audit Report on Internal Control.

According to the relevant guidelines of Notice on Disclosure of 2023 Annual Reports of Companies Listed on Main Board and the Self-regulatory Guidelines for Listed Companies No. 1 — Standardized Operation issued by the Shanghai Stock Exchange and the Self-regulatory Guidelines for Listed Companies No. 2 — Business Handling issued by the Shanghai Stock Exchange and the relevant requirements such as the Audit Guidelines on Corporate Internal Control jointly formulated by the Ministry of Finance and other departments, the Company entrusted Hexin Certified Public Accountants LLP to audit the internal control of the Company. The audit opinion of the auditor on the internal control of the financial report is: Haier Smart

Home has maintained effective internal control of financial report in all material aspects as of 31 December 2023 in accordance with the Basic Standards for Internal Control of Companies and relevant regulations.

The 2023 Audit Report on Internal Control is set out in Appendix I to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

6. 2023 Profit Distribution Plan

An ordinary resolution is to be proposed at the AGM to consider and approve the 2023 Profit Distribution Plan, the details are as follows:

Upon the audit by Hexin Certified Public Accountants LLP, the net profit attributable to the owners of the parent company achieved in 2023 as indicated in the consolidated statement amounted to RMB16,596,615,045.87; the net profit of the parent company achieved in 2023 was RMB8,281,479,205.57, and the accumulated undistributed profits was RMB7,484,026,291.62.

In order to take into account both the interests of Shareholders and the long-term development of the Company, according to the relevant requirements of Shareholder Return Plan for the Next Three Years (2021–2023) of the Company, the Articles of Association and relevant laws and regulations, we currently recommend the Company's 2023 Profit Distribution Plan as follows:

Based on the total share capital after deducting the repurchased Shares on the special account for repurchase registered on equity record date for the future implementation of the distribution plan, the Company distributes cash dividends of RMB8.04 per 10 Shares (tax inclusive) to all Shareholders, with a total distributed profit of RMB7,471,472,992.22, representing 45.02% of the Company's net profit attributable to the parent company in the consolidated statement for 2023. The undistributed profits retained by the Company will be primarily used for project construction, foreign investment, R&D investment and daily operations related to the primary business of the Company, so as to maintain sustainable and stable development for the Company, and maximize the returns for investors.

During the period commencing from the date of disclosure of the Profit Distribution Plan to the record date for the implementation of the equity distribution, if the total share capital of the Company changes due to Share repurchase, cancellation of Share repurchase granted by equity incentive, and cancellation of Share repurchase resulted from major asset restructuring, the Company intends to maintain the unchanged total distributable amount and adjust the distribution ratio per Share accordingly.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

7. Formulation of the Shareholder Return Plan for the Next Three Years (2024–2026)

An ordinary resolution is to be proposed at the AGM to consider and approve the formulation of the shareholder return plan for the next three years (2024–2026).

Since its listing in 1993, the Company has always attached great importance to rewarding shareholders through cash dividends. Since its listing, the Company has distributed a total of RMB29.687 billion in cash dividends; the dividend ratio has increased steadily in the past three years, and the proportion of cash dividends in 2023 reached 45.02%. In order to further enhance shareholders' return and effectively protect the legitimate rights and interests of minority shareholders, the Company clarified the dividend mechanism. In accordance with the relevant laws and regulations and the Articles of Association, and in continuation of the Company's established practice, the Company proposed to formulate the Shareholder Return Plan for the Next Three Years (2024–2026) of Haier Smart Home Co., Ltd. On the premise of complying with the principles of profit distribution and the conditions for cash dividends, while ensuring the normal operation and long-term health development of the Company, the Company shall, in principle, distribute cash dividends once a year. From 2024 to 2026, the Company's dividend ratio would steadily increase compared with the cash dividend ratio in 2023; in 2025 and 2026, the profit to be distributed in cash each year accounts for not less than 50% of the net profit attributable to the owners of the parent company achieved in that year as indicated in the consolidated statement.

The Shareholder Return Plan for the Next Three Years (2024–2026) is included in Appendix II in this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

8. Proposed Re-appointment of PRC Accounting Standards Auditor for 2024

As ordinary resolution is to be proposed at the AGM to consider and approve the appointment of PRC accounting standards auditor and its remuneration for 2024, the details are as follows:

In order to ensure the smooth progress of the Company's audit work on finance and internal control under the PRC accounting standards in 2024 and the continuity of the audit work, and considering that Hexin Certified Public Accountants LLP has the qualifications for auditing securities and futures-related business and the service team has many years of experience and ability in providing audit services for listed companies and can adhere to the principle of independent audit during the practice process and can satisfy the Company's work requirements on annual financial and

internal control audit, the Company intends to renew the engagement of Hexin Certified Public Accountants LLP as the Company's audit agency on financial statement and internal control under the PRC accounting standards in 2024. The audit service fee for 2024 is RMB8.78 million (including the audit fee of RMB6.55 million for annual report and audit fee of RMB2.23 million for internal control), which is consistent with last year.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval as an ordinary resolution.

9. Proposed Re-appointment of International Accounting Standards Auditor for 2024

An ordinary resolution is to be proposed at the AGM to consider and approve the appointment of international accounting standards auditor and its remuneration for 2024, the details are as follows:

In order to ensure the smooth progress of the Company's audit work on finance under the international accounting standards in 2024 and the continuity of the audit work, and considering that HLB Hodgson Impey Cheng Limited has corresponding qualifications and the service team has extensive experience and ability in providing audit services for listed companies and can adhere to the principle of independent audit during the practice process and can satisfy the Company's work requirements on annual financial audit, the Company intends to renew the engagement of HLB Hodgson Impey Cheng Limited as the Company's audit agency under the international accounting standards in 2024. The audit service fee is RMB3.89 million (including the audit fee of RMB3.74 million for financial report and audit fee of RMB0.15 million for reviewing continuing connected transactions), which is consistent with last year.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

10. Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2024

An ordinary resolution is to be proposed at the AGM to consider and approve the resolution on the Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2024.

The resolution on the Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2024 is set out in Appendix III to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

11. Conduct of Foreign Exchange Fund Derivatives Business

An ordinary resolution is to be proposed at the AGM to consider and approve the resolution on the conduct of foreign exchange fund derivatives business.

The resolution on the conduct of foreign exchange fund derivatives business is set out in Appendix IV to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

12. Change of Use and Cancellation of Partial Repurchased Shares

Reference is made to the Company's announcement dated 27 March 2024. An ordinary resolution is to be proposed at the AGM to consider and approve the resolution on the Change of Use and Cancellation of Partial Repurchased Shares.

According to the actual situation of the Company, in order to safeguard the interests of investors, the Company proposes to change the use of all remaining 54,051,559 shares repurchased under the Company's 2021 Annual Repurchase Plan. The use of the repurchased shares is proposed to be changed from "for equity incentives/employee stock ownership plan" to "for cancellation to reduce registered capital", i.e., all 54,051,559 shares in the designated securities repurchase account under the 2021 Annual Repurchase Plan is proposed to be canceled and the registered capital of the Company is proposed to be reduced accordingly.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM and the H Share Class Meeting for review and approval by a special resolution.

13. General Mandate to Decide to Issue Domestic and Overseas Debt Financing Instruments

A special resolution is to be proposed at the AGM to consider and approve to grant a general mandate to the Board of Directors to decide to issue domestic and overseas debt financing instruments.

In order to meet the needs of the Company's business development, reduce financing costs in a timely manner and seize market opportunities, in accordance with the requirements of the Company Law of the PRC and other relevant laws and regulations, the listing rules of the stock exchanges in the place where the shares of the Company are listed, and the Articles of Association, the Board of Directors intends to propose the general meeting of the Company to generally and unconditionally authorize the Board of Directors to re-delegate the Chairman and its authorized person(s) to determine and implement specific matters regarding the issuance of issuable debt financing instruments within the quota as approved by the general meeting.

I. Principal Terms for Issuance of the Debt Financing Instruments

1. Categories of the Debt Financing Instruments: the relevant debt financing instruments include but not limited to, short-term debentures, super-short term debentures, medium term notes, private placement note, enterprise bonds, corporate bonds, A share or H share convertible bonds, offshore RMB bonds and foreign currency bonds, perpetual bonds and other domestic and offshore debt financing instruments denominated in RMB or foreign currency permitted by the competent regulatory authority.

2. Size of Issuance: The size of issuance of debt financing instruments totaling not more than RMB10 billion (or equivalent amount in foreign currency) (calculated based on the aggregate balance outstanding upon the issuance and, in the case of an instrument denominated in a foreign currency, based on the median rate of the exchange rates published by the PBOC on the date of the issuance) is authorized to be issued either one-off or in tranches in domestic and overseas bond markets within the validity period of such authorization.

3. Currency of Issuance: The currency of issuance of debt financing instruments may be RMB or foreign currency based on the review and approval results of the issuance of debt financing instruments and the domestic and overseas market conditions of debt financing instruments at the time of such issuance.

4. Term and interest rate: The maximum term of debt financing instruments shall be no more than 10 years with a single term or hybrid type of multiple terms. The domestic debt financing instruments with an indefinite term are not subject to the time limit mentioned above. The specific composition, categories, size of issuance and interests of debt financing instruments shall be determined based on the then domestic and overseas bond market conditions at the time of the issuance of debt financing instruments. The composition of specific terms, the size of issuance of each term and type of debt financing instruments and their interest rates shall be determined by the Board of Directors or the Chairman and its authorized person(s) in accordance with the relevant regulations and the then prevailing market conditions at the time of such issuance.

5. Issuer: The Company or its domestic or overseas wholly-owned subsidiary or special-purpose vehicle established by the Company. If the domestic or overseas wholly-owned subsidiary or special-purpose vehicle is the issuer of debt financing instruments, the Company shall provide guarantees (including those provided by the issuer of debt financing instruments itself and/or by the Company) within the quota

for issuance of its debt financing instruments, enter into a keep-well agreement or adopt the third-party credit enhancement method for such issuance.

6. Issuance price: The specific issuance price shall be determined by the Board of Directors or the Chairman and his authorized person(s) in accordance with relevant regulations and market conditions.

7. Use of Proceeds: It is expected that, after deducting the issuance expenses, the proceeds to be raised from the issuance of debt financing instruments are intended to be used towards meeting the needs of the Company's daily operations, repaying loans, replenishing its working capital and/or other investment acquisition purposes. The specific use of proceeds shall be determined by the Board of Directors or the Chairman and his authorized person(s) in accordance with the capital needs of the Company from time to time.

8. Method of Issuance: It shall be determined based on the review and results of approval of debt financing instruments and the domestic and overseas market conditions of debt financing instruments at the time of such issuance.

9. The debt financing instruments to be issued are proposed to be listed on the Inter-bank Bond Market, the Shanghai Stock Exchange (the "**SSE**"), the Hong Kong Stock Exchange or other domestic or foreign exchanges.

II. Authorization

1. Propose the general meeting to generally and unconditionally authorize the Board of Directors to re-delegate the Chairman and its authorized person(s) to determine in their absolute discretion and deal with all the matters in respect of the issuance of domestic and foreign financing instruments in accordance with the Company's needs from time to time as well as the then market conditions, including but not limited to:

   (1) to determine and implement the specific proposal of the issuance of debt financing instruments, including but not limited to the establishment and determination of the appropriate issuer, the type of the debt financing instruments to be issued, the method of issuance, currency, the nominal value of debt financing instruments, price, the size of issuance, interest rate or its determination mechanism, issuance objects, the markets for issuance, the timing of issuance, the term of issuance, issuance in instalment and number of tranches (if applicable), sale-back clause and redemption clause (if applicable), the option for raising the coupon rate (if applicable), rating, guarantees (if applicable), repayment period, conversion price, use of proceeds, specific

placing, underwriting, debt repayment guarantee and all the matters in respect of the proposal of issuance of debt financing instruments.

(2) to carry out all necessary and ancillary actions and procedures in relation to the issuance of debt financing instruments, including but not limited to, engage intermediary institutions, apply for and handle all approval, registration and filing procedures with the relevant government departments and/or regulatory authorities in connection with the issuance of debt financing instruments on behalf of the Company, execute, revise and implement all necessary documents for the issuance of debt financing instruments, select trustee(s) for the issuance of debt financing instruments, formulate the rules for meetings of the holders of debt financing instruments, deal with any related disclosure in accordance with the applicable laws and regulations and requirements from regulatory authorities, and deal with other matters in connection with the issuance and trading of debt financing instruments.

(3) in the event of changes in regulatory policies or market conditions, except for the matters which shall be voted at the general meeting of the Company in accordance with relevant laws, regulations and the Articles of Association, subject to the authorization at the general meeting, the relevant matters such as the specific plan for issuing debt financing instruments may be adjusted in accordance with the opinion of the regulatory authorities or in response to changes in market conditions, or to determine whether or not to continue the work for such issuance in accordance with actual conditions.

(4) to determine and deal with all relevant matters in connection with the listing of issuance of debt financing instruments to be issued on the Inter-bank Bond Market, the SSE, the Hong Kong Stock Exchange or other domestic or foreign exchanges in response to market conditions.

(5) to handle any other specific matters related to the issuance of debt financing instruments and execute all relevant or necessary documents.

2. To agree that while the above matters are approved and authorized by the general meeting, the Board of Directors shall further delegate the Chairman and its authorized person(s) to implement the issuance of debt financing instruments in accordance with the Company's needs and other market conditions.

3. To authorize the Chairman and his authorized person(s) to approve, execute and dispatch relevant documents, announcements and circulars and make relevant information disclosure in accordance with the applicable rules and regulations in the place where the shares of the Company are listed.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by a special resolution.

14. General Mandate on Additional Issuance of A Shares

A special resolution is to be proposed at the AGM to consider and approve a General Mandate on additional issuance of A Shares of the Company.

In order to meet the need of the Company's strategic development and business, in accordance with relevant requirements of the Company Law and the Articles of Association and on the prerequisite of complying with the regulatory rules of A Shares, the Board of Directors intends to propose at the general meeting to generally and unconditionally authorize the Board of Directors to re-delegate the Chairman and its authorized persons to determine to allot, issue and deal with the A Shares of up to 10% of the number of the A Shares in issue of the Company, or securities, Share Options, warrants which may be converted into such Shares or the similar rights which could subscribe for the A Shares of the Company (hereinafter referred to as the "**Similar Rights**", and the above-mentioned authorization is hereinafter referred to as the "**General Mandate**"). According to the relevant laws and regulations of the PRC, the issuance of A Shares or securities convertible into A Shares by the Company still needs to obtain the approval of the general meeting even if a general mandate was granted. The specific authorization is as follows:

(I) To generally and unconditionally authorize the Board of Directors to re-delegate the Chairman and its authorized persons to determine to allot, issue and deal with the A Shares or Similar Rights, and to determine the terms and conditions for allotment, issuance and disposal of new Shares or issue Similar Rights, including but not limited to:

1. Class and number of new Shares to be issued;

2. Pricing mechanism and/or issue price of the new Shares (including price range);

3. The starting and closing dates of such issue, etc.

(II) The number of the A Shares (excluding the Shares issued by way of the conversion of public reserve into share capital) to be allotted, issued and dealt with (whether pursuant to a Share Option or otherwise) determined by the Board of Directors or the Chairman and its authorized persons in accordance with the General Mandate referred to in the first paragraph

above shall not exceed 10% of the number of the A Shares in issue of the Company at the time when this resolution is considered and passed at the general meeting of the Company.

The discount (if any) of the issue price of the A Shares to be allotted, issued and dealt with (whether pursuant to a Share Option or otherwise) determined by the Board of Directors or the Chairman and its authorized persons in accordance with the General Mandate referred to as above shall not exceed 10% of the benchmark price of the securities.

(III) To authorize the Board of Directors or the Chairman and its authorized persons to obtain approvals from all relevant government departments and/or regulatory authorities (if applicable) in accordance with the applicable laws to exercise the General Mandate.

(IV) To authorize the Board of Directors or the Chairman and its authorized persons to approve, execute, modify and do or procure to execute and do, all such documents, deeds and things as it may consider related to the allotment, issuance and disposal of any new Shares under the abovementioned General Mandate, handle the necessary procedures and take other necessary actions.

(V) Where the Board of Directors or the Chairman and its authorized persons have, during the effective period of the General Mandate, determined to allot, issue and deal with the A Shares or Similar Rights, and the Company also has, during the effective period of the General Mandate, obtained the relevant approval, permission from, or registration (if applicable) with the regulatory authorities, and the Board of Directors of the Company or the Chairman and its authorized persons may, during the effective period of such approval, permission or registration, complete the relevant allotment, issuance and disposal and other works.

(VI) To authorize the Board of Directors or the Chairman and its authorized persons, after the completion of allocation and issuance of the new Shares, to increase the registered capital of the Company and make appropriate and necessary amendments to the Articles of Association in accordance with the way, type and number of the allotment and issuance of new Shares of the Company and the actual shareholding structure of the Company upon completion of the allotment and issuance of new Shares.

(VII) The effective period of the General Mandate shall be from the date of passing of this resolution by the general meeting to the following date, whichever is earlier:

1. The date of the conclusion of the 2024 annual general meeting of the Company;

2. At the time of passing a resolution at any general meeting to revoke or vary the mandate under this resolution.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by a special resolution.

15. General Mandate on Additional Issuance of H Shares

A special resolution is to be proposed at the AGM to consider and approve a General Mandate on additional issuance of H Shares of the Company.

In order to meet the need of the Company's strategic development and business, in accordance with relevant requirements of the Company Law, the Hong Kong Listing Rules and the Articles of Association and on the prerequisite of complying with the regulatory rules of H Shares, the Board of Directors intends to propose at the general meeting to generally and unconditionally authorize the Board of Directors to re-delegate the Chairman and its authorized persons to determine to allot, issue and deal with the H Shares of up to 10% of the number of the H Shares in issue of the Company, or securities, Share Options, warrants which may be converted into such Shares or the similar rights which could subscribe for the H Shares of the Company (hereinafter referred to as the "**Similar Rights**", and the above-mentioned authorization is hereinafter referred to as the "**General Mandate**"). The specific authorization is as follows:

(I) To generally and unconditionally authorize the Board of Directors to re-delegate the Chairman and its authorized persons to determine to allot, issue and deal with the H Shares or Similar Rights, and to determine the terms and conditions for allotment, issuance and disposal of new Shares or issue Similar Rights, including but not limited to:

1. Class and number of new Shares to be issued;

2. Pricing mechanism and/or issue price of the new Shares (including price range);

3. The starting and closing dates of such issue, etc.

(II) The number of the H Shares (excluding the Shares issued by way of the conversion of public reserve into share capital) to be allotted, issued and dealt with (whether pursuant to a Share Option or otherwise) determined by the Board of Directors or the Chairman and its authorized persons in accordance with the General Mandate referred to above shall not exceed 10% of the number of the H Shares in issue of the Company at the time when this resolution is considered and passed at the general meeting of the Company.

The discount (if any) of the issue price of the H Shares to be allotted, issued and dealt with (whether pursuant to a Share Option or otherwise) determined by the Board of Directors or the Chairman and its authorized persons in

accordance with the General Mandate referred to in the first paragraph shall not exceed 10% of the benchmark price of the securities (rather than the 20% as limited under the Hong Kong Listing Rules).

(III) To authorize the Board of Directors or the Chairman and its authorized persons to obtain approvals from all relevant government departments and/or regulatory authorities (if applicable) in accordance with the applicable laws to exercise the General Mandate.

(IV) To authorize the Board of Directors or the Chairman and its authorized persons to approve, execute, modify and do or procure to execute and do, all such documents, deeds and things as it may consider related to the allotment, issuance and disposal of any new Shares under the abovementioned General Mandate, handle the necessary procedures and take other necessary actions.

(V) Where the Board of Directors or the Chairman and its authorized persons have, during the effective period of the General Mandate, determined to allot, issue and deal with the H Shares or Similar Rights, and the Company also has, during the effective period of the General Mandate, obtained the relevant approval, permission from, or registration (if applicable) with the regulatory authorities, and the Board of Directors of the Company or the Chairman and its authorized persons may, during the effective period of such approval, permission or registration, complete the relevant allotment, issuance and disposal and other works.

(VI) To authorize the Board of Directors or the Chairman and its authorized persons, after the completion of allocation and issuance of the new Shares, to increase the registered capital of the Company and make appropriate and necessary amendments to the Articles of Association in accordance with the way, type and number of the allotment and issuance of new Shares of the Company and the actual shareholding structure of the Company upon completion of the allotment and issuance of new Shares.

(VII) The effective period of the General Mandate shall be from the date of passing of this resolution by the general meeting to the following date, whichever is earlier:

1. The date of the conclusion of the 2024 annual general meeting of the Company;

2. At the time of passing a resolution at any general meeting to revoke or vary the mandate under this resolution.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by a special resolution.

16. General Mandate on Additional Issuance of D Shares

A special resolution is to be proposed at the AGM to consider and approve a General Mandate on additional issuance of D Shares of the Company.

In order to meet the need of the Company's strategic development and business, in accordance with the Company Law, the Listing Rules of Securities on The Stock Exchange of Frankfurt, the Market Abuse Regulation of EU, the relevant EU regulations on the issuance and trading of securities and the Articles of Association, on the prerequisite of complying with the regulatory rules of D Shares, the Board of Directors intends to propose at the general meeting to generally and unconditionally authorize the Board of Directors to re-delegate the Chairman and its authorized persons to determine to allot, issue and deal with D Shares of up to 10% of the number of the D Shares in issue of the Company, or securities, Share Options, warrants which may be converted into such Shares, or the similar rights which could subscribe for the D Shares of the Company (hereinafter referred to as the "**Similar Rights**", and the above-mentioned authorization is hereinafter referred to as the "**General Mandate**"). The specific authorization is as follows:

(I) To generally and unconditionally authorize the Board of Directors to re-delegate the Chairman and its authorized persons to determine to allot, issue and deal with the D Shares or Similar Rights, and to determine the terms and conditions for allotment, issuance and disposal of new Shares or issue Similar Rights, including but not limited to:

1. Class and number of new Shares to be issued;

2. Pricing mechanism and/or issue price of the new Shares to be issued (including price range);

3. The starting and closing dates of such issue, etc.

(II) The number of the D Shares (excluding the Shares issued by way of the conversion of public reserve into share capital) to be allotted, issued and dealt with (whether pursuant to a Share Option or otherwise) determined by the Board of Directors or the Chairman and its authorized persons in accordance with the General Mandate referred to above shall not exceed 10% of the number of the D Shares in issue of the Company at the time when this resolution is considered and passed at the general meeting of the Company.

The discount (if any) of the issue price of the D Shares to be allotted, issued and dealt with (whether pursuant to a Share Option or otherwise) determined by the Board of Directors or the Chairman and its authorized persons in accordance with the General Mandate referred to as above shall not exceed 10% of the benchmark price of the securities.

(III) To authorize the Board of Directors or the Chairman and its authorized persons to obtain approvals from all relevant government departments and/or regulatory authorities (if applicable) in accordance with the applicable laws to exercise the General Mandate.

(IV) To authorize the Board of Directors or the Chairman and its authorized persons to approve, execute, modify and do or procure to execute and do, all such documents, deeds and things as it may consider related to with the allotment, issuance and disposal of any new Shares under the abovementioned General Mandate, handle the necessary procedures and take other necessary actions.

(V) Where the Board of Directors or the Chairman and its authorized persons have, during the effective period of the General Mandate, determined to allot, issue and deal with the D Shares or Similar Rights, and the Company also has, during the effective period of the General Mandate, obtained the relevant approval, permission from, or registration (if applicable) with the regulatory authorities, and the Board of Directors of the Company or the Chairman and its authorized persons may, during the effective period of such approval, permission or registration, complete the relevant allotment, issuance and disposal and other works.

(VI) To authorize the Board of Directors or the Chairman and its authorized persons to, after the completion of allocation and issuance of the new Shares, increase the registered capital of the Company and make appropriate and necessary amendments to the Articles of Association in accordance with the way, type and number of the allotment and issuance of new Shares of the Company and the actual shareholding structure of the Company upon completion of the allotment and issuance of new Shares.

(VII) The effective period of the General Mandate shall be from the date of passing of this resolution by the general meeting to the following date, whichever is earlier:

1. The date of the conclusion of the 2024 annual general meeting of the Company;

2. At the time of passing a resolution at any general meeting to revoke or vary the mandate under this resolution.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by a special resolution.

17. General Mandate to Repurchase H Shares

A special resolution is to be proposed at the AGM and the H Share Class Meeting to consider and approve the General Mandate to repurchase not more than 10% of the total number of H Shares of the Company in issue.

In order to meet the Company's strategic development and operating requirement, in accordance with relevant requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Hong Kong Listing Rules, and the Articles, considering the current operating condition, financial condition and future development prospect of the Company, the Board intends to propose to the general meeting and class meeting to grant a general mandate to the Board on the repurchase of certain H Shares issued. The specific authorization is as follows:

I. To approve the exercise by the Board during the valid term of the general mandate of powers of the Company to repurchase H Shares issued and listed on the Hong Kong Stock Exchange, subject to and in accordance with all applicable laws, regulations and/or requirements of the competent authority or regulatory body of securities in the PRC, the Hong Kong Stock Exchange and the Shanghai Stock Exchange, and other laws, regulations and relevant requirements applicable to the Company;

II. To authorize the Board to repurchase pursuant to the approval mentioned above during the valid term of the general mandate no more than 10% of the total H Shares of the Company in issue as at the date of the passing of this resolution at the general meeting, the A Share Class Meeting, the D Share Class Meeting and the H Share Class Meeting, respectively;

The general mandate for the repurchase of H Shares mentioned above will be effective upon the approval of this resolution by the general meeting and each of the Class Meetings and until the earlier of:

1. the conclusion of the 2024 annual general meeting of the Company;

2. the date on which the mandate referred in this resolution is revoked or varied by resolution at any general meeting of the Company.

Meanwhile, the Board proposes to authorize the Board or the Chairman and its authorized persons at the general meeting to take all actions, and sign, complete and submit all documents as it reasonably considers necessary to give effect to the mandate mentioned in this resolution, including but not limited to:

1. Formulate and implement the specific repurchase plans including but not limited to repurchase price and number of repurchased shares, and determine the time and duration of repurchase;

2. Notify creditors and issue announcements in accordance with the requirements of the relevant laws and regulations such as the Company Law of the People's Republic of China, normative documents and the Articles, if necessary;

3. Open overseas share accounts and carry out the related changes of foreign exchange registration procedures, if necessary;

4. Carry out the relevant approval and filing procedures as required by regulatory authorities and the stock exchanges in the place where the shares of the Company are listed, if necessary;

5. Carry out, execute and implement all such documents, do all such acts and things or take any steps as they consider desirable, necessary or expedient in connection with and to give effect to the repurchase of shares in accordance with the requirements of relevant laws and regulations and the listing rules of the stock exchanges in the place where the shares of the Company are listed;

6. Carry out the cancellation procedures for repurchased shares, reduce the registered capital, and make amendments to the Articles in relation to the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad;

7. Execute and handle other documents and matters related to the repurchase of shares.

Appendix V to this circular contains the explanatory statement required by the Hong Kong Listing Rules and provides the information necessary for repurchase mandate.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM and the H Share Class Meeting for review and approval by a special resolution.

18. General Mandate to Repurchase D Shares

A special resolution is to be proposed at the AGM and the H Share Class Meeting to consider and approve the General Mandate to repurchase not more than 10% of the total number of D Shares of the Company in issue.

In order to meet the Company's strategic development and operating requirement, in accordance with relevant requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Market Abuse Regulation of EU, the relevant EU regulations on the issuance and trading of securities (hereafter, the "**Relevant Listing Requirements**") and the Articles, considering the current operating condition, financial condition and future development prospect

of the Company, the Board intends to propose to the general meeting and class meeting to grant a general mandate to the Board on the repurchase of certain D Shares issued. The specific authorization is as follows:

I. To approve the repurchase by the Board during the valid term of the general mandate of certain D Shares issued and listed on the Frankfurt Stock Exchange, subject to and in accordance with relevant requirements at the place of listing of the competent authority or regulatory body of securities in the PRC;

II. To authorize the Board to repurchase pursuant to the approval mentioned above during the valid term of the general mandate no more than 10% of the total D Shares of the Company in issue as at the date of the passing of this resolution at the general meeting, the A Share Class Meeting, the D Share Class Meeting and the H Share Class Meeting, respectively;

The general mandate for the repurchase of D Shares mentioned above will be effective upon the approval of this resolution by the general meeting and each of the Class Meetings and until the earlier of:

1. the conclusion of the 2024 annual general meeting of the Company;

2. the date on which the mandate referred in this resolution is revoked or varied by resolution at any general meeting of the Company.

Meanwhile, the Board proposes to authorize the Board or the Chairman and its authorized persons at the general meeting to take all actions, and sign, complete and submit all documents as it reasonably considers necessary to give effect to the mandate mentioned in this resolution, including but not limited to:

1. Formulate and implement the specific repurchase plans and means (including and not limited to repurchase of shares via the exchange of the place of listing, repurchase of shares through open tender at the D Shares market etc.), and other parameters including but not limited to repurchase price and number of repurchased shares, and determine the time and duration of repurchase;

2. Notify creditors and issue announcements in accordance with the requirements of the relevant laws and regulations such as the Company Law of the People's Republic of China, normative documents and the Articles, if necessary;

3. Open overseas share and related accounts and carry out the related changes of foreign exchange registration procedures, if necessary;

4. Carry out the relevant approval and filing procedures as required by regulatory authorities and the stock exchanges in the place where the shares of the Company are listed, if necessary;

5. Carry out, execute and implement all such documents, do all such acts and things or take any steps as they consider desirable, necessary or expedient in connection with and to give effect to the repurchase of shares in accordance with the requirements of relevant laws and regulations and the listing rules of the stock exchanges in the place where the shares of the Company are listed;

6. Carry out the cancellation procedures for repurchased shares, reduce the registered capital, and make amendments which it deems appropriate to the Articles of the Company to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad;

7. Execute and handle other documents and matters related to the repurchase of shares.

Appendix VI to this circular contains the explanatory statement required by the Hong Kong Listing Rules and provides the information necessary for repurchase mandate.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM and the H Share Class Meeting for review and approval by a special resolution.

19. Proposed Amendments to the Articles of Association

Reference is made to the Company's announcement dated 27 March 2024 in relation to the proposed amendments to the Articles of Association. A special resolution is to be proposed at the AGM to consider and approve the proposed amendments to the Articles of Association.

In order to further improve corporate governance, promote compliant practice and sound operation of the Company, pursuant to the related requirements of relevant laws, regulations and regulatory documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines for Articles of Association of Listed Companies, Rules Governing the Listing of Securities of the Shanghai Stock Exchange, Guidelines of the Shanghai Stock Exchange for Self-regulation of Listed Companies on No. 1 — Standardized Operation, Guidelines of the Shanghai Stock Exchange for Self-governance of Listed Companies No.5 — Transaction and Connected Transaction (amended in January 2023), and considering the actual condition of the Company, the Company proposes to amend the Articles of Association.

Details of the proposed amendments to the Articles of Association is set out in Appendix VII to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by a special resolution.

20. Proposed Amendments to the Rules of Procedure for the General Meeting

An ordinary resolution is to be proposed at the AGM to consider and approve the proposed amendments to the Rules of Procedure for the General Meeting.

Pursuant to the related requirements of laws and regulations, and considering the amendments to the Articles of Association, the Company proposes to amend the Rules of Procedure of General Meeting.

Details of the proposed amendments to the Rules of Procedure for the General Meeting is set out in Appendix VIII to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

21. Proposed Amendments to the Rules of Procedure for the Board of Directors

An ordinary resolution is to be proposed at the AGM to consider and approve the proposed amendments to the Rules of Procedure for the Board of Directors.

Pursuant to the related requirements of laws and regulations, and considering the amendments to the Articles of Association, the Company proposes to amend the Rules of Procedure for the Board of Directors.

Details of the proposed amendments to the Rules of Procedure for the Board of Directors is set out in Appendix IX to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

22. Proposed Amendments to the Rules of Procedure for the Board of Supervisors

An ordinary resolution is to be proposed at the AGM to consider and approve the proposed amendments to the Rules of Procedure for the Board of Supervisors.

Pursuant to the related requirements of laws and regulations, the Company proposes to amend the Rules of Procedure for the Board of Supervisors.

Details of the proposed amendments to the Rules of Procedure for the Board of Supervisors is set out in Appendix X to this circular.

This resolution has been reviewed and approved by the Board of Supervisors on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

23. Proposed Amendments to the Regulations on the Management of Fund Raising

An ordinary resolution is to be proposed at the AGM to consider and approve the proposed amendments to the Regulations on the Management of Fund Raising.

Pursuant to the related requirements of laws and regulations, the Company proposes to amend the Regulations on the Management of Fund Raising to further optimize the system of the Company.

Details of the proposed amendments to the Regulations on the Management of Fund Raising is set out in Appendix XI to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

24. Proposed Amendments to the Independent Directors System

An ordinary resolution is to be proposed at the AGM to consider and approve the proposed amendments to the Independent Directors System.

Pursuant to the related requirements of laws and regulations, the Company proposes to amend the Independent Directors System to further optimize the system of the Company.

Details of the proposed amendments to the Independent Directors System is set out in Appendix XII to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

25. Proposed Amendments to the Management System of Entrusted Wealth Management

An ordinary resolution is to be proposed at the AGM to consider and approve the proposed amendments to the Management System of Entrusted Wealth Management.

Pursuant to the related requirements of laws and regulations, the Company proposes to amend the Management System of Entrusted Wealth Management to further optimize the system of the Company.

Details of the proposed amendments to the Management System of Entrusted Wealth Management is set out in Appendix XIII to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

26. 2024 A Share Core Employee Stock Ownership Plan (Draft) and its Summary

A special resolution is to be proposed at the AGM to consider and approve the 2024 A Share Core Employee Stock Ownership Plan (Draft) and its Summary.

References are made to the announcement dated 25 May 2021 and the circular dated 4 June 2021 of the Company, in relation to, amongst other things, the A Share Core Employee Stock Ownership Plan (2021–2025), as well as the announcement dated 29 April 2024 of the Company in relation to, amongst other things, the 2024 A Share Core Employee Stock Ownership Plan (the "**2024 A Share ESOP**").

Considering the continuity of the Company's remuneration appraisal mechanism, the Company has introduced the 2024 A Share ESOP in accordance with its actual operation and future expectation. An amount of RMB711.50 million is intended to be withdrawn for the 2024 A Share ESOP as the incentive funds of the Plan, representing 4.29% of the Company's net profit attributable to the parent company in 2023. The source of shares for the 2024 A Share ESOP shall be the repurchased shares transferred from the Company's repurchase special account. The transfer price of such shares shall be determined according to the average price of all the shares repurchased in the repurchase account.

The full text of the 2024 A Share ESOP is set out in Appendix XIV to this circular.

This resolution has been reviewed and approved by the Board meeting on 29 April 2024, and is now proposed at the AGM for review and approval by a special resolution.

27. 2024 H Share Core Employee Stock Ownership Plan (Draft) and its Summary

A special resolution is to be proposed at the AGM to consider and approve the 2024 H Share Core Employee Stock Ownership Plan (Draft) and its Summary.

References are made to the announcement dated 25 May 2021 and the circular dated 4 June 2021 of the Company, in relation to, amongst other things, the H Share Core Employee Stock Ownership Plan (2021–2025), as well as the announcement dated 29 April 2024 of the Company in relation to, amongst other things, the 2024 H Share Core Employee Stock Ownership Plan (the "**2024 H Share ESOP**").

Considering the continuity of the Company's remuneration appraisal mechanism, the Company has introduced the 2024 H Share ESOP in accordance with its actual operation and future expectation. An amount of RMB68.50 million is intended to be withdrawn for the 2024 H Share ESOP as the incentive funds of the Plan, representing 0.41% of the Company's net profit attributable to the parent company in 2023. The source of shares for the 2024 H Share ESOP shall be H Shares of the Company purchased from the secondary market through the Shanghai-Hong Kong Stock Connect.

The full text of the 2024 H Share ESOP is set out in Appendix XV to this circular. There are no changes to the full text of the 2024 H Share Core Employee Stock Ownership Plan as compared to the Company's announcement dated 29 April 2024, except that the names of the regulations of references have been amended and supplemented.

This resolution has been reviewed and approved by the Board meeting on 29 April 2024, and is now proposed at the AGM for review and approval by a special resolution.

28. Adjustment of Directors' Remuneration

An ordinary resolution is to be proposed at the AGM to consider and approve the adjustment of Directors' remuneration.

In light of the contribution from each Non-executive Director to corporate governance and the development of the Company, with reference to the level of remuneration of directors of major listed companies in the A Share and H Share markets and industry peers, and considering the current business development of the Company, it is proposed that the remuneration of Non-executive Director will be adjusted from RMB320,000 per year before tax to the following:

The remuneration of Non-executive Director consists of three components: fixed remuneration, service compensation and floating allowances:

Fixed remuneration: RMB360,000 per year, the remuneration is a pre-tax amount and is subject to the Company's uniform withholding and payment of personal income tax.

Service compensation: depending on the Non-executive Director's position on the relevant special committees, the allowance before tax for chairman of the relevant special committees is RMB30,000 each year, the allowance before tax for member of the relevant special committees is RMB20,000 each year, if he/she serves as the chairmen/chairladies or members of more than one committee, he/she is entitled to be cumulated, and payment will be made based on the performance of his/her duties on a yearly basis;

Floating allowance: Allowances for Non-executive Directors' on-site participation in the General Meetings, the Board meetings, relevant special committee meetings, researches are standardized at RMB5,000/person/day;

In addition, the travel expenses for attending Board Meetings and General Meetings and fees incurred reasonably in the performance of their duties under the Articles of the Associations of the Company by Non-executive Directors are reimbursed as expensed.

The Executive Directors of the Company currently in force implement the Company's remuneration standard of his/her specific management positions in accordance with their job responsibilities, and the Non-executive Directors who have labor contractual relationships with Haier Group Corporation and its subsidiaries do not receive Directors' remuneration from the Company. The remuneration of the above mentioned Executive Directors and Non-executive Directors who have labor contract relationships with Haier Group Corporation and its subsidiaries will not be adjusted in this proposal.

This resolution has been reviewed and approved by the Board meeting on 29 April 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

29. Proposed Re-election of Supervisors

Reference is made to the Company's announcement dated 29 April 2024 in relation to the proposed re-election of Supervisors. An ordinary resolution is to be proposed at the AGM to consider and approve the proposed re-election of Supervisors.

Ms. Ma Yingjie, a current Supervisor of the Company, will retire soon. She plans to resign as a Supervisor after a new Supervisor is elected at the shareholder's general meeting of the Company. The Company would like to extend its heartfelt thanks to Ms. Ma Yingjie for her contribution to the Company during her tenure in the Company.

To ensure the normal operation of the Board of Supervisors, pursuant to the relevant requirements of the Company Law of the People's Republic of China and the Articles of Association, Mr. Liu Yongfei ("**Mr. Liu**") has been nominated as a Supervisor of the Company, whose term of service is in line with the eleventh session of the Board of Supervisors. His biography is set out below:

Mr. Liu Yongfei, aged 38, graduated from Dongbei University of Finance and Economics with a Master's degree in Management in 2011. Mr. Liu joined the Company in July 2011 and has held positions mainly in strategic management. He has successively served as strategy consultant, strategy planning specialist and strategy planning manager of the Company, responsible for market research and analysis, participating in formulation of the Company's strategic development plans and strategic project management. Mr. Liu has extensive experience in strategic research

and strategic project management. He had participated in and contributed to the implementation of key strategic projects of the Company such as the listing of its H Shares.

As at the Latest Practicable Date, save as disclosed in this circular, Mr. Liu had not held any other directorships in the past three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, nor did he have any other positions in other members of the Group or other major appointment and professional qualifications. Mr. Liu does not have other relationship with any Directors, Supervisors, senior management, substantial Shareholders or Controlling Shareholders of the Company. He does not have any interests in the Shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). He is not in possession of any information, nor is he being involved in any activity that shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules, and there was no matter that need to be brought to the attention of the Shareholders.

Should he be appointed, the Company will enter into a Supervisor service contract with Mr. Liu. Mr. Liu will not receive any Supervisor's fees from the Company.

This resolution has been reviewed and approved by the Board meeting on 29 April 2024, and is now proposed at the AGM for review and approval by an ordinary resolution.

III. THE AGM AND H SHARE CLASS MEETING

The Company will convene the AGM and Class Meetings by way of on-site meeting at 2:00 p.m. on Thursday, 20 June 2024 at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC, to consider and approve, if thought fit, the proposed matters as set out in the relevant notices. The revised notice of the AGM and the notice of H Share Class Meeting are set out on pages 211 to 217 of this circular.

Whether or not you intend to attend and/or vote at the AGM in person, you are requested to complete the form(s) of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM and H Share Class Meeting or any adjournment thereof should you so wish. The forms of proxy for the AGM and H Share Class Meeting are published on both the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://smart-home.haier.com).

IV. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the meeting will demand a poll in relation to all the proposed resolutions at the AGM and H Share Class Meeting.

According to Rule 17.05A of the Listing Rules, trustee(s) of any share schemes who directly or indirectly hold any unvested Shares of the Company shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

As at the Latest Practicable Date, to the knowledge and belief of the Directors having made all reasonable enquiries, no Shareholder or its associate, who is entitled to exercise control over the voting right in respect of his/her/its Shares, is deemed to have a material interest in any of the resolutions to be proposed at the AGM and H Share Class Meeting, and therefore, saved as disclosed in this circular, no Shareholder is required to abstain from voting on any resolutions at the AGM and H Share Class Meeting.

The voting results of the AGM and H Share Class Meeting will be published on both websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://smart-home.haier.com) in accordance with the Listing Rules.

V. CLOSURE OF THE REGISTER OF MEMBERS AND THE ELIGIBILITY FOR ATTENDING AND VOTING AT THE AGM AND H SHARE CLASS MEETING

The Company's register of members will be closed from Thursday, 13 June 2024 to Thursday, 20 June 2024, both days inclusive, during which period no transfer of Shares will be effected. To be eligible for attending and voting at the AGM and H Share Class Meeting, all transfer documents together with the relevant Share certificates and other appropriate documents must be lodged with the H Shares Registrar, namely, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for the H Shareholders) not later than 4:30 p.m., on Wednesday, 12 June 2024 for registration.

VI. RECOMMENDATION

The Board (including the Independent Non-executive Directors) considers that all resolutions to be proposed at the AGM of 2023 and H Share Class Meeting are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends Shareholders to vote in favour of all the resolutions to be proposed at the AGM of 2023 and H Share Class Meeting.

VII. OTHER INFORMATION

You are kindly requested to pay attention to the information as set out in Appendix I to XV to this circular.

By Order of the Board
Haier Smart Home Co., Ltd.*
LI Huagang
Chairman

Qingdao, the PRC
29 May 2024

* *For identification purpose only*

Haier Smart Home Co., Ltd.

Internal Control Audit Report

Hexin Shen Zi. (2024) No. 000187

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Hexin Certified Public Accountants LLP

27 March 2024

INTERNAL CONTROL AUDIT REPORT

Hexin Shen Zi. (2024) No. 000187

To all shareholders of Haier Smart Home Co., Ltd.:

In accordance with the relevant requirements of the Audit Guidelines on Corporate Internal Control and the code of practice of Chinese certified public accountants, we have audited the effectiveness of the internal control over the financial report of Haier Smart Home Co., Ltd. (hereinafter referred to as "**Haier Smart Home**") as at 31 December 2023.

I. Responsibilities of the Company towards internal control

It is the responsibility of the Board of Directors of Haier Smart Home to establish, improve and implement effectively internal control and to evaluate its effectiveness in accordance with the requirements of the Basic Standards for Enterprise Internal Control, Application Guidelines on Enterprise Internal Control and Evaluation Guidelines on Enterprise Internal Control.

II. Responsibilities of certified public accountants

Our responsibilities are to express an audit opinion on the effectiveness of internal control over financial report based on our audit, and to disclose the material defects that have come to our attention in the financial reports that are irrelevant to the internal control.

III. Inherent limitations on internal control

Internal control has its inherent limitations, and is exposed to the possibility of being incapable of preventing or detecting misreporting. Moreover, as changes in circumstances may render internal control inappropriate or reduce the degree of compliance with control policy or procedure, it is risky, to a certain extent, to predict the effectiveness of internal control in the future based on the audit results of internal control.

IV. Audit opinion on the internal control over the financial report

We believe that Haier Smart Home has maintained effective internal control over financial report in all material respects as at 31 December 2023 in accordance with the Basic Standards for Enterprise Internal Control and relevant requirements.

Hexin Certified Public Accountants LLP
Jinan, China

Chinese Certified Public Accountant: Zhao Bo
(Engagement Partner)

Chinese Certified Public Accountant: Li Xiang Zhi

27 March 2024

Since its listing in on the Shanghai Stock Exchange 1993, Haier Smart Home Co,. Ltd. (hereinafter referred to as the "**Company**") has always attached great importance to rewarding shareholders through cash dividends. Since its listing, the Company has realized a total of RMB29.687 billion in cash dividends. The dividend ratio from 2021 to 2023 steadily increased. After deliberation at the 9th meeting of the eleventh session of Board of Directors, it is proposed that the 2023 cash dividend ratio for the 2023 net profit attributable to the owners of the parent company achieved in that year as indicated in the consolidated statement shall be 45.02%. Such proposal shall be subject to the review and approval by the 2023 general meeting to be held on 20 June 2024.

In order to further enhance shareholders' return and clarify the dividend mechanism, in accordance with the Company Law of the PRC (hereinafter referred to as the "**Company Law**"), the Notice on Matters in relation to Further Implementing Cash Dividend of Listed Companies, the Regulatory Guidelines No. 3 for Listed Companies — Distribution of Cash Dividends of Listed Companies and other relevant requirements, as well as the Articles of Association of Haier Smart Home Co., Ltd. (hereinafter referred to as the "**Articles of Association**"), the Company formulated the Shareholder Return Plan for the Next Three Years (2024–2026) (hereinafter referred to as the "**Plan**"), details of which are as follows:

I. CONSIDERATIONS OF THE PLAN

Focusing on long-term and sustainable development and taking into account the business development planning, shareholders' willingness and requirements, free cash flow position, assets and liabilities, external financing environment and capital costs, the Company will establish a sustainable, stable and scientific return plan and mechanism for investors, thereby making systemic arrangements for profit distribution to ensure the continuity and stability of profit distribution policies.

II. PRINCIPLES OF THE PLAN

The Company' Board of Directors formulates this plan based on the profit distribution policy determined in the Articles of Association. The Company's profit distribution policy shall maintain continuity and stability and pay close attention to the reasonable investment returns for investors, while taking into account the Company's long-term and sustainable development, and complying with the relevant provisions of laws, administrative regulations, departmental rules and normative documents.

III. THE SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2024–2026)

(1) Form of profit distribution

The Company may distribute profits in cash, stocks, or other methods permitted by laws and regulations. Profit distribution shall not exceed the scope of cumulative distributable profits and shall not damage the Company's ability to continue operation. When the Company meets the conditions for cash dividends, it should give priority to the profit distribution method of cash dividends.

(2) Conditions for cash dividends

In accordance with the Company Law and other relevant laws and regulations and the requirements under the Articles of Association, after withdrawing the statutory provident fund and discretionary provident fund in full, the Company should actively implement cash dividends on the premise that the Company is profitable and the cash can meet the Company's continued operations and long-term development.

If there are no major investment plans or major cash expenditures (except for fund-raising projects), the Company shall implement cash dividends when the following conditions are met at the same time: 1. the Company's distributable profits (namely, the after-tax profit remaining after the Company has made up for its losses and withdrawn the provident fund, based on the data of the parent company) and cumulative distributable profits for the year are all positive, its cash flow is sufficient, and the implementation of cash dividends will not affect the Company's subsequent operations; 2. the auditors issue a standard unqualified audit report on the Company's financial report for that year.

A major investment plan or major cash expenditure refers to the Company's planned external investment, asset acquisition, or equipment purchase in the next 12 months, where the cumulative expenditure reaches or exceeds 25% of the Company's most recent audited net assets.

(3) Dividend return plan for the next three years

On the premise of complying with the principles of profit distribution and the conditions for cash dividends, while ensuring the normal operation and long-term health development of the Company, the Company shall, in principle, distribute cash dividends once a year. From 2024 to 2026, the Company's cash dividend ratio would steadily increase compared with the dividend ratio in 2023; in 2025 and 2026, the profit to be distributed in cash each year accounts for not less than 50% of the net profit attributable to the owners of the parent company achieved in that year as indicated in the consolidated statement. The Company's Board of Directors may propose the Company to conduct mid-term cash dividends based on the Company's profitability and capital needs.

(4) Conditions for distribution of stock dividends

When the Company's operating conditions are good and the Board of Directors believes that the Company's stock price does not match the Company's share capital and that issuing stock dividends is beneficial to the overall interests of all shareholders of the Company, it may, subject to meeting the aforementioned conditions for cash dividends, propose a stock dividend distribution plan and implement it after review and approval by the general meeting. If stock dividend is adopted for profit distribution, the true and reasonable factors, such as the growth of the Company, dilution of net assets per share, should be considered.

IV. ADJUSTMENTS TO PROFIT DISTRIBUTION POLICY

The Company's profit distribution plan is drawn up by the Company's management and submitted to the Company's board of directors for review. The Board of Directors will fully discuss the rationality of the profit distribution plan and formulate a resolution before submitting it to the general meeting for review.

In the event of force majeure such as war or natural disaster, or changes in the Company's external operating environment that have a significant impact on the Company's production and operations, or the Company's own operating conditions undergo major changes, the Company may adjust the profit distribution policy and the Plan, but the adjusted profit distribution policy shall not violate the provisions of relevant laws, administrative regulations, departmental rules and policy documents.

Proposals related to adjusting or changing the profit distribution policy and the Plan shall be made by the Board of Directors to make a special discussion, demonstrate the reasons for the adjustment in detail, form a written argumentation report and submit it to the general meeting for approval. The Board of Supervisors shall express its opinion on whether adjustments or changes comply with relevant laws, regulations, normative documents and the Articles of Association.

When formulating a Company's profit distribution plan and changing its profit distribution policy, the Company should fully listen to the opinions of independent directors and shareholders, keep open information communication channels, and fully listen to the opinions and demands of small and medium-sized shareholders. When reviewing changes in profit distribution policy, the Company shall provide shareholders with online voting methods.

V. UNFINISHED MATTERS REGARDING THE PLAN

The Plan will take effect from the date of review and approval by the Company's general meeting. Unfinished matters will be dealt with in accordance with relevant laws, regulations, normative documents and the Articles of Association.

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.

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 RMB33,500 million in aggregate to the following subsidiaries in the guarantee period. Particulars of the relevant subsidiaries and estimated guarantee amounts 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	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 Liguo	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

No.	Company name	Percentage of shareholding (%)	Registered capital (RMB0'000)	Legal representative	Principal business	Estimated quota on the provision of guarantee (RMB0'000)
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
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. CUMULATIVE GUARANTEES AND THE STATUS OF GUARANTEES IN 2023

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. 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 and fulfil 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 counter-parties.

The guarantee quota to Company and its subsidiaries in 2024 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 production and operation and long-term development of the Company. As such, it is approved that the Company and the subsidiaries provide a total of not more than RMB33,500 million guarantees to each other for banks and other various financing projects in 2024.

Overseas revenue of the Company accounted for a fairly large proportion, and the impact of exchange rate fluctuations on the Company's operating results was significant. In order to reduce the impact of risks on exchange rate and interest rate of asset and liability business, the Company intends to conduct foreign exchange funds derivatives business with a balance not exceeding USD6.5 billion in 2024 to hedge and prevent exchange rate risks and reduce the impact of exchange rate fluctuations on the Company's results. The particulars are set out below:

I. OVERVIEW AND NECESSITY OF FOREIGN EXCHANGE FUND DERIVATIVES TRANSACTIONS

1. Foreign exchange fund derivatives are foreign exchange hedging financial products approved by the People's Bank of China. The transaction principle is to enter into forward foreign exchange purchase agreements, foreign exchange settlement agreements and swap agreements with banks to agree on the foreign exchange currency, amount, term and exchange rate for foreign exchange purchases and settlements in the future. When the agreements expire, foreign exchange purchases and foreign exchange settlements will be dealt with at the currency, amount and exchange rate stipulated in these agreements to lock the cost of foreign exchange purchases and foreign exchange settlement in the current period.

2. The purpose of conducting the foreign exchange funds derivatives business by the Company is to avoid and prevent the risk of exchange rate on international trading business that the Company is exposed to, and to minimize the influence of exchange rate fluctuation on the Company's performance. Foreign exchange derivative transactions fix the trading cost of exchange on a certain level in advance, so as to avoid the unforeseeable risks caused by sharp fluctuations on exchange rates.

3. The scale of the foreign exchange funds derivatives business of the Company is in line with the actual business volume of imports and exports, and the scale of the overseas assets/liabilities of the Company, without any speculative operation. Given that the scale of the Company's overseas business is expanding, in order to ensure that the Company continues developing steadily and to accelerate the integration and synergy of the operational management and business between the Company and the newly established offshore subsidiaries, the Company is of the view that it is necessary to avoid risk of exchange rate through foreign exchange funds derivatives business.

II. SUMMARY OF THE PROPOSED FOREIGN EXCHANGE FUNDS DERIVATIVES TRANSACTIONS

1. Forward settlement/purchase of foreign exchange

Entering into contracts for forward settlement/purchase of foreign exchange with banks (or other financial institutions permitted to carry out relevant businesses in accordance with the laws) on the import and export businesses of the Company could fix the exchange rates of the future settlement/purchase of foreign exchange from foreign currency to RMB, and eliminate the influence of exchange rate fluctuation.

2. Foreign exchange swap business

Entering into swap contracts with banks (or other financial institutions permitted to carry out relevant businesses in accordance with the laws) based on the different needs of the Company on the recent and future cash flows could avoid the influence of exchange rate fluctuation.

3. NDF (namely non-deliverable forwards) and options businesses

The currencies for which the Company is exposed to risks are getting more and more diversified and the fluctuation of exchange rates is getting sharper and sharper, such as INR, RUB and THB. Some of the currencies do not have local common forward settlement that can be delivered in the usual course, or the hedging costs can be too high. In order to increase hedging measures and avoid exchange rate risk effectively, the Company will try products such as other NDF, currency futures and options portfolio as complementary and alternative hedging measures.

4. Businesses such as currency swap and interest rate swap

The scale, assets and liabilities of overseas business is increasing along with the Company's international operation. In order to effectively hedge the fluctuation risk of exchange rate and interest rate that the overseas assets and liabilities are exposed to, the Company intends to carry out currency and/or interest rate swap business so as to avoid fluctuation risk of exchange rate and interest rate.

Based on the imports and exports and operational budgets of the Company, the intended operational balance in 2024 of the above businesses 1–3 does not exceed USD5 billion for avoiding exchange rate fluctuation risks arising from import and export businesses; and the intended operational balance in 2024 of business 4 does not exceed USD1.5 billion for avoiding exchange rate and interest rate risks arising from assets and liabilities businesses. The Company will adjust the actual operational amount of the above businesses 1–4 within the total balance of USD6.5 billion according to the actual business needs.

III. PRINCIPAL TERMS OF THE INTENDED FOREIGN EXCHANGE HEDGING TRANSACTIONS

1. Contract term: The terms of the foreign exchange funds businesses involved in the daily operational activities carried out by the Company are generally less than one year (or within the term of the project). The currency/interest rate swap businesses under assets and liabilities involved are between 1–5 years.

2. Counterparty: Banks (or other financial institutions permitted to carry out relevant businesses in accordance with the laws). However, within the scope of foreign exchange derivatives businesses involved in this proposal, the counterparties of the Company and the subsidiaries exclude Haier Group Finance Co., Ltd. or other entities under Haier Group Corporation permitted to carry our relevant businesses in accordance with the laws.

3. Liquidity arrangement: All the foreign exchange funds businesses are in line with the normal and reasonable backgrounds of import and export businesses, and match the time of receipt and payment, thus would not influence the liquidity of the Company.

IV. MANAGEMENT SYSTEM RELATED TO FOREIGN EXCHANGE FUNDS BUSINESSES

For the operation standards of foreign exchange funds businesses, the Company carries out foreign exchange derivatives businesses strictly in compliance with the relevant requirements under Management Policy on Foreign Exchange Risks and Management System on Foreign Exchange Derivatives Trading Business of Haier Smart Home Co., Ltd.

V. RISK ANALYSIS OF FOREIGN EXCHANGE DERIVATIVES TRADING

The Company and its holding subsidiaries conduct foreign exchange derivatives business in accordance with the principle of stability, and do not conduct the foreign exchange transaction for speculative purposes. All foreign exchange funds businesses are based on normal production and operation and rely on specific business operations to avoid and prevent exchange rate risks. However, there are also certain risks in conducting foreign exchange funds business:

1. Market risk

Forward settlement of foreign exchange: the Company will determine whether to sign a forward contract based on the cost of the product and market risk. Signing the contract equals to fixing the price of currency exchange. It is effective to resist market fluctuation risk and ensure a reasonable and stable profit level of the Company through forward settlement of foreign exchange.

Forward purchase of foreign exchange: according to the import contract entered with the customer and exchange rate risk, the future currency exchange cost will be fixed through the unilateral forward purchase of foreign exchange. Although there is a certain risk of loss of opportunity, the forward purchase of foreign exchange will effectively reduce the market fluctuation risk and fix procurement costs.

Other NDF and options businesses are mainly carried out when failed to sign the ordinary forward settlement/purchase of foreign exchange or the costs are too high, only serving as the supplement of the above businesses.

Exchange rate fluctuation risk in currency swap business is avoided by adjusting the currency of assets and liabilities in order to match the currency of the assets with the currency of liabilities. Interest rate fluctuation risk in interest rate swap business is avoided by transfer the floating-rate business to fix-rate business or transfer the fixed-rate business to floating-rate business when the rate is going downward to reduce the costs. All of the above businesses have a real business background and there is no speculation.

2. Exchange rate fluctuation risk

After the Company fixing the forward exchange rate according to the foreign exchange management strategy, if the actual trend of the foreign exchange rate deviates significantly from the direction of the Company's fixed exchange rate fluctuation, the cost of the Company after fixing the exchange rate expenditure may exceeds the cost of not fixing the exchange rate, thus forming a loss of the Company. When the foreign exchange rate changes greatly, if the fluctuating direction of the Company's fixed foreign exchange hedging contract is inconsistent with that of the foreign exchange rate, the foreign exchange loss will be formed; if the exchange rate does not fluctuate in the future, the vast deviation from the foreign exchange hedging contract will also form a foreign exchange loss.

3. Internal control risk

The foreign exchange derivatives business, being highly professional and complex, may cause risks due to imperfect internal control systems.

4. Transaction default risk

In the event of a default in the counterparty of foreign exchange derivative transaction, the Company would not be able to obtain hedging profits as agreed to hedge the Company's actual exchange losses, resulting in a loss of the Company.

5. Customer default risk

The overdue of customer's accounts receivable and the customer's order adjustment will make the actual payment inconsistent with the expected payment, which may result in the actual cash flow could not match the carried out foreign exchange derivative business term or amount completely, leading to a loss of the Company.

VI. PROPOSED RISK CONTROL MEASURES TAKEN BY THE COMPANY

1. The Company may not engage in any foreign exchange derivative transactions except those carried out for the purpose of avoiding exchange rate risks, and only for foreign exchange operations related to the Company's import and export business and overseas asset/liability management.

2. The Company implemented approval process in strict compliance with the Foreign Exchange Risk Management Policy and the Foreign Exchange Derivatives Transaction Business Management Rules. The general meeting of shareholders of the Company and the Board of Directors delegate the President/President Office to take responsibility for the operation and management of the foreign exchange derivatives business, the Treasury Department shall act as the handling department, and finance department shall act as the daily review department.

3. The Company conducts foreign exchange derivatives business with financial institutions such as large banks with legal qualifications. The financial department timely tracks the changes in the transaction and strictly controls the occurrence of closing default risk.

4. The Company conducts foreign exchange derivatives business must base on the Company's cautious forecast on the foreign currency receipts and payments and actual business exposure. The delivery date of the foreign exchange derivatives business must match with the Company's predicted receipt time, deposit time or payment time of the foreign currency, or match with the corresponding redemption term of the foreign currency bank borrowing.

VII. ANALYSIS OF FAIR VALUES

The Company recognizes and measures fair values in accordance with Chapter 7 "Determination of Fair Values" of the Accounting Standard for Enterprise No. 22 — Recognition and Measurement of Financial Instruments, and the fair values will be fundamentally determined in accordance with the prices quoted by or obtained from pricing service institutions such as banks. The Company measures and recognizes the fair values on a monthly basis.

VIII. ACCOUNTING POLICIES AND PRINCIPLES

The Company shall adopt accounting methods for its foreign exchange funds transaction in accordance with the Accounting Standards for Business Enterprises. In accordance with the relevant requirements of the Accounting Standard for Enterprises No. 22 — Recognition and Measurement of Financial Instruments, the Accounting Standard for Enterprises No. 24 — Hedging Accounting, the Accounting Standard for Enterprises No. 37 — Presentation of Financial Instruments, and the Accounting Standard for Enterprises No. 39 — Fair Value Measurement and the guidelines of the Ministry of Finance, the Company arranges corresponding audits on the foreign exchange funds businesses that have already been carried out and the same will be reflected in the relevant items in the balance sheet and the statement of profit or loss.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the repurchase mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the total issued capital of the Company was RMB9,438,114,893, comprising 2,858,548,266 H Shares of RMB1.00 each, 6,308,552,654 A Shares of RMB1.00 each and 271,013,973 D Shares of RMB1.00 each.

If the special resolutions are approved at the AGM and the Class Meetings, respectively, the Board will be granted the repurchase mandate until the earlier of (a) the conclusion of the 2024 annual general meeting of the Company; or (b) the date on which the authorities conferred by the relevant special resolution is revoked or varied by special resolution by the Shareholders at the general meeting, the A Share Class Meeting, the D Share Class Meeting and the H Share Class Meeting of the Company, respectively (the "**Relevant Period**").

REASONS FOR THE REPURCHASE OF H SHARES

The Directors believe that the flexibility offered by the repurchase mandate would be beneficial to the Company and the Shareholders as a whole. At any time in the future when the Shares are trading at a discount to their underlying value, the ability of the Company to repurchase the Shares will be beneficial to the Shareholders who retain their investment in the Company as their proportionate interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company from time to time and thereby resulting in an increase in net asset value and/or earnings per Share. Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

EXERCISE OF THE REPURCHASE MANDATE

The exercise in full of the repurchase mandate would not result in repurchasing more than 10% of the total H Shares in issue on the date of passing the relevant special resolution at the AGM and the Class Meetings. On the basis of 2,858,548,266 H Shares in issue as at the Latest Practicable Date and no H Shares will be allotted, issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, the repurchased shares would not be more than 285,854,826 H Shares being repurchased by the Company according to the repurchase mandate during the Relevant Period.

There is nothing unusual about this explanatory statement or the repurchase mandate.

FUNDING OF REPURCHASES

In the repurchase of H Shares, the Company intends to and can only utilise self-owned funds or self-raising funds of the Company legally available for such purpose in accordance with the Articles of Association, Listing Rules and the applicable laws, rules and regulations of the PRC.

The Directors consider that there will not be a material adverse impact on the working capital or on the gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the 2023 results announcement of the Company dated 27 March 2024) in the event that the repurchase mandate is to be exercised in full at any time during the Relevant Period.

PRICES OF H SHARES

The highest and lowest prices at which the H Shares have been traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date were as follows:

Month	**H Shares**	
	Highest Trading Price	**Lowest Trading Price**
	HK$	*HK$*
2023		
May	25.80	22.05
June	25.10	22.15
July	26.00	22.80
August	25.80	22.00
September	25.65	23.40
October	24.25	22.20
November	23.60	21.85
December	22.70	20.10
2024		
January	23.00	20.70
February	24.75	21.50
March	25.00	22.10
April	29.50	24.35
May (up to the Latest Practicable Date)	32.00	28.50

GENERAL INFORMATION

So far as the same may be applicable, the Directors will exercise the powers to make repurchases pursuant to the approved special resolution regarding the repurchase mandate in accordance with the Listing Rules and the applicable laws, rules and regulations of the PRC.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) presently have the intention to sell H Shares (if any) to the Company in the event that the repurchase mandate is approved by the Shareholders at the AGM and the Class Meetings, and the conditions (if any) to which the repurchase mandate is subject are fulfilled.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any H Shares to the Company, nor they have undertaken not to sell any H Shares held by them to the Company in the event that the repurchase mandate is approved by the Shareholders at the AGM and the Class Meetings and the conditions (if any) to which the repurchase mandate is subject are fulfilled.

TAKEOVERS CODE AND THE PUBLIC FLOAT REQUIREMENT

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company's repurchase of shares pursuant to the repurchase mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and, if such increase results in a change of control or consolidation of control, it may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Haier Group is the Controlling Shareholder of the Company, holding approximately 34% interests of the ordinary shares of the Company in issue. The Company expects that exercising repurchase mandate in full will not have any implications for Haier Group under the Takeovers Code. The Directors are not aware of any other consequences under the Takeovers Code and any similar applicable laws which would arise from any repurchasing actions under the repurchase mandate.

The Directors do not propose to repurchase shares to the extent that would make the public float fall below the minimum requirement under Rule 8.08 of the Listing Rules.

SHARES REPURCHASED BY THE COMPANY

No repurchase of H and D Shares has been made but the Company has made repurchases of 32,831,442 A Shares during the six months prior to the Latest Practicable Date.

REPURCHASE OF A SHARES

Date of repurchase	No. of shares repurchased	Repurchase price per share Highest price paid (RMB)	Repurchase price per share Lowest price paid (RMB)	Aggregate consideration paid (RMB)
27 November 2023	1,000,000	22.03	21.88	21,983,844
28 November 2023	350,000	22.15	22.00	7,722,305
29 November 2023	350,000	22.00	21.90	7,681,000
30 November 2023	180,000	22.17	22.10	3,982,400
1 December 2023	400,000	21.52	21.44	8,590,000
4 December 2023	550,000	21.26	21.23	11,685,456
5 December 2023	450,000	21.17	21.01	9,492,500
6 December 2023	450,000	20.92	20.85	9,400,500
7 December 2023	343,500	20.90	20.70	7,128,296
8 December 2023	230,000	20.87	20.84	4,797,500
12 December 2023	240,000	20.82	20.75	4,993,000
14 December 2023	450,000	20.27	20.18	9,111,428
15 December 2023	1,010,000	20.35	20.15	20,410,898
18 December 2023	350,000	20.30	20.23	7,090,804
19 December 2023	117,600	20.29	20.26	2,385,391
20 December 2023	1,800,000	20.31	20.24	36,506,095
21 December 2023	50,000	20.27	20.27	1,013,500
22 December 2023	543,900	20.74	20.41	11,212,844
26 December 2023	270,000	20.65	20.56	5,562,694
27 December 2023	1,150,000	20.70	20.50	23,720,554
28 December 2023	1,700,000	21.12	20.87	35,691,477
29 December 2023	764,400	21.13	20.85	16,050,740
8 January 2024	300,000	21.30	21.29	6,388,000
9 January 2024	100,000	21.20	21.20	2,120,000
10 January 2024	351,900	21.50	21.25	7,549,523
11 January 2024	600,000	21.66	21.45	12,925,095
12 January 2024	571,300	21.48	21.42	12,251,123
15 January 2024	320,000	21.66	21.58	6,921,600
16 January 2024	450,000	21.64	21.52	9,714,188
17 January 2024	300,000	21.86	21.52	6,524,500
18 January 2024	163,000	21.44	21.15	3,466,850
19 January 2024	50,000	21.71	21.70	1,085,364
22 January 2024	130,000	21.80	21.56	2,822,492
23 January 2024	50,000	21.40	21.40	1,070,000
24 January 2024	50,000	21.75	21.75	1,087,500
25 January 2024	100,000	22.00	22.00	2,200,000
26 January 2024	10,000	22.14	22.14	221,400
29 January 2024	110,000	22.74	22.70	2,497,400
30 January 2024	550,000	22.50	22.31	12,318,765
31 January 2024	1,200,000	22.54	22.35	26,907,856
1 February 2024	516,300	22.55	22.34	11,624,116
2 February 2024	1,600,000	22.70	22.28	36,169,233
5 February 2024	100,000	22.92	22.92	2,292,000
6 February 2024	166,800	23.50	23.48	3,919,266
7 February 2024	2,421,428	23.81	23.61	57,397,329
8 February 2024	1,000,000	23.60	23.55	23,575,000

Date of repurchase	No. of shares repurchased	Repurchase price per share Highest price paid *(RMB)*	Lowest price paid *(RMB)*	Aggregate consideration paid *(RMB)*
19 February 2024	850,000	23.35	23.21	19,813,244
20 February 2024	32,300	23.76	23.76	767,448
21 February 2024	600,000	24.14	24.08	14,468,677
22 February 2024	100,000	23.97	23.97	2,397,000
23 February 2024	1,350,000	23.98	23.78	32,249,000
26 February 2024	1,000,000	24.15	23.90	24,042,739
27 February 2024	400,000	23.90	23.80	9,538,934
28 February 2024	400,000	23.69	23.65	9,468,985
4 March 2024	800,000	24.55	24.52	19,631,940
5 March 2024	77,300	24.55	24.55	1,897,715
6 March 2024	400,000	24.73	24.68	9,883,994
7 March 2024	300,000	24.96	24.93	7,482,000
8 March 2024	600,000	24.76	24.63	14,812,998
12 March 2024	69,114	24.44	24.44	1,689,146
13 March 2024	700,000	24.29	24.07	16,904,817
15 March 2024	1,192,600	23.94	23.78	28,472,934

STATUS OF REPURCHASED SHARES

The listing of all repurchased H Shares of the Company will be cancelled and the relevant certificates will be cancelled and destroyed, unless the Company has other arrangements for the repurchased H Shares in compliance with the Listing Rules and the applicable laws, rules and regulations of the PRC. Under the PRC law, the amount of the Company's registered capital shall be reduced by the aggregate nominal value of the cancelled H Shares accordingly.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the repurchase mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the total issued capital of the Company was RMB9,438,114,893, comprising 2,858,548,266 H Shares of RMB1.00 each, 6,308,552,654 A Shares of RMB1.00 each and 271,013,973 D Shares of RMB1.00 each.

If the special resolutions are approved at the AGM and the Class Meetings, respectively, the Board will be granted the repurchase mandate until the earlier of (a) the conclusion of the 2024 annual general meeting of the Company; or (b) the date on which the authorities conferred by the relevant special resolution is revoked or varied by special resolution by the Shareholders at the general meeting, the A Share Class Meeting, the D Share Class Meeting and the H Share Class Meeting of the Company, respectively (the "**Relevant Period**").

REASONS FOR THE REPURCHASE OF D SHARES

The Directors believe that the flexibility offered by the repurchase mandate would be beneficial to the Company and the Shareholders as a whole. At any time in the future when the Shares are trading at a discount to their underlying value, the ability of the Company to repurchase the Shares will be beneficial to the Shareholders who retain their investment in the Company as their proportionate interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company from time to time and thereby resulting in an increase in net asset value and/or earnings per Share. Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

EXERCISE OF THE REPURCHASE MANDATE

The exercise in full of the repurchase mandate would not result in repurchasing more than 10% of the total D Shares in issue on the date of passing the relevant special resolution at the AGM and the Class Meetings. On the basis of 271,013,973 D Shares in issue as at the Latest Practicable Date and no D Shares will be allotted, issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, the repurchased shares would not be more than 27,101,397 D Shares being repurchased by the Company according to the repurchase mandate during the Relevant Period.

There is nothing unusual about this explanatory statement or the repurchase mandate.

FUNDING OF REPURCHASES

In the repurchase of D Shares, the Company intends to utilise self-owned funds or self-raising funds of the Company legally available for such purpose in accordance with the Articles of Association, Listing Rules and the applicable laws, rules and regulations of the PRC.

The Directors consider that there will not be a material adverse impact on the working capital or on the gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the 2023 results announcement of the Company dated 27 March 2024) in the event that the repurchase mandate is to be exercised in full at any time during the relevant period.

PRICES OF D SHARES

The highest and lowest prices at which the D Shares have been traded on Xetra of the Frankfurt Stock Exchange during the 12 months preceding the Latest Practicable Date were as follows:

Month	**D Shares**	
	Highest Trading Price	**Lowest Trading Price**
	EUR	*EUR*
2023		
May	1.2492	1.1014
June	1.1780	1.1100
July	1.1660	1.1300
August	1.1644	1.0852
September	1.1794	1.0916
October	1.1210	1.0546
November	1.2000	1.0600
December	1.1798	1.0832
2024		
January	1.1650	1.1000
February	1.2896	1.1274
March	1.3300	1.1840
April	1.5844	1.3022
May (up to the Latest Practicable Date)	1.7354	1.5460

GENERAL INFORMATION

So far as the same may be applicable, the Directors will exercise the powers to make repurchases pursuant to the proposed special resolution to approve the repurchase mandate in accordance with the Listing Rules and the applicable laws, rules and regulations of the PRC.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) presently have the intention to sell D Shares (if any) to the Company in the event that the repurchase mandate is approved by the Shareholders at the AGM and the Class Meetings, and the conditions (if any) to which the repurchase mandate is subject are fulfilled.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any D Shares to the Company, nor they have undertaken not to sell any D Shares held by them to the Company in the event that the repurchase mandate is approved by the Shareholders at the AGM and the Class Meetings and the conditions (if any) to which the repurchase mandate is subject are fulfilled.

TAKEOVERS CODE AND THE PUBLIC FLOAT REQUIREMENT

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company's repurchase of shares pursuant to the repurchase mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and, if such increase results in a change of control or consolidation of control, it may in certain circumstances give rise to an obligation to make a mandatory takeover offer for Shares under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Haier Group is the Controlling Shareholder of the Company, holding approximately 34% interests of the ordinary shares of the Company in issue. The Company expects that exercising repurchase mandate in full will not have any implications for Haier Group under the Takeovers Code. The Directors are not aware of any other consequences under the Takeovers Code and any similar applicable laws which would arise from any repurchasing actions under the repurchase mandate.

The Directors do not propose to repurchase shares to the extent that would make the public float fall below the minimum requirement under Rule 8.08 of the Listing Rules.

SHARES REPURCHASED BY THE COMPANY

No repurchase of H and D Shares has been made but the Company has made repurchases of 32,831,442 A Shares during the six months prior to the Latest Practicable Date. Please refer to Appendix V to this circular for details.

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	Article 1 The Articles of Association is formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing (hereinafter referred to as the "Mandatory Clauses"), the Guidelines on Articles of Association of Listed Companies, the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations, the Reply of the State Council on the Adjustment of the Notice Period of the Shareholders' General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Reply on Opinions Concerning the Supplement and Amendment to Articles of Association by Companies to be Listed in Hong Kong, the Guidelines for Corporate Governance of Listed Companies, the German Securities Trading Act, the Listing Rules of the Frankfurt Stock Exchange (hereinafter referred to as the "Listing Rules of the FSE") (the German Securities Trading Act, the Listing Rules of the FSE and relevant EU regulations on securities issuance and trading are hereinafter collectively referred to as the "relevant listing regulations of Frankfurt Stock Exchange"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and other relevant provisions for the purposes of protecting the legitimate rights and interests of Haier Smart Home Co., Ltd. (hereinafter referred as the "Company"), its shareholders and creditors, and regulating organization and acts of the Company.	Article 1 The Articles of Association is formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), ~~the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing (hereinafter referred to as the "Mandatory Clauses"),~~ the Guidelines on Articles of Association of Listed Companies, the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations, the Reply of the State Council on the Adjustment of the Notice Period of the Shareholders' General Meeting and Other Matters Applicable to the Overseas Listed Companies, ~~the Reply on Opinions Concerning the Supplement and Amendment to Articles of Association by Companies to be Listed in Hong Kong,~~ the Guidelines for Corporate Governance of Listed Companies, **the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, the Guidelines for the Application of Regulatory Rules — Overseas Issuance and Listing No. 1,** the German Securities Trading Act, the Listing Rules of the Frankfurt Stock Exchange (hereinafter referred to as the "Listing Rules of the FSE") (the German Securities Trading Act, the Listing Rules of the FSE and relevant EU regulations on securities issuance and trading are hereinafter collectively referred to as the "relevant listing regulations of Frankfurt Stock Exchange"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and other relevant provisions for the purposes of protecting the legitimate rights and interests of Haier Smart Home Co., Ltd. (hereinafter referred as the "Company"), its shareholders and creditors, and regulating organization and acts of the Company.	Deleted obsolete rules and added updated rules
2	Article 7 The Company's registered capital is RMB9,446,253,758.	Article 7 The Company's registered capital is RMB~~9,446,253,758~~**9,438,114,893**.	Adjusted to accurately reflect the number of shares in the Company
3	Article 8 The Company is a foreign-invested joint-stock company (Sino-foreign joint venture, listed).	Article 8 The Company is ~~a foreign-invested joint-stock company (Sino-foreign joint venture, listed)~~ **an other joint-stock company (listed)**.	Adjusted according to the type of enterprise published on the National Enterprise Credit Information Publicity System
4	Article 11 All assets of the Company are divided into equal shares, the liability of the shareholders of the Company shall be limited to the shares held by them respectively, and the Company shall be liable for its debt with all of its assets. The Company may invest in other limited liability companies and joint stock limited companies. It shall be liable for such invested companies to the extent of the investment amounts.	Article 11 All assets of the Company are divided into equal shares, the liability of the shareholders of the Company shall be limited to the shares held by them respectively, and the Company shall be liable for its debt with all of its assets. The Company may invest in other limited liability companies and joint stock limited companies. It shall be liable for such invested companies to the extent of the investment amounts **or subscribed shares**. **Pursuant to the requirements under the Constitution of the Communist Party of China, the Company set up organizations and carries out activities of the Party. The Company provides the necessary conditions for the activities of the Party organizations.**	Merged the existing Article 11 with the existing Article 14, and adjusted the expression accordingly

No.	Original provisions	Amended provisions	Basis or reason of amendment
5	Article 12 Since the date of the Articles of Association taking effect, it shall become a legally binding document that regulates the Company's organization and activities, the rights and obligations among the Company and each shareholder as well as among the shareholders themselves. The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, managers and other senior management; and the aforesaid persons may make any claims and propositions related to the matters of the Company in accordance with the Articles of Association. Article 13 The shareholders are entitled to sue the Company in accordance with the Articles of Association; the Company is entitled to sue the shareholders, directors, supervisors, presidents and other senior management in accordance with the Articles of Association; any shareholder is entitled to sue other shareholders in accordance with the Articles of Association; and the shareholders are also entitled to sue the directors, supervisors, presidents and other senior management of the Company in accordance with the Articles of Association. The term "sue" in the preceding paragraph shall include filing of a lawsuit at a court or applying for arbitration at an arbitral institution. Other senior management referred to in the Articles of Association means the vice-president, secretary to the Board and the chief financial officer of the Company.	**Article 12** Since the date of the Articles of Association taking effect, it shall become a legally binding document that regulates the Company's organization and activities, the rights and obligations among the Company and each shareholder as well as among the shareholders themselves. The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, managers and other senior management; and the aforesaid persons may make any claims and propositions related to the matters of the Company in accordance with the Articles of Association. The shareholders are entitled to sue the Company in accordance with the Articles of Association; the Company is entitled to sue the shareholders, directors, supervisors, presidents and other senior management in accordance with the Articles of Association; any shareholder is entitled to sue other shareholders in accordance with the Articles of Association; and the shareholders are also entitled to sue the directors, supervisors, presidents and other senior management of the Company in accordance with the Articles of Association. The term "sue" ~~in the preceding paragraph~~ **mentioned above** shall include filing of a lawsuit at a court or applying for arbitration at an arbitral institution. Other senior management referred to in the Articles of Association means the vice-president, secretary to the Board and the chief financial officer of the Company.	Merged and improved the accuracy of expression
6	Article 22 Subject to the approval by the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and overseas investors. The "overseas investors" referred to in the preceding paragraph shall refer to investors from foreign countries or from Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company, and "domestic investors" shall refer to investors inside the People's Republic of China (excluding the above-mentioned regions) that subscribe for shares issued by the Company.	Article ~~22~~**20** Subject to the ~~approval by~~ **registration or filing with** the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and overseas investors. The "overseas investors" referred to in the preceding paragraph shall refer to investors from foreign countries or from Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company, and "domestic investors" shall refer to investors inside the People's Republic of China (excluding the above-mentioned regions) that subscribe for shares issued by the Company.	In accordance with the Measures for the Administration of Registration of Securities Offering by Listed Companies and the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, corresponding adjustments were made to reflect the adjustments to the share issuance regulatory system
7	Article 23 Shares issued by the Company to domestic investors which are subscribed for in RMB shall be referred to as "domestic shares". Shares issued by the Company to overseas investors which are subscribed for in foreign currency shall be referred to as "foreign shares". Foreign shares listed overseas shall be referred to as "overseas-listed foreign shares". Shareholders holding domestic shares are called domestic shares shareholders. Shareholders holding foreign shares or foreign shares listed abroad are called foreign shares shareholders. The "foreign currency" referred to in the preceding paragraph means the legal currency of other countries or regions except RMB which is recognized by foreign exchange departments of China and could be used to pay for the shares of the Company. Domestic shares and foreign shares are all ordinary shares, which enjoy and bear the same rights and obligations.	Article ~~23~~**21** Shares issued by the Company to domestic investors **and other qualified investors** which are subscribed for in RMB shall be referred to as "domestic shares". Shares issued by the Company to overseas investors **and specific domestic investors that meet the relevant requirements of the securities regulatory authority of the State Council** which are subscribed for in ~~foreign currency~~ **currencies recognized by the securities regulatory authority of the State Council and the securities regulatory authority of the place where the Company's shares are listed** shall be referred to as "foreign shares". Foreign shares listed overseas shall be referred to as "overseas-listed foreign shares". Shareholders holding domestic shares are called domestic shares shareholders. Shareholders holding foreign shares or foreign shares listed abroad are called foreign shares shareholders. The "foreign currency" referred to in the preceding paragraph means the legal currency of other countries or regions except RMB which is recognized by foreign exchange departments of China and could be used to pay for the shares of the Company. Domestic shares and foreign shares are all ordinary shares, which enjoy and bear the same rights and obligations.	Adjusted in accordance with Article 10 and 11 of the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises

No.	Original provisions	Amended provisions	Basis or reason of amendment
8	Article 25, paragraph 2 The capital structure of the Company is comprised of 9,446,253,758 ordinary shares in total, of which the domestic shareholders hold 6,308,552,654 shares (representing 66.78% of total number of ordinary shares issued by the Company) ; the shareholders of overseas-listed foreign shares (D Share) hold 271,013,973 shares (representing 2.87% of total number of ordinary shares issued by the Company); the shareholders of overseas-listed foreign shares (H Share) hold 2,866,687,131 shares (representing 30.35% of total number of ordinary shares issued by the Company).	Article ~~25~~**23**, paragraph 2 The capital structure of the Company is comprised of ~~**9,446,253,758**~~**9,438,114,893** ordinary shares in total, of which the domestic shareholders hold 6,308,552,654 shares (representing ~~**66.78**~~**66.84**% of total number of ordinary shares issued by the Company) ; the shareholders of overseas-listed foreign shares (D Share) hold 271,013,973 shares (representing 2.87% of total number of ordinary shares issued by the Company); the shareholders of overseas-listed foreign shares (H Share) hold ~~**2,866,687,131**~~**2,858,548,266** shares (representing ~~**30.35**~~**30.29**% of total number of ordinary shares issued by the Company).	Adjusted in accordance with the latest number of shares in issue
9	Article 26 With the plan for issuing overseas-listed foreign shares and domestic shares by the Company examined and approved by the securities regulatory authority of the State Council, the Board of Directors of the Company may arrange for the implementation of such plan by means of separate issuances.	Deleted	Contents in respect of the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies were deleted due to its invalidity
10	Article 27 The Company may implement its plan for separate issuances of overseas- listed foreign shares and domestic shares in accordance with the preceding paragraph separately within 15 months after being examined and approved by the securities regulatory authority of the State Council.	Deleted	Contents in respect of the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies were deleted due to its invalidity
11	Article 28 Where the Company issues overseas-listed foreign shares and domestic shares separately within the total number of shares specified in the issuance plan, every such issue shall be fully subscribed for in one time. Where it is impossible for every such issue to be fully subscribed for in one time due to special circumstances, the shares may be issued in several stages, subject to the examination and approval of the securities regulatory authority of the State Council.	Deleted	Contents in respect of the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies were deleted due to its invalidity
12	Article 31 Unless otherwise provided by laws, administrative regulations and listing rules of the place where the Company's shares are listed, the shares of the Company may be transferred freely without any lien attached.	Deleted	Duplicated with the content of the amended Article 34
13	Article 33 The Company shall notify its creditors within 10 days from the date on which the resolution on reduction of registered capital is passed and make an announcement on the newspaper within 30 days.	Article ~~**33**~~**27** The Company shall notify its creditors within 10 days from the date on which the resolution of the **shareholders' general meeting** on reduction of registered capital is passed and make an announcement on the newspaper **or on the National Enterprise Credit Information Publicity System** within 30 days.	Added such mean according to Article 224 of the new Company Law
14	Article 34 The Company may, under any of the following circumstances, buy back its outstanding shares pursuant to the provisions of laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association and approval by the relevant authorities:	Article ~~**34**~~**28** The Company may, under any of the following circumstances, buy back ~~**its**~~ outstanding shares pursuant to the provisions of laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association ~~**and approval by the relevant authorities**~~:	Contents in respect of Article 24 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the provision has expired

No.	Original provisions	Amended provisions	Basis or reason of amendment
15	Article 35 The Company, with the approval of the relevant competent authorities, may buy back its own shares by any of the following means: (1) making buy-back offers in the same proportion to all shareholders; (2) buying back through public trading at the stock exchange; (3) buying back by way of an agreement outside stock exchange; (4) any other method stipulated by laws and administrative regulations, listing rules of the place where the Company's shares are listed and that examined and approved by the relevant competent authorities. If the Company acquires the Company's shares in circumstances specified in Items (3), (5) and (6) of Article 34 of the Articles of Association, it shall be conducted by way of open and centralized trading.	Article **~~35~~29** The Company**~~, with the approval of the relevant competent authorities,~~** may buy back its own shares by any of the following means: (1) making buy-back offers in the same proportion to all shareholders; (2) buying back through public trading at the stock exchange; (3) buying back by way of an agreement outside stock exchange; (4) any other method stipulated by laws and administrative regulations, listing rules of the place where the Company's shares are listed and that examined and **recognised~~approved~~** by the relevant competent authorities. If the Company acquires the Company's shares in circumstances specified in Items (3), (5) and (6) of Article **~~34~~28** of the Articles of Association, it shall be conducted by way of open and centralized trading.	Contents in respect of Article 24 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the provision has expired
16	Article 36 When the Company is to buy back shares by an agreement outside stock exchange, prior examination and approval shall be obtained from the shareholders' general meeting in accordance with the provisions provided for in the Articles of Association. Upon prior examination and approval of the shareholders' general meeting obtained in the same manner, the Company may rescind or change the contracts concluded in the manner set forth above or waives any of its rights under such contracts. For the purposes of the preceding paragraph, company for the buy-back of its own shares shall include (but not limited to) agreements whereby buy-back obligations are undertaken and buy-back rights are acquired. The Company may not assign contracts for the buy-back of its own shares or any of its rights thereunder. To the extent that the Company has the right to repurchase repurchasable shares, the price shall not exceed a certain maximum price limit unless repurchased by market or by means of tender. If repurchased by means of tender, such tender shall be issued to all shareholders equally.	Deleted	The first three paragraphs were deleted as they were part of the content of Article 26 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing, which has expired. The fourth paragraph corresponds to Appendix A1 (formerly Appendix III) of the Hong Kong Listing Rules, which has deleted the relevant provisions

No.	Original provisions	Amended provisions	Basis or reason of amendment
17	Article 38 Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its outstanding shares: (1) Where the Company repurchases shares at par value, payment shall be made out of the book surplus on the distributable profits of the Company and out of the proceeds of the new issue of shares made for that purpose; (2) Where the Company repurchases shares at a premium to its par value, payment equivalent to the par value may be made out of the book surplus on the distributable profits of the Company and out of the proceeds of the new issue of shares made for that purpose. Payment of the portion in excess of the par value shall be handled as follows: 1. if the shares being repurchased were issued at par value, payment shall be made out of the book surplus on the distributable profits of the Company; 2. if the shares being repurchased were issued at a premium to its par value, payment shall be made out of the book surplus on the distributable profits of the Company or out of the proceeds of the new issue of shares made for that purpose, provided that the amount paid out of the proceeds of the new issue shall not exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the book value of the Company's premium account or capital reserve fund account (inclusive of the premiums from the new issue) at the time of the repurchase; (3) The Company shall make the following payments out of the Company's distributable profits: 1. payment for the acquisition of the rights to repurchase the Company's own shares; 2. payment for the variation of any contract to repurchase the Company's own shares; 3. payment for the release of the Company's obligation under any repurchase contract. (4) After the Company's registered capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits for payment of the par value of shares which have been repurchased shall be transferred to the Company's premium account or capital reserve fund account.	Deleted	Contents in respect of Article 28 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the provision has expired
18	Article 42 The shares of the Company held by a promoter shall not be transferred within 1 year from the date of the establishment of the Company. Shares issued prior to the public offering of shares by the Company shall not be transferred within 1 year from the day on which the shares are listed and traded on the stock exchange.	Article ~~42~~34 ~~The shares of the Company held by a promoter shall not be transferred within 1 year from the date of the establishment of the Company.~~ Shares issued prior to the public offering of shares by the Company shall not be transferred within 2 years from the day on which the shares are listed and traded on the stock exchange.	Deleted as such requirement has been deleted in the new Company Law
19	Article 45 The Company or its subsidiaries shall not, at any time and in any manner, provide any financial assistance to purchasers or prospective purchasers of the shares of the Company. The aforesaid purchasers of shares of the Company as shall include persons who directly or indirectly assume relevant obligations as a result of purchasing shares of the Company. The Company or its subsidiaries shall not, at any time and in any manner, provide any financial assistance to the above obligators in order to reduce or discharge their obligations.	Deleted	Contents in respect of Chapter 5 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the Notice has expired

No.	Original provisions	Amended provisions	Basis or reason of amendment
20	Article 46 The provisions of this Article shall not apply to the circumstances described in Article 47 of this Articles of Association. The term "financial assistance" referred to in the Articles of Association shall include (but not limited to) the forms set out below: (1) gift; (2) guarantee (including the assumption of liability or provisions of property by the guarantor in order to secure the performance of the obligation by the obligator), indemnity (excluding, however, indemnity arising from the Company's own default) and release or waiver of rights; (3) provision of a loan or execution of an agreement under which the obligations of the Company are to be fulfilled prior to the obligations of other parties to such agreement, or a change in the parties to such loan or agreement or the assignment of rights under such loan or agreement etc.; (4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when such assistance would lead to a material reduction in the Company's net assets. For the purposes of the Articles of Association, the term "assumption of liability" includes the assumption of a liability by the obligator by signing agreements or making arrangements (whether or not such agreement or arrangement is enforceable and whether or not such obligation is assumed by the obligator individually or jointly with any other person) or by changing its financial position in any other way.	Deleted	Contents in respect of Chapter 5 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the Notice has expired

No.	Original provisions	Amended provisions	Basis or reason of amendment
21	Article 47 The conducts listed below shall not be regarded as those prohibited by Article 45 of the Articles of Association: (1) where the financial assistance given by the Company genuinely for the benefits of the Company and the main purpose of such financial assistance is not to purchase shares of the Company, or the financial assistance is an incidental part of a general plan of the Company; (2) distribution of the Company's properties as dividends pursuant to the law; (3) distribution of dividends in the form of shares; (4) reduction of registered capital, buy-back of shares and adjustment of shareholding structure etc., in accordance with the Articles of Association; (5) provision of a loan by the Company within its business scope and in the ordinary course of its business (provided that it does not lead to a reduction in the net assets of the Company or that if it constitutes a reduction, the financial assistance was paid out of the Company's distributable profits); (6) provision of money by the Company for an employee stock ownership plan (provided that it does not lead to a reduction in the net assets of the Company or that if it constitutes a reduction, the financial assistance was paid out of the Company's distributable profits).	Deleted	Contents in respect of Chapter 5 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the Notice has expired
22	Article 62 The Company shall keep a register of shareholders, in which the following particulars shall be recorded: (1) the name (title), address (domicile), occupation or nature of each shareholder; (2) the class and quantity of shares held by each shareholder; (3) the amount paid or payable for the shares held by each shareholder; (4) the share certificate numbers of the shares held by each shareholder; (5) the date on which each shareholder is registered as a shareholder; (6) the date on which each shareholder ceases to be a shareholder. The register of shareholders shall be sufficient evidence of the shareholders' shareholding in the Company, unless there is evidence to the contrary.	Article ~~62~~**50** The Company shall keep a register of shareholders, **which should contain** the following particulars ~~shall be recorded~~: **(1) the name or title and address of each shareholder;** **(2) the type and number of shares subscribed by each shareholder;** **(3) if shares are issued in paper form, the serial numbers of the share certificate (if any);** **(4) the date of acquisition of shares by each shareholder.** ~~**(1) the name (title), address (domicile), occupation or nature of each shareholder;**~~ ~~**(2) the class and quantity of shares held by each shareholder;**~~ ~~**(3) the amount paid or payable for the shares held by each shareholder;**~~ ~~**(4) the share certificate numbers of the shares held by each shareholder;**~~ ~~**(5) the date on which each shareholder is registered as a shareholder;**~~ ~~**(6) the date on which each shareholder ceases to be a shareholder.**~~ ~~**The register of shareholders shall be sufficient evidence of the shareholders' shareholding in the Company, unless there is evidence to the contrary.**~~ **The shareholders recorded in the register of shareholders may, pursuant to the register of shareholders, claim and exercise shareholders' rights.**	Contents in respect of Article 34 of the old Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were adjusted according to Article 102 of the new Company Law as the Notice has expired

No.	Original provisions	Amended provisions	Basis or reason of amendment
23	Article 63 The Company may, pursuant to any understanding or agreement reached between the CSRC and overseas securities regulatory authority, keep outside the People's Republic of China the register of shareholders of overseas-listed foreign shares, and entrust the administration thereof to an overseas agent. Hong Kong is the place where the original register of shareholders of foreign capital stocks listed abroad is kept. The Company shall keep at its domicile a duplicate of the register of shareholders of overseas-listed foreign shares. The entrusted agent outside the People's Republic of China shall ensure that the register of shareholders of overseas-listed foreign shares and its duplicate are consistent at all times. When the original version and duplicate copies of the register of shareholders of overseas-listed foreign shares are inconsistent, the original version shall prevail.	Article ~~63~~**51** The Company may, pursuant to any understanding or agreement reached between the CSRC and overseas securities regulatory authority, keep outside the People's Republic of China the register of shareholders of ~~overseas-listed~~ foreign shares, and entrust the administration thereof to an overseas agent. Hong Kong is the place where the original register of shareholders of foreign capital stocks listed abroad is kept. The Company shall keep at its domicile a duplicate of the register of shareholders of ~~overseas-listed~~ foreign shares. The entrusted agent outside the People's Republic of China shall ensure that the register of shareholders of ~~overseas-listed~~ foreign shares and its duplicate are consistent at all times. When the original version and duplicate copies of the register of shareholders of ~~overseas-listed~~ foreign shares are inconsistent, the original version shall prevail. **The Hong Kong branch register of shareholders must be available for inspection by shareholders, however, the Company is allowed to close the register of members on terms equivalent to section 632 of the Companies Ordinance (Cap. 622 of the Laws in Hong Kong).**	Corresponding adjustments were made according to the amendments of the Hong Kong Listing Rules
24	Article 68 Any shareholder who is registered in the register of shareholders or any person who requires his/her/its name (title) to be entered into the register of shareholders may apply to the Company for issuance of a replacement certificate in respect of his/her/its shares (hereinafter referred to as the "Relevant Shares") if such relevant share certificate (hereinafter referred to as the "Original Share Certificate") has been lost. Applications for the replacement of share certificates from shareholders of domestic share shall be dealt with in accordance with Article 143 of the Company Law. Applications for the replacement of share certificates from shareholders of overseas-listed foreign shares that have lost their share certificates may be dealt with in accordance with the laws, securities exchange regulations and other relevant provisions of the place where the original register of shareholders of overseas-listed foreign shares is kept. Applications for the replacement of share certificates from shareholders of overseas-listed foreign shares that have their share certificates stolen, lost or destroyed may be dealt with in accordance with the laws, securities exchange regulations and other relevant provisions of the place where the original register of shareholders of overseas-listed foreign shares is kept.	Article ~~68~~**56** Any shareholder who is registered in the register of shareholders or any person who requires his/her/its name (title) to be entered into the register of shareholders may apply to the Company for issuance of a replacement certificate in respect of his/her/its shares (hereinafter referred to as the "Relevant Shares") if such relevant share certificate (hereinafter referred to as the "Original Share Certificate") has been lost. Applications for the replacement of share certificates from shareholders of domestic share shall be dealt with in accordance with the requirements of ~~Article 143 of~~ the Company Law. ~~Applications for the replacement of share certificates from shareholders of overseas-listed foreign shares that have lost their share certificates may be dealt with in accordance with the laws, securities exchange regulations and other relevant provisions of the place where the original register of shareholders of overseas-listed foreign shares is kept.~~ Applications for the replacement of share certificates from shareholders of ~~overseas-listed~~ foreign shares that have their share certificates stolen, lost or destroyed may be dealt with in accordance with the laws, securities exchange regulations and other relevant provisions of the place where the original register of shareholders of ~~overseas-listed~~ foreign shares is kept.	To improve the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
25	Article 72 The Company's shareholders are persons who lawfully hold shares of the Company and whose names (title) are entered in the register of shareholders. Shareholders shall enjoy the rights and undertake obligations in accordance with the class of shares held thereby. Shareholders holding the same kind of shares shall enjoy the same rights and bear the same obligations. The Company shall not exercise any power to freeze or otherwise impair the rights of any of the shares attached to it by any person having a direct or indirect interest merely because he has not disclosed his interest to the Company. When the Company convenes a shareholders' general meeting, distributes dividends, conducts liquidation or perform other activities that require determining the identity of the shareholders, the Board of Directors or the convener of the shareholders' general meeting shall determine the date of record, and shareholders registered in the register after market closing on the date of record shall be shareholders who enjoy the relevant rights and interests. The holders of convertible corporate bonds do not have shareholders' rights and obligation until their convertible corporate bonds being converted into shares.	Article ~~72~~**60** The Company's shareholders are persons who lawfully hold shares of the Company and whose names (title) are entered in the register of shareholders. Shareholders shall enjoy the rights and undertake obligations in accordance with the class of shares held thereby. Shareholders holding the same kind of shares shall enjoy the same rights and bear the same obligations. ~~**The Company shall not exercise any power to freeze or otherwise impair the rights of any of the shares attached to it by any person having a direct or indirect interest merely because he has not disclosed his interest to the Company.**~~ When the Company convenes a shareholders' general meeting, distributes dividends, conducts liquidation or perform other activities that require determining the identity of the shareholders, the Board of Directors or the convener of the shareholders' general meeting shall determine the date of record, and shareholders registered in the register after market closing on the date of record shall be shareholders who enjoy the relevant rights and interests. The holders of convertible corporate bonds do not have shareholders' rights and obligation until their convertible corporate bonds being converted into shares.	Corresponding adjustments were made according to the amendments of the Hong Kong Listing Rules

No.	Original provisions	Amended provisions	Basis or reason of amendment
26	Article 73 The ordinary shareholders of the Company shall be entitled to the following rights: (1) obtaining dividends and any other form of profit distribution based on the number of shares held by them; (2) requiring, convening, chairing, attending or appointing a proxy to attend a shareholders' general meeting pursuant to the law and exercising the corresponding voting rights; (3) supervising the Company's business operations, proposing recommendations or raising questions; (4) transferring, donating or pledging shares held by them pursuant to laws, administrative regulations and provisions of the securities regulatory authority at the place where the shares of the Company are listed and the Articles of Association; (5) obtaining related information in accordance with provisions prescribed by laws and the Articles of Association, including: (I) obtaining the copies of the Article of Association after paying relevant costs; (II) reviewing and copying the following documents after paying reasonable costs: (i) materials about their holdings of the shares and the register of the shareholders; (ii) personal information on the directors, supervisors, president and other senior management of the Company, including: (a) current and previous names and aliases; (b) main address (domicile); (c) nationality; (d) full-time and all part-time occupations and titles; (e) identification documents and their numbers; (iii) most recent audited financial statements and annual reports of the Company; (iv) the total amount of share capital and the shareholding structure of the Company; reports showing the total par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount of cost incurred by the Company for this purpose (subdivided by domestic and foreign shares); (v) a copy of the most recent annual report submitted to the China market regulatory authority or other competent authority for filing; (vi) special resolutions of the general meeting of shareholders and/or the board of directors of the Company; (vii) counterfoils of corporate bonds, and minutes of shareholders' meetings. The Company shall provide the above documents (1) to (7) except item (2) to the Company's Hong Kong address for free inspection by the public and foreign equity shareholders listed outside Hong Kong as required by the Hong Kong Listing Rules. (6) upon termination or liquidation of the Company, participating in the distribution of the Company's residual assets based on their shareholding; (7) shareholders who objects to the resolution on merger or division of the Company passed by a shareholders' general meeting may request the Company to acquire his/her/its shares; (8) any other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.	Article ~~73~~**61** The ordinary shareholders of the Company shall be entitled to the following rights: (1) obtaining dividends and any other form of profit distribution based on the number of shares held by them; (2) requiring, convening, chairing, attending or appointing a proxy to attend a shareholders' general meeting pursuant to the law, **speaking** and exercising the corresponding voting rights; (3) supervising the Company's business operations, proposing recommendations or raising questions; (4) transferring, donating or pledging shares held by them pursuant to laws, administrative regulations and provisions of the securities regulatory authority at the place where the shares of the Company are listed and the Articles of Association; (5) **inspecting the Articles of Association, register of shareholders, counterfoils of corporate bonds, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors, and audited financial and accounting reports;** ~~**(5) obtaining related information in accordance with provisions prescribed by laws and the Articles of Association, including:**~~ ~~**(I) obtaining the copies of the Article of Association after paying relevant costs;**~~ ~~**(II) reviewing and copying the following documents after paying reasonable costs:**~~ ~~**(i) materials about their holdings of the shares and the register of the shareholders;**~~ ~~**(ii) personal information on the directors, supervisors, president and other senior management of the Company, including:**~~ ~~**(a) current and previous names and aliases;**~~ ~~**(b) main address (domicile);**~~ ~~**(c) nationality;**~~ ~~**(d) full-time and all part-time occupations and titles;**~~ ~~**(e) identification documents and their numbers;**~~ ~~**(iii) most recent audited financial statements and annual reports of the Company;**~~ ~~**(iv) the total amount of share capital and the shareholding structure of the Company; reports showing the total par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount of cost incurred by the Company for this purpose (subdivided by domestic and foreign shares);**~~ ~~**(v) a copy of the most recent annual report submitted to the China market regulatory authority or other competent authority for filing;**~~ ~~**(vi) special resolutions of the general meeting of shareholders and/or the board of directors of the Company;**~~ ~~**(vii) counterfoils of corporate bonds, and minutes of shareholders' meetings. The Company shall provide the above documents (1) to (7) except item (2) to the Company's Hong Kong address for free inspection by the public and foreign equity shareholders listed outside Hong Kong as required by the Hong Kong Listing Rules.**~~ (6) upon termination or liquidation of the Company, participating in the distribution of the Company's residual assets based on their shareholding; (7) shareholders who objects to the resolution on merger or division of the Company passed by a shareholders' general meeting may request the Company to acquire his/her/its shares; (8) any other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.	The original content was the requirements of Article 45 of Prerequisite Clauses for Articles of Association of Company Whose Shares Are Listed Overseas. Since the document has become invalid, it will be deleted accordingly and appropriately adjusted in accordance with the new Company Law

No.	Original provisions	Amended provisions	Basis or reason of amendment
27	Article 76 Where the convening procedures or voting method of a shareholders' general meeting or a board meeting violate any laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, a shareholder shall have the right to apply to the people's court for revocation within 60 days from passing of such resolution.	Article ~~7664~~ Where the convening procedures or voting method of a shareholders' general meeting or a board meeting violate any laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, a shareholder shall have the right to apply to the people's court for revocation within 60 days from passing of such resolution. **However, a shareholder shall have no right to do so if only minor flaws exist in the convening procedures or voting method of a shareholders' general meeting or a board meeting, which have no material impact on the resolution. Shareholders who have not been notified to attend the shareholders' general meeting may apply to the people's court for revocation within sixty days from the date they knew or should have known of the passing of the resolution of the shareholders' general meeting; if the right to revoke is not exercised within one year from the date the resolution is made, the right to revoke shall be extinguished.**	Adjustments were made to the expressions of situations where resolutions are invalid, revocable, and untenable according to the new Company Law
28	Article 77 Where the directors or senior management violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, the shareholders who individually or collectively hold 1% or more of the Company's shares for a consecutive period of 180 consecutive days or longer are entitled to request to the Board of Supervisors to file a lawsuit with people's court in writing; where the Board of Supervisors violates the provisions of laws, administrative regulations or the Articles of Association in the performance of their duties and cause losses to the Company, shareholders may request to the Board of Directors to file a lawsuit with people's court in writing. Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Board of Supervisors or the Board of Directors refuses to file lawsuit or does not file lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the Company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in his/her/its own name for the interest of the Company. Where other persons infringe legitimate rights and interests of the Company and cause losses to the Company, the shareholders stipulated in the first paragraph of this Article may file lawsuit with competent people's court pursuant to the provisions of the preceding two paragraphs.	Article ~~7765~~ Where the directors or senior management violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, the shareholders who individually or collectively hold 1% or more of the Company's shares for a consecutive period of 180 consecutive days or longer are entitled to request to the Board of Supervisors to file a lawsuit with people's court in writing; where the ~~Board of~~ Supervisors violates the provisions of laws, administrative regulations or the Articles of Association in the performance of their duties and cause losses to the Company, shareholders may request to the Board of Directors to file a lawsuit with people's court in writing. Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Board of Supervisors **or** the Board of Directors refuses to file lawsuit or does not file lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the Company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in his/her/its own name for the interest of the Company. Where other persons infringe legitimate rights and interests of the Company and cause losses to the Company, the shareholders stipulated in the first paragraph of this Article may file lawsuit with competent people's court pursuant to the provisions of the preceding two paragraphs.	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
29	Article 84 (10) to amend the Articles of Association and deliberate proposals put forward by shareholders who represent 3% or more of the Company's voting shares; ... (12) to deliberate on and approve the following guarantees: 1. to provide any other guarantee under the situation where the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the audited net assets of the Company in the latest period; 2. to provide any guarantee under the situation where the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeding 30% of the Company's audited total assets in the latest period; 3. the amount of guarantees provided by the Company within one year exceeding 30% of the Company's latest audited total assets; 4. guarantee offered to person whose gearing ratio has exceed 70%; 5. a single guarantee with an amount exceeding 10% of the Company's latest audited net assets; 6. guarantees provided to shareholders, de facto controllers and their related parties; 7. other security situations that need to be submitted to the shareholders' meeting for approval in accordance with the relevant provisions of the stock exchange and these Articles of Association.	Article ~~84~~**72** (10) to amend the Articles of Association and deliberate proposals put forward by shareholders who ~~represent 3% or more of the Company's voting shares~~ **individually or collectively hold more than 1% of the Company's shares**; ... (12) to deliberate on and approve the following guarantees: 1. to provide any other guarantee under the situation where the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the audited net assets of the Company in the latest period; 2. to provide any guarantee under the situation where the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 30% of the Company's audited total assets in the latest period; 3. the amount of guarantees **calculated on an accumulative basis over a period of 12 consecutive months exceeds**~~ provided by the Company within one year exceeding~~ 30% of the Company's latest audited total assets; 4. guarantee offered to person whose gearing ratio has exceed 70%; 5. a single guarantee with an amount exceeding 10% of the Company's latest audited net assets; 6. guarantees provided to shareholders, de facto controllers and their related parties; 7. other security situations that need to be submitted to the shareholders' meeting for approval in accordance with the relevant provisions of the stock exchange and these Articles of Association.	1. The entity entitled to the right to raise interim proposals was modified according to Article 115 of the new Company Law 2. Expression were modified according to Part IV of Rule 6.1.10 of the Rules Governing the Listing of Stock on the Shanghai Stock Exchange (revised in August 2023)
30	Article 84 (13) ... The Company shall not provide financial assistance to connected parties stipulated under Rule 6.3.3 of the Rules Governing the Listing of Stock on the Shanghai Stock Exchange (revised in January 2022), except for the assistance provided to connected joint-stock companies not under the control of the Company's controlling shareholders and de facto controllers, and that the other shareholders of such joint-stock companies provide financial assistance on equal terms and in proportion to their capital contributions. The Company must submit a resolution at the general meeting for consideration when providing financial assistance to such joint-stock companies.	Article ~~84~~**72** (13) ... The Company shall not provide financial assistance to connected parties stipulated under the **relevant** rules of ~~Rule 6.3.3 of~~ the Rules Governing the Listing of Stock on the Shanghai Stock Exchange~~ (revised in January 2022)~~, except for the assistance provided to connected joint-stock companies not under the control of the Company's controlling shareholders and de facto controllers, and that the other shareholders of such joint-stock companies provide financial assistance on equal terms and in proportion to their capital contributions. The Company must submit a resolution at the shareholders' general meeting for consideration when providing financial assistance to such joint-stock companies.	Generalized to allow flexibility in modifying the Articles of Association in response to further changes in the provisions of the rules
31	Article 72: paragraph (19) newly added	Article 72 ... **(19) to authorize the Board of Directors to issue shares subject to compliance with relevant laws and regulations;**	New addition in light of the requirements under the new Company Law and the Measures for the Administration of Registration of Securities Offering by Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
32	Article 96 ... The shareholders that individually or jointly hold more than 3% of the Company's shares may raise interim proposals and submit them in writing to the convener 10 days prior to the convening of the shareholders' general meeting. Where shareholders subject to the conditions as mentioned above raise interim proposals before the convening of the shareholders' general meeting, their shareholding proportions shall not be less than 3% during the period from the date of the issuance of notice on proposals to the announcement of the resolutions. The convener shall, within 2 days after the receipt of such proposal, issue a supplemental notice of the shareholders' general meeting and announce the contents of the ad hoc proposals. Except as prescribed in the preceding paragraph, the convener, after issuing the notice of shareholders' general meeting, shall neither revise the proposals stated in the notice of shareholders' general meetings nor add new proposals. If a notice of shareholders' general meeting does not specify the proposed resolutions or such proposed resolutions do not comply with Article 27 of the Rules herein, no voting or resolution shall be effected or adopted shall be carried out at the general meeting.	Article ~~96~~**84**... The shareholders that individually or jointly hold more than ~~3%~~**1%** of the Company's shares may raise interim proposals and submit them in writing to the convener 10 days prior to the convening of the shareholders' general meeting. Where shareholders subject to the conditions as mentioned above raise interim proposals before the convening of the shareholders' general meeting, their shareholding proportions shall not be less than ~~3%~~**1%** during the period from the date of the issuance of notice on proposals to the announcement of the resolutions. **Where shareholders raise interim proposals, they shall provide the convener with proof of holding more than 1% of the shares of the listed company. Where shareholders jointly submit a proposal through entrustment, the entrusting shareholder shall issue a written authorization document to the entrusted shareholder.** The convener shall, within 2 days after the receipt of such proposal, issue a supplemental notice of the shareholders' general meeting and announce the contents of the ad hoc proposals. Except as prescribed in the preceding paragraph, the convener, after issuing the notice of shareholders' general meeting, shall neither revise the proposals stated in the notice of shareholders' general meetings nor add new proposals. **Where the disclosure content of the proposal needs to be supplemented or corrected in accordance with regulations, the convener shall not substantively modify the proposal, and shall issue relevant supplementary or corrective announcements within the prescribed time. The legal opinion on the resolution of the shareholders' general meeting shall include definite opinions from the lawyer on whether the supplements and corrections to the disclosure content of the proposal constitute substantive modifications to the proposal.** **Where the proposal is substantially modified, the relevant changes shall be regarded as a new proposal and shall not be voted on at this shareholders' general meeting.** If a notice of shareholders' general meeting does not specify the proposed resolutions or such proposed resolutions do not comply with Article **83**~~27~~ of the Rules herein, no voting shall be carried out and no resolution shall be raised at the shareholders' general meeting.	1. The entity entitled to the right to raise interim proposals was modified according to Article 115 of the new Company Law"; 2. Revised in accordance with Articles 2.1.4 and 2.1.5 of the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (revised in December 2023)
33	Article 99 (3) providing shareholders with all the information and explanations that are necessary for them to make sensible decisions on matters to be discussed. This, in principle, shall include (but not limited to) providing concrete terms and contracts (if any) of the proposed transaction under negotiation, and earnestly explaining the causes and consequences thereof when the Company proposes a merger, share repurchase, reorganization of share capital or other restructuring; (4) if any director, supervisor, president and other senior management has a substantial stake in any of the matters to be discussed, the notice shall disclose the nature and extent of his/her stake in relevant matters; if where the impact of the matters to be discussed on such director, supervisor, president and other senior management who are shareholders is different from the impact on other shareholders of the same class, the notice shall explain the difference; (5) containing the full text of any special resolution proposed to be passed at the meeting;	Deleted	The original contents are the requirements of Article 56 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing, which were deleted as the document has expired

No.	Original provisions	Amended provisions	Basis or reason of amendment
34	Article 99 (6) containing an explicit statement that all shareholders are entitled to attend and vote in the shareholders' general meeting; and can appoint proxies to attend and vote on their behalf in the meeting; and that the proxy or proxies need not be shareholder of the Company;	Article ~~99~~**87 (~~6~~3)** containing an explicit statement that all **ordinary** shareholders **(including preference shareholders with restored voting rights)** are entitled to attend and vote in the shareholders' general meeting; and can appoint proxies to attend and vote on their behalf in the meeting; and that the proxy or proxies need not be shareholder of the Company;	Adjusted in accordance with Article 56 of the Guidelines on Articles of Association of Listed Companies
35	Article 113 The shareholders' general meetings shall be convened and presided over by the Chairman of the Board. Where the Chairman is unable or fails to perform his/her/its duties, the deputy Chairman (if there are two or more deputy chairmen, the deputy Chairman nominated by more than half of the directors) shall preside over the meetings; where the deputy Chairman is unable or fails to perform his/her/its duties, a director nominated by more than half of the directors shall preside over the meetings. If the board of directors is unable or fails to fulfill the obligation of convening the shareholders' general meetings, the Board of Supervisors shall convene and preside over such meetings in a timely manner. If the Board of Supervisors does not convene or preside over such meetings, the shareholders individually or jointly holding 1/10 or more of the shares of the Company for over ninety (90) consecutive days may convene and preside over such meetings on their own initiative. If for any reason the shareholders are unable to elect a Chairman, the shareholder holding the largest number of voting shares who attends the meeting (including proxy thereof) shall preside over the meeting. The Chairman of the Board of Supervisors shall preside over the shareholders' general meetings convened by the Board of Supervisors. Where the Chairman of the Board of Supervisors is unable or fails to perform his/her/its duties, the deputy Chairman of the Board of Supervisors shall preside over the meeting; where the deputy Chairman of the Board of Supervisors is unable or fails to perform his/her/its duties, a supervisor nominated by more than half of the supervisors shall preside over the meeting. In the case of a shareholders' general meeting convened by shareholders on their own initiative, the convener shall appoint a representative to preside over the meeting.	Article ~~113~~**101** The shareholders' general meetings shall be ~~convened by the Board of Directors, convened and~~ presided over by the Chairman of the Board. Where the Chairman is unable or fails to perform his/her/its duties, the deputy Chairman (if there are two or more deputy chairmen, the deputy Chairman nominated by more than half of the directors) shall preside over the meetings; where the deputy Chairman is unable or fails to perform his/her/its duties, a director nominated by more than half of the directors shall preside over the meetings. If the board of directors is unable or fails to fulfill the obligation of convening the shareholders' general meetings, the Board of Supervisors shall convene and preside over such meetings in a timely manner. If the Board of Supervisors does not convene or preside over such meetings, the shareholders individually or jointly holding 1/10 or more of the shares of the Company for over ninety (90) consecutive days may convene and preside over such meetings on their own initiative. ~~If for any reason the shareholders are unable to elect a Chairman, the shareholder holding the largest number of voting shares who attends the meeting (including proxy thereof) shall preside over the meeting.~~ The Chairman of the Board of Supervisors shall preside over the shareholders' general meetings convened by the Board of Supervisors. Where the Chairman of the Board of Supervisors is unable or fails to perform his/her/its duties, the deputy Chairman of the Board of Supervisors shall preside over the meeting; where the deputy Chairman of the Board of Supervisors is unable or fails to perform his/her/its duties, a supervisor nominated by more than half of the supervisors shall preside over the meeting. In the case of a shareholders' general meeting convened by shareholders on their own initiative, the convener shall appoint a representative to preside over the meeting. **If for any reason the shareholders are unable to elect a Chairman, the shareholder holding the largest number of voting shares who attends the meeting (including proxy thereof) shall preside over the meeting.**	Adjustments were made and the accuracy of expression was improved in accordance with Article 68 of the Guidelines on Articles of Association of Listed Companies
36	Article 114 The Chairman of the meeting shall be responsible for deciding whether or not a resolution of the shareholders' general meeting has been adopted. His/her decision shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.	Deleted	The original contents are the requirements of Article 74 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing, which were deleted as the document has expired
37	Article 115 If the Chairman of the meeting has any doubts about the result of a resolution put to the vote, he/she may count the number of votes cast. If the Chairman of the meeting fails to count the votes, a shareholder or proxy of the shareholder attending the meeting who challenges the result announced by the Chairman of the meeting shall have the right to request counting of votes immediately after such announcement, the Chairman of the meeting shall immediately count the votes.	Deleted	The original contents are the requirements of Article 75 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing, which were deleted as the document has expired

No.	Original provisions	Amended provisions	Basis or reason of amendment
38	Article 116 If counting of votes is conducted at a shareholders' general meeting, the result of the counting shall be recorded in the minutes of the meeting. The minutes of the meeting and the attendance records signed by the attending shareholders and proxy forms shall be kept at the Company's domicile.	Deleted	The original contents are the requirements of Article 76 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing, which were deleted as the document has expired
39	Article 117 Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder demands from the Company a photocopy of relevant minutes of meetings, the Company shall send such photocopies within 7 days after receiving reasonable charges.	Deleted	The original contents are the requirements of Article 77 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing, which were deleted as the document has expired
40	Article 132 The following proposals shall be resolved by a special resolution at a shareholders' general meeting: ... (8) other matters which are resolved in shareholders' general meeting by ordinary resolution as being material to the Company and required to be passed by special resolution. Any other matters to be approved by a special resolution as required by the laws, administrative regulations, listing rules of the place where the Company's shares are listed and other regulatory provisions or the Articles of Association, or considered to have a substantial impact on the Company and to require approval by a special resolution by the shareholders' general meeting in an ordinary resolution.	Article **~~132~~116** The following proposals shall be resolved by a special resolution at a shareholders' meeting: ... (8) **authorization to the Board of Directors by the shareholders' general meeting to issue shares; (~~8~~9)~~ other matters which are resolved in shareholders' general meeting by ordinary resolution as being material to the Company and required to be passed by special resolution. Any~~ any** other matters to be approved by a special resolution as required by the laws, administrative regulations, listing rules of the place where the Company's shares are listed and other regulatory provisions or the Articles of Association, or considered to have a substantial impact on the Company and to require approval by a special resolution by the shareholders' general meeting in an ordinary resolution.	Item (8) was added and the accuracy of expression was improved in accordance with the new Company Law, which provides that the shareholders' general meeting may authorize the Board of Directors to issue shares
41	Article 136 The list of candidates for directors and supervisors shall be presented in the form of a proposal at a shareholders' general meeting for voting. When a shareholders' general meeting votes on the election of directors and supervisors, the cumulative voting method may be implemented pursuant to the provisions of the Articles of Association or the resolution of a shareholders' general meeting. Where a sole shareholder and its party acting in concert are interested in 30% or more in the shares of the Company, the cumulative voting method shall be adopted.	Article **~~136~~120** The list of candidates for directors and supervisors shall be presented in the form of a proposal at a shareholders' general meeting for voting. When a shareholders' general meeting votes on the election of directors and supervisors, the cumulative voting method may be implemented pursuant to the provisions of the Articles of Association or the resolution of a shareholders' general meeting. Where a sole shareholder and its party acting in concert are interested in 30% or more in the shares of the Company, the cumulative voting method shall be adopted. **When electing two or more independent directors, the cumulative voting system shall be adopted.**	Supplementation was made in accordance with Article 12 of the Measures for the Administration of Independent Directors of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
42	Article 136 Upon the expiration of the term of office of the Board of Directors or in need of replacement of directors due to vacancies within the Board of Directors, the shareholders, individually or jointly, holding 3% or more of the total number of the outstanding shares with voting rights of the Company may recommend candidates for directors to the Board of Directors in writing. Upon the Board of Directors' review and examination, if the candidates comply with the provisions by law and the Articles of Association, the Board shall submit the candidate list, curriculum vitae and basic information in the form of a proposal to the shareholders' general meeting for deliberation and election.	Article ~~136~~**120** Upon the expiration of the term of office of the Board of Directors or in need of replacement of directors due to vacancies within the Board of Directors, the shareholders, individually or jointly, holding 3% or more of the total number of the outstanding shares with voting rights of the Company may recommend candidates for directors to the Board of Directors in writing. Upon the Board of Directors' review and examination, if the candidates comply with the provisions by law and the Articles of Association, the Board shall submit the candidate list, curriculum vitae and basic information in the form of a proposal to the shareholders' general meeting for deliberation and election **(independent directors shall be nominated, elected and replaced in accordance with the methods specified in the Independent Directors' Rules of Haier Smart Home Co., Ltd.)**.	Supplemental information was added in accordance with Article 9 of the Measures for the Administration of Independent Directors of Listed Companies
43	Article 154 The notice of a meeting of class shareholders needs to be delivered only to the shareholders entitled to vote thereat. Except for shareholders of other classes of shares, the shareholders of domestic shares and shareholders of foreign shares shall be deemed as holders of different classes of shares. The special voting procedures for class shareholders shall not apply: (1) where, as approved by way of a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, domestic shares and overseas-listed foreign shares every 12 months, and the number of the domestic shares and overseas listed foreign shares intended to be issued does not exceed 20% of the issued and outstanding shares of the respective classes; (2) where the plan for issuance of domestic shares and overseas-listed foreign shares upon the establishment of the Company is completed within 15 months of being approved by the relevant securities authorities.	Article ~~154~~**137** The notice of a meeting of class shareholders needs to be delivered only to the shareholders entitled to vote thereat. Except for shareholders of other classes of shares, the shareholders of domestic shares and shareholders of foreign shares shall be deemed as holders of different classes of shares. The special voting procedures for class shareholders shall not apply: ~~(1)~~ where, as approved by way of a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, domestic shares and ~~overseas-listed~~ foreign shares every 12 months, and the number of the domestic shares and ~~overseas-listed~~ foreign shares intended to be issued does not exceed 20% of the issued and outstanding shares of the respective classes~~; (2) where the plan for issuance of domestic shares and overseas-listed foreign shares upon the establishment of the Company is completed within 15 months of being approved by the relevant securities authorities~~.	The basis for the rules of these clauses is the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, which has expired, so they were deleted

No.	Original provisions	Amended provisions	Basis or reason of amendment
44	Article 156 The directors of the Company shall be natural persons. The following persons shall not serve as the directors of the Company: (1) a person without civil capacity or a person with limited capacity for civil conduct; (2) a person who was convicted for criminal offence for corruption, bribery, encroachment of property, misappropriation of assets or disruption of the order of socialist market economy and a 5-year period has not elapsed since completion of execution of the judgment, or who has been stripped of his/her political rights as result of committing a criminal offence and a 5-year period has not elapsed since completion of execution of the judgment; (3) a person has been adjudicated for violating provisions of relevant securities regulations by a competent organization, and has been involved in a fraudulent or dishonest conduct, and less than five years have elapsed since the date of the adjudication; (4) a person who was a director or the plant president or president of a bankrupt and liquidated company or enterprise and who was personally accountable for the bankruptcy of the said company or enterprise, and a 3-year period has not elapsed since completion of bankruptcy liquidation of the said company or enterprise; (5) a person who was the legal representative of a company or an enterprise whose business license was revoked or which was ordered to be closed down due to violation of law, and who was personally accountable for the revocation of business license or closure of the company or enterprise, and a 3-year period has not elapsed since revocation of business license of the said company or enterprise; (6) a person who has a relatively large amount of due and outstanding debt; (7) a person who has been prohibited by the CSRC from the securities market and the ban period has not expired; (8) He/she has been publicly identified by the stock exchange as not suitable to serve as a director of a listed company, the term of which has not expired; (9) any other person stipulated by laws, administrative regulations or departmental rules.	Article ~~156~~**139** The directors of the Company shall be natural persons. The following persons shall not serve as the directors of the Company: (1) a person without civil capacity or a person with limited capacity for civil conduct; (2) a person who was convicted for criminal offence for corruption, bribery, encroachment of property, misappropriation of assets or disruption of the order of socialist market economy and a 5-year period has not elapsed since completion of execution of the judgment, or who has been stripped of his/her political rights as result of committing a criminal offence and a 5-year period has not elapsed since completion of execution of the judgment**, or who has been sentenced to probation and a 2-year period has not elapsed since the date of expiration of the probation period**; (3) a person has been adjudicated for violating provisions of relevant securities regulations by a competent organization, and has been involved in a fraudulent or dishonest conduct, and less than five years have elapsed since the date of the adjudication; (4) a person who was a director or the plant president or ~~president~~**manager** of a bankrupt and liquidated company or enterprise and who was personally accountable for the bankruptcy of the said company or enterprise, and a 3-year period has not elapsed since completion of bankruptcy liquidation of the said company or enterprise; (5) a person who was the legal representative of a company or an enterprise whose business license was revoked or which was ordered to be closed down due to violation of law, and who was personally accountable for the revocation of business license or closure of the company or enterprise, and a 3-year period has not elapsed since revocation of business license of the said company or enterprise; (6) a person who has a relatively large amount of due and outstanding debt**, who is listed as a dishonest person by the people's court**; (7) a person who has been prohibited by the CSRC from ~~the securities market~~**serving as a director, supervisor or senior management of listed companies in the market** and the ban period has not expired; (8) He/she has been publicly identified by the stock exchange as not suitable to serve as a director of a listed company, the term of which has not expired; (9) any other person stipulated by laws, administrative regulations or departmental rules.	Adjusted in accordance with Section 2 of Article 178 of the new Company Law and the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (revised in December 2023)

No.	Original provisions	Amended provisions	Basis or reason of amendment
45	Article 157 The validity of an act of a director, the president or other senior management of the Company on behalf of the Company towards a bona fide third party shall not be affected by any irregularity in his/her/its current position, election or qualifications.	Deleted	Contents in respect of Article 113 of the old Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the document has expired
46	Article 158 In addition to obligations imposed by laws, administrative regulations or listing rules of the securities exchange(s) on which shares of the Company are listed, the directors, supervisors, general presidents and other senior management of the Company shall undertake the following obligations to each shareholder in the exercise of the functions and powers granted to them by the Company: (1) not to cause the Company to act beyond the scope of business stipulated in its business license; (2) to act honestly in the best interests of the Company; (3) not to deprive the Company of its property in any way, including (but not limited to) any opportunities that are favorable to the Company; (4) not to deprive the shareholders of their individual rights or interests, including (but not limited to) rights to distributions and voting rights.	Deleted	The amended Articles 140, 141, 156 and 207 have explained the obligations of directors, supervisors and senior management. This clause is redundant. Moreover, contents in respect of Article 114 of the old Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the document has expired

No.	Original provisions	Amended provisions	Basis or reason of amendment
47	Article 159 The directors, supervisors, president and other senior management of the Company must, in the performance of their duties, abide by the principles of honesty and credibility and shall not place themselves in a position where there is a conflict between their personal interests and their duties assumed. This principle shall include (but not limited to) the fulfillment of the following obligations: (1) to act honestly in the best interests of the Company; (2) to exercise powers within the scope of his/her/its functions and powers and not to act beyond such powers; (3) to personally exercise the discretion invested in him/her/its, not to allow himself/herself/itself to be manipulated by another person and, not to delegate the exercise of his/her discretion to another party unless permitted by laws and administrative regulations or with the consent of the shareholders' general meeting that has been informed; (4) to be impartial to shareholders of the same classes and of different classes; (5) not to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided in the Articles of Association of the Company or with the consent of the shareholders' general meeting that has been informed; (6) not to use the Company property for his/her own benefit in any way without the consent of the shareholders' general meeting that has been informed; (7) not to use his/her functions and powers as a means to accept bribes or other forms of illegal income, and not to illegally appropriate Company property in any way, including (but not limited to) any opportunities that are favorable to the Company; (8) not to accept commissions in connection with Company transactions without the consent of the shareholders' general meeting that has been informed; (9) to abide by the Articles of Association, perform his/her duties faithfully, protect the interests of the Company and not to seek personal gain with his/her position, functions and powers in the Company; (10) not to compete with the Company in any way without the consent of the shareholders' general meeting that has been informed; (11) not to embezzle Company funds or lend them to others, not to deposit Company assets in accounts opened in his/her own or in another's name, not to use company assets as security for the debts of the Company shareholders or other individuals; (12) not to disclose confidential information relating to the Company that was acquired by him/her during his/her office without the consent of the shareholders' general meeting that has been informed, and not to use such information except in the interests of the Company; however, such information may be disclosed to the court or other government authorities if: (a) provided by law; (b) required in the public interest; (c) required in the own interest of such director, supervisor, president or other senior management of the Company.	Deleted	The amended Articles 140, 141, 156 and 207 have explained the obligations of directors, supervisors and senior management. This clause is redundant. Contents in respect of Article 116 of the old Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the document has expired

No.	Original provisions	Amended provisions	Basis or reason of amendment
48	Article 160 A director, a supervisor, the president or other senior management of the Company may not incite the following persons or organizations (hereinafter collectively referred to as the "Connected Persons") to do what such director, supervisor, president or other senior management may not do: (1) the spouse or minor child of such director, supervisor, president and other senior management of the Company; (2) the trustee of a director, supervisor, president and other senior management of the Company or of any person referred in Item (1) hereof; (3) the partner of a director, supervisor, president and other senior management of the Company or of any person referred in Items (1) and (2) hereof; (4) the company over which a director, supervisor, president and other senior management of the Company, alone or jointly with any person referred to in Items (1), (2) and (3) hereof or any other director, supervisor, president or other senior management of the Company, has actual control; (5) a director, a supervisor, the president and other senior management of a company being controlled as referred to in Item (4) hereof.	Deleted	Contents in respect of Article 117 of the old Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the document has expired
49	Article 161 The Company's director, supervisor, president and other senior management shall have an obligation, in the exercise of their rights or discharge of their obligations, to perform their due acts with care, diligence and skill as a reasonable and prudent person should do under similar circumstances.	Deleted	Contents in respect of Article 115 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the document has expired, and these obligations have been included in the diligent obligations of the directors, supervisors and senior management as stipulated below
50	Paragraph 4 of Article 162 The shortest period during which a notice shall be sent to the Company with respect to a proposal to elect a person as the director and the shortest period during which such person shall send a notice to the Company indicating that he/she intends to accept the election shall be at least 7 days. The period for the delivery of the aforesaid notices shall begin to calculate after the Company sends the meeting notice and end no later than 7 days before the date of holding the meeting.	Deleted	Corresponding adjustments were made according to the amendments of the Hong Kong Listing Rules
51		**One additional paragraph: The following expression: "Income derived by a director from violation of the provisions of this article shall belong to the Company; where the Company suffer losses thereto, the director shall be liable for compensation.", which originally belonged to Article 163, was rearranged as the last paragraph of Article 140**	The accuracy of expression was improved with reference to Articles 97 and 98 of the Guidelines on Articles of Association of Listed Companies (revised in 2022)
52	Article 163 Income derived by a director from violation of the provisions of this article shall belong to the Company; where the Company suffer losses thereto, the director shall be liable for compensation. Directors shall comply with laws, administrative regulations, listing rules of the place where the Company's shares are listed and the Articles of Association and shall undertake the following diligent obligations towards the Company...	Article ~~163~~141 ~~**Income derived by a director from violation of the provisions of this article shall belong to the Company; where the Company suffer losses thereto, the director shall be liable for compensation.**~~ Directors shall comply with laws, administrative regulations, listing rules of the place where the Company's shares are listed and the Articles of Association and shall undertake the following diligent obligations towards the Company...	The accuracy of expression was improved by rearranging to Article 140 of the revised Article of Association

No.	Original provisions	Amended provisions	Basis or reason of amendment
53	Article 164 If a director, a supervisor, the president or other senior management of the Company has directly or indirectly had a material interest in a contract, transaction or arrangement concluded or planned by the Company (except employment contract of the director, supervisor, president or other senior management with the Company), he/she shall disclose the nature and extent of such interest to the Board of Directors at the earliest opportunity, whether or not the matter is normally subject to the approval of the Board of Directors.	Article ~~164~~**142** ~~**If a director, a supervisor, the president or other senior management of the Company has directly or indirectly had a material interest in a contract, transaction or arrangement concluded or planned by the Company (except employment contract of the director, supervisor, president or other senior management with the Company), he/she shall disclose the nature and extent of such interest to the Board of Directors at the earliest opportunity, whether or not the matter is normally subject to the approval of the Board of Directors.**~~ **Directors, supervisors and senior management, who have directly or indirectly entered into contracts or transactions with the company, shall report to the board of directors or the shareholders' general meeting on matters relating to the entering into of such contracts or transactions and have such matters approved by resolution of the board of directors or the shareholders' general meeting in accordance with the provisions of the Articles of Association. The preceding provision shall apply to contracts or transactions entered into with the company by close family members of the directors, supervisors, president and other members of senior management, enterprises directly or indirectly controlled by the directors, supervisors, president and other members of senior management or their close family members, as well as associates with whom the directors, supervisors, president and other members of senior management have other affiliations or relationships.**	Improvement was made to the expression accuracy of the regulations on related-party transactions between the directors, supervisors and senior management with the Company in accordance with Article 182 of the new Company Law
54	Article 165 Unless the interested director, supervisor, president or other senior management of the Company has disclosed such interest to the Board of Directors as required under Article 164 and the matter has been approved by the Board of Directors at a meeting in which he/she was not counted in the quorum and had refrained from voting, the Company shall have the right to cancel the contract, transaction or arrangement, except the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, president or other senior management concerned.	Deleted	Contents in respect of Article 120 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted due to the invalidity of the document
55	Article 166 A director, a supervisor, the president or other senior management of the Company shall also be deemed to have an interest in any contract, transaction or arrangement in which a Connected Person of that director, supervisor, president or other senior management has an interest.	Deleted	Contents in respect of Article 120 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted due to the invalidity of the document
56	Article 167 If a director of the Company gives a written notice to the Board of Directors before the conclusion of the contract, transaction or arrangement is first considered by the Company, stating that due to the contents of the notice, he/she has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such director shall be deemed for the purposes of the preceding article of this chapter to have declared his interest, insofar as attributable to the scope stated in the notice.	Deleted	Contents in respect of Article 121 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted due to the invalidity of the document
57	Article 168 The Company may not directly or indirectly provide a loan or loan guarantee to the directors, supervisors, president or other senior management of the Company and its parent company, nor to the Connected Persons of the above-mentioned persons.	Deleted	Contents in respect of Article 123 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted due to the invalidity of the document

No.	Original provisions	Amended provisions	Basis or reason of amendment
58	Article 169 The provisions of Article 168 shall not apply to the following circumstances: (1) the provision of a loan or loan guarantee by the Company to a subsidiary of the Company; (2) the provision of a loan or loan guarantee or other funds by the Company to a director, a supervisor, the president and other senior management of the Company under an employment contract approved by the shareholders' general meeting, so as to enable him/her to pay the expenses incurred for the sake of the Company or for the performance of his/her Company duties; (3) The Company may make a loan or provide a guarantee in connection with the making of a loan to any of the relevant Directors, Supervisors, presidents, and other members of senior management or their respective associates if the ordinary course of business of the Company includes the lending of money or the giving of guarantee, provided that the loan or the guarantee is on normal commercial terms.	Deleted	Contents in respect of Article 123 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted due to the invalidity of the document
59	Article 170 A loan provided by the Company in violation of the preceding article shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.	Deleted	Contents in respect of Article 124 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted due to the invalidity of the document
60	Article 171 The Company may not be forced to perform a loan guarantee provided by the Company in violation of Article 168, except: (1) when the loan is provided to a Connected Person of a director, a supervisor, the president and other senior management of the Company or its parent company, the loan provider is not aware of the condition; (2) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.	Deleted	Contents in respect of Article 125 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted due to the invalidity of the document
61	Article 172 For the purposes of the preceding article of this chapter, the term "guarantee" shall include an act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of obligations by an obligor.	Deleted	Contents in respect of Article 126 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted due to the invalidity of the document
62	Article 187 The Company shall establish an independent director (namely "independent non-executive director") system and the secretary of the Board of Directors shall actively cooperate with the independent directors to perform their duties. An independent director means a director who does not hold any position in the Company other than director and who has no relationship with the Company or its substantial shareholders that could hinder his/her independent and objective judgments. The independent directors shall not be less than three and shall comprise at least one-third or more of the Directors of Board. Those who have simultaneously held the position of independent director in five domestic and overseas listed companies may no longer be nominated as candidates for independent director of the Company. The independent directors of the Company shall include at least one independent director usually residing in Hong Kong.	Article **~~187~~157** The Company shall establish an independent director (namely "independent non-executive director") system and the secretary of the Board of Directors shall actively cooperate with the independent directors to perform their duties. An independent director means a director who does not hold any position in the Company other than director and who has no relationship with the Company or its substantial shareholders that could hinder his/her independent and objective judgments. The independent directors shall not be less than three and shall comprise at least one-third or more of the Directors of Board. Those who have simultaneously held the position of independent director in **three ~~five~~** domestic and overseas listed companies may no longer be nominated as candidates for independent director of the Company. The independent directors of the Company shall include at least one independent director usually residing in Hong Kong.	Made consistent with Article 8 of the Measures for the Administration of Independent Directors of Listed Companies and Article 3.5.6 of the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (revised in December 2023)

No.	Original provisions	Amended provisions	Basis or reason of amendment
63	Article 191 A person holding the position of independent director shall satisfy the basic conditions set forth below: (1) provisions of Article 146 of the Company Law on the qualifications of directors; (2) provisions of the Public Servant Law of the People's Republic of China on posts held by public servants concurrently; (3) relevant provisions of the Rules for Independent Directors of Listed Companies issued by the CSRC; (4) provisions of the Notice on Regulating Taking Office as Independent Directors and Independent Supervisors of Listed Companies and Fund Management Companies by the Central Managerial Cadres after Resignation from Public Service or Retirement issued by the CPC Central Commission for Discipline Inspection and the Central Organization Department of the CPC Central Committee (if applicable); (5) provisions of the Opinions on Further Regulation on Party and Political Leaders and Cadres Working Part-time (Holding Office) in Enterprises issued by the Organization Department of the CPC Central Committee (if applicable); (6) provisions of the Opinions on Strengthening the Construction of Anti-corruption and Building a Clean Government in Colleges and Universities issued by the CPC Central Commission for Discipline Inspection, Ministry of Education, and Ministry of Supervision (if applicable); (7) provisions of other laws, administrative regulations, departmental rules and listing rules of the place where the Company's shares are listed. The independent directors shall have no related-party relationship, conflict of interests with the Company or any other circumstance which may hinder their independent and objective judgment.	Article ~~191~~**161** A person holding the position of independent director shall satisfy the basic conditions set forth below: (1) provisions ~~of Article 146~~ of the Company Law on the qualifications of directors; ~~**(2) provisions of the Public Servant Law of the People's Republic of China on posts held by public servants concurrently;**~~ **(~~3~~2)** relevant provisions of the ~~**Rules for**~~ **Measures for the Administration of Independent Directors of Listed Companies** issued by the CSRC; ~~**(4) provisions of the Notice on Regulating Taking Office as Independent Directors and Independent Supervisors of Listed Companies and Fund Management Companies by the Central Managerial Cadres after Resignation from Public Service or Retirement issued by the CPC Central Commission for Discipline Inspection and the Central Organization Department of the CPC Central Committee (if applicable);**~~ ~~**(5) provisions of the Opinions on Further Regulation on Party and Political Leaders and Cadres Working Part-time (Holding Office) in Enterprises issued by the Organization Department of the CPC Central Committee (if applicable);**~~ ~~**(6) provisions of the Opinions on Strengthening the Construction of Anti-corruption and Building a Clean Government in Colleges and Universities issued by the CPC Central Commission for Discipline Inspection, Ministry of Education, and Ministry of Supervision (if applicable);**~~ **(~~7~~3)** provisions of other laws, administrative regulations, departmental rules and listing rules of the place where the Company's shares are listed. The independent directors shall have no related-party relationship, conflict of interests with the Company or any other circumstance which may hinder their independent and objective judgment.	Adjusted according to changes in laws and regulations

No.	Original provisions	Amended provisions	Basis or reason of amendment
64	Article 192 The independent director shall have the independence required by the securities regulatory authority and the stock exchange where the Company's shares are listed. The following persons may not hold the position of independent director: (1) persons holding a position in the Company or a subsidiary thereof and their lineal relatives and major social relations (the term "lineal relatives" means spouses, parents, children, etc. and the term "major social relations" means siblings, parents-in-law, children-in-law, siblings' spouses, spouse's siblings, etc.); (2) natural person shareholders who directly or indirectly hold 1% or more of the issued shares of the Company or who rank in the top ten shareholders of the Company and their lineal relatives; (3) persons who hold positions in the entities that directly or indirectly hold 5% or more of the issued shares of the Company or that rank in the top five shareholders of the Company and their lineal relatives; (4) persons who were then or had been an officer of the actual controller of the Company and its subsidiaries within two years before being appointed; (5) persons who were then or had provide financial, legal, consulting or other such services to the Company within two years before being appointed, including all project members, reviewing staff at all levels, staff who sign the report, partners, and main persons in charge of intermediary agencies which provide services; (6) persons who hold the position of director, supervisor or senior management of a unit which has a significant business relationship with the Company or its subsidiaries, or persons who hold the position of director, supervisor or senior management of a controlling shareholder unit of the unit thereof; (7) persons who, at some time in the previous year, have fallen into one of the six classes listed above; (8) other persons determined by the CSRC; or (9) persons who have the conditions listed in the listing rules of the place where the company's shares are to be listed (as amended from time to time).	Article ~~192~~**162** The independent director shall have the independence required by the securities regulatory authority and the stock exchange where the Company's shares are listed. The following persons may not hold the position of independent director: **(1) persons holding a position in the Company or a subsidiary thereof and their spouse, parents, children and major social relations (the term "major social relations" means siblings, spouses of siblings, parents-in-law, siblings of spouse, spouses of children, parents-in-law of children, etc.);** **(2) natural person shareholders who directly or indirectly hold 1% or more of the issued shares of the Company or who rank in the top ten shareholders of the Company and their spouse, parents and children;** **(3) persons who hold positions in the shareholder that directly or indirectly hold 5% or more of the issued shares of the Company or that rank in the top five shareholders of the Company and their spouse, parents and children;** **(4) persons who are currently, or have been an officer of the actual controller of the Company and its subsidiaries within two years prior to the date of their proposed appointment as independent directors, as well as their spouses, parents and children;** **(5) persons who have significant business dealings with the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, or who are serving in such entities with significant business dealings and their controlling shareholders or de facto controllers;** **(6) persons who are currently, or have been an officer within two years prior to the date of their proposed appointment as independent directors, providing financial, legal, consulting and sponsorship services to the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, including, but not limited to, all the members of the project team, reviewing staff at all levels, staff who sign the report, partners, directors, senior management and key persons in charge of the intermediary institution providing the services;** **(7) persons who, within the last 12 months, have fallen into one of the classes listed in (1) to (3) and (5);** **(8) other persons determined by the securities regulators and stock exchanges of the place where the company's shares are to be listed.**	Article 6 of the Measures for the Administration of Independent Directors of Listed Companies, Article 3.5.4 of the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (revised in December 2023)

No.	Original provisions	Amended provisions	Basis or reason of amendment
65	Article 193 The candidates for independent directors of the Company shall not have the following adverse records: (1) subject to any administrative punishment imposed by the CSRC in the past three years; (2) during the period when the stock exchange publicly announces the candidate not suitable for serving as a director of a listed company; (3) publicly condemned or criticized for two times by the stock exchange in the past three years; (4) during any previous tenure as an independent director, the candidate has failed to attend in person two consecutive board meetings or the number of times where he did not attend the board meeting in person accounted for more than one-third of the board meetings in that year; (5) during any previous tenure as an independent director, the independent opinion issued by the candidate was evidently inconsistent with the facts.	Article ~~193~~**163** The candidates for independent directors of the Company **shall be of good moral character and shall comply with the requirements of the regulatory rules of the place where the Company's shares are listed.** ~~shall not have the following adverse records:~~ ~~(1) subject to any administrative punishment imposed by the CSRC in the past three years;~~ ~~(2) during the period when the stock exchange publicly announces the candidate not suitable for serving as a director of a listed company;~~ ~~(3) publicly condemned or criticized for two times by the stock exchange in the past three years;~~ ~~(4) during any previous tenure as an independent director, the candidate has failed to attend in person two consecutive board meetings or the number of times where he did not attend the board meeting in person accounted for more than one-third of the board meetings in that year;~~ ~~(5) during any previous tenure as an independent director, the independent opinion issued by the candidate was evidently inconsistent with the facts.~~	The original rules have been changed. Flexible adjustments were made accordingly to avoid amendments to the content herein due to frequent changes in the rules

No.	Original provisions	Amended provisions	Basis or reason of amendment
66	Article 194 The nomination, election and replacement method of independent directors: (1) the Company's Board of Directors, Board of Supervisors and shareholders who hold 1% or more of the issued shares of the Company separately or in aggregate may nominate candidates for independent directors, who will be decided through election by the shareholders' general meeting. (2) the agreement of the nominee shall be obtained before the nominator nominates him/her as an independent director. The nominator shall be fully aware of such details of the nominee as occupation, educational background, title, work experience, all concurrent positions etc. The nominator shall express his/her/its opinions on the nominee's qualifications for holding the position of independent director and his/her/its independence. The nominee shall make a public statement that no relationship exists between himself/herself/itself and the Company that could affect his/her/its independent and objective judgments. The Board of Directors of the Company shall make the afore-mentioned information public in accordance with regulations before the holding of the shareholders' general meeting at which the independent director is to be elected. (3) the Company shall simultaneously submit the relevant materials on all the nominees to the Stock Exchanges where the Company's shares are listed before the holding of a shareholders' general meeting at which an independent director is to be elected. If the Board of Directors of the Company has objections concerning the relevant details of a nominee, the Company shall submit the written opinions of the Board of Directors simultaneously. Nominees against whom the CSRC has objections may serve as candidates for the directors of the Company but not as candidates for independent directors. At the time the shareholders' general meeting to elect an independent director is convened, the Board of Directors of the Company shall elaborate on whether the CSRC has had any objections against the candidates for independent directors. (4) persons who have been serving as independent directors for six consecutive years in the Company may no longer serve as independent directors of the Company continuously. (5) if an independent director fails to attend in person 3 consecutive board meetings, the Board of Directors shall invite the shareholders' general meeting to replace such independent director. The Company may terminate the employment of such independent director in accordance with legal procedures before the expiration of his/her tenure. If an independent director is dismissed before the expiration of his/her tenure, the Company shall disclose the same as a matter for special disclosure. (6) An independent director may submit his/her resignation before the expiration of his/her tenure. When an independent director resigns, he/she shall submit a written resignation report to the Board of Directors in which he/she provides information on any circumstances related to his/her resignation or any circumstances to which he/she believes the attention of the Company's shareholders and creditors must be drawn. If the resignation of an independent director causes the number of independent directors in the Company's Board of Directors to fall below the minimum quorum required by law or the Articles of Association or there is no accounting professional among the independent directors, then before the newly elected independent director assumes office, the original independent director shall still retain his/her directorship in accordance with the relevant laws, administrative regulations and the Articles of Association. The nominator of such independent director or the Board of Directors of the Company shall nominate a new candidate for independent director within three months from the date of resignation of such independent director. Apart from the case of immediate cessation of performing his/her duties, if an independent director of a listed company becomes ineligible otherwise for the qualifications of an independent director after his/her appointment as stipulated by the Articles of Association, he/she shall resign from the position of independent director within 30 days from the date of such occurrence. If he/she fails to resign as required, the Board of Directors of a listed company shall start the decision-making process within 2 days to dismiss him/her from the position of independent director.	**Article ~~194~~164 The Company shall formulate an Independent Director System of Haier Smart Home Co., Ltd. in accordance with relevant laws and regulations and regulatory rules to specify the methods of nomination, election and replacement of independent directors.** ~~**The nomination, election and replacement method of independent directors:**~~ ~~**(1) the Company's Board of Directors, Board of Supervisors and shareholders who hold 1% or more of the issued shares of the Company separately or in aggregate may nominate candidates for independent directors, who will be decided through election by the shareholders' general meeting.**~~ ~~**(2) the agreement of the nominee shall be obtained before the nominator nominates him/her as an independent director. The nominator shall be fully aware of such details of the nominee as occupation, educational background, title, work experience, all concurrent positions etc. The nominator shall express his/her/its opinions on the nominee's qualifications for holding the position of independent director and his/her/its independence. The nominee shall make a public statement that no relationship exists between himself/herself/itself and the Company that could affect his/her/its independent and objective judgments. The Board of Directors of the Company shall make the afore-mentioned information public in accordance with regulations before the holding of the shareholders' general meeting at which the independent director is to be elected.**~~ ~~**(3) the Company shall simultaneously submit the relevant materials on all the nominees to the Stock Exchanges where the Company's shares are listed before the holding of a shareholders' general meeting at which an independent director is to be elected. If the Board of Directors of the Company has objections concerning the relevant details of a nominee, the Company shall submit the written opinions of the Board of Directors simultaneously.**~~ ~~**Nominees against whom the CSRC has objections may serve as candidates for the directors of the Company but not as candidates for independent directors.**~~ ~~**At the time the shareholders' general meeting to elect an independent director is convened, the Board of Directors of the Company shall elaborate on whether the CSRC has had any objections against the candidates for independent directors.**~~ ~~**(4) persons who have been serving as independent directors for six consecutive years in the Company may no longer serve as independent directors of the Company continuously.**~~ ~~**(5) if an independent director fails to attend in person 3 consecutive board meetings, the Board of Directors shall invite the shareholders' general meeting to replace such independent director.**~~ ~~**The Company may terminate the employment of such independent director in accordance with legal procedures before the expiration of his/her tenure. If an independent director is dismissed before the expiration of his/her tenure, the Company shall disclose the same as a matter for special disclosure.**~~ ~~**(6) An independent director may submit his/her resignation before the expiration of his/her tenure. When an independent director resigns, he/she shall submit a written resignation report to the Board of Directors in which he/she provides information on any circumstances related to his/her resignation or any circumstances to which he/she believes the attention of the Company's shareholders and creditors must be drawn.**~~ ~~**If the resignation of an independent director causes the number of independent directors in the Company's Board of Directors to fall below the minimum quorum required by law or the Articles of Association or there is no accounting professional among the independent directors, then before the newly elected independent director assumes office, the original independent director shall still retain his/her directorship in accordance with the relevant laws, administrative regulations and the Articles of Association. The nominator of such independent director or the Board of Directors of the Company shall nominate a new candidate for independent director within three months from the date of resignation of such independent director.**~~ ~~**Apart from the case of immediate cessation of performing his/her duties, if an independent director of a listed company becomes ineligible otherwise for the qualifications of an independent director after his/her appointment as stipulated by the Articles of Association, he/she shall resign from the position of independent director within 30 days from the date of such occurrence. If he/she fails to resign as required, the Board of Directors of a listed company shall start the decision-making process within 2 days to dismiss him/her from the position of independent director.**~~	Adjustments were made to the existing article in light of the changes in the rules. The specific methods for nomination, election and replacement are set out in the Independent Director System

No.	Original provisions	Amended provisions	Basis or reason of amendment
67	Article 195 Rights of an independent director: In order to fully exploit the functions of independent directors, in addition to the functions and powers granted to independent directors under the Company Law and other relevant laws and regulations, the Company shall grant independent directors the following special functions and powers: (a) major related-party transactions (which refers to a connected transaction that the Company intends to conclude with a related party and whose total amount accounts for more than 5% of the Company's latest audited net assets value or determined by the standards stipulated by competent regulatory authorities from time to time) shall be approved by the independent directors in advance; independent directors may engage an intermediary organization to issue an independent financial consultant report which may be utilized as a basis for rendering their judgment; (b) proposing the engagement or dismissal of an accounting firm to the board of directors; (c) proposing to the Board of Directors the convening of an extraordinary general meeting; (d) proposing the convening of a meeting of the Board of Directors; (e) openly solicit shareholders' voting rights before the holding of a shareholders' general meeting; (f) independently engaging external auditing institutions and advisory agencies to audit and consult on specific matters of the Company; Independent directors shall seek the consent of more than half of all the independent directors before exercising the powers under (a) to (e) above and the matters under (a) and (b) above shall be submitted to the Board of Directors for discussion after the approval of more than half of the independent directors; and shall seek the consent of all independent directors before exercising the power under (f) above. The related expenses of engaging an intermediary organization by independent directors will be borne by the Company. If any of the proposals referred to items (a) to (f) of this Article has not been accepted or any of the aforesaid functions and powers could not be exercised normally, the Company shall disclose the details thereof. Independent directors shall account for the majority of the members of the remuneration and evaluation committee, audit committee, nomination committee under the Board of Directors of the Company.	Article ~~195~~**165** Rights of an independent director: In order to fully exploit the functions of independent directors, in addition to the functions and powers granted to independent directors under the Company Law and other relevant laws and regulations, the Company shall grant independent directors the following special functions and powers: **(1) independently engaging intermediaries to audit, consult or verify specific matters of the Company;** **(2) proposing to the Board of Directors the convening of an extraordinary general meeting;** **(3) proposing to convene a meeting of the Board of Directors;** **(4) to openly solicit shareholders' rights from shareholders in accordance with the law;** **(5) expressing independent opinions on matters that may jeopardize the interests of the Company or small and medium-sized shareholders;** **(6) other powers and functions prescribed by laws, administrative regulations, securities regulatory authorities and stock exchanges where the Company's securities are listed, and the Articles of Association.** **The exercise of the powers and functions listed in (1) to (3) of the preceding paragraphs by an independent director shall be approved by a majority of all independent directors.** **If an independent director exercises the powers listed in (1) of the preceding paragraph, the Company shall disclose them in a timely manner. In the event that the above powers are not exercised in an ordinary manner, the Company shall disclose the details and reasons thereof.** **If an independent director votes against or abstains from voting on a resolution of the Board of Directors, he/she shall state the specific reasons and basis, the legal compliance of the matter involved in the resolution, the possible risks and the impact on the interests of the Company and the small and medium-sized shareholders. The Company shall disclose the dissenting opinions of the independent directors when disclosing the resolutions of the Board of Directors, and shall set out the dissenting opinions in the resolutions of the Board of Directors and the minutes of the meetings.** ~~(a) major related-party transactions (which refers to a connected transaction that the Company intends to conclude with a related party and whose total amount accounts for more than 5% of the Company's latest audited net assets value or determined by the standards stipulated by competent regulatory authorities from time to time) shall be approved by the independent directors in advance; independent directors may engage an intermediary organization to issue an independent financial consultant report which may be utilized as a basis for rendering their judgment;~~ ~~(b) proposing the engagement or dismissal of an accounting firm to the board of directors;~~ ~~(c) proposing to the Board of Directors the convening of an extraordinary general meeting;~~ ~~(d)proposing the convening of a meeting of the Board of Directors;~~ ~~(e) openly solicit shareholders' voting rights before the holding of a shareholders' general meeting;~~ ~~(f) independently engaging external auditing institutions and advisory agencies to audit and consult on specific matters of the Company;~~ ~~Independent directors shall seek the consent of more than half of all the independent directors before exercising the powers under (a) to (e) above and the matters under (a) and (b) above shall be submitted to the Board of Directors for discussion after the approval of more than half of the independent directors; and shall seek the consent of all independent directors before exercising the power under (f) above. The related expenses of engaging an intermediary organization by independent directors will be borne by the Company.~~ ~~If any of the proposals referred to items (a) to (f) of this Article has not been accepted or any of the aforesaid functions and powers could not be exercised normally, the Company shall disclose the details thereof.~~ ~~Independent directors shall account for the majority of the members of the remuneration and evaluation committee, audit committee, nomination committee under the Board of Directors of the Company.~~	Consistent with Article 18 and Article 21 of the Measures for the Administration of Independent Directors of Listed Companies and Article 3.5.17 and Article 3.5.20 of the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No.1 — Regulation of Operations (revised in December 2023)

No.	Original provisions	Amended provisions	Basis or reason of amendment
68	Article 196 Independent directors shall attend the board meetings on time, understand the production and operation of the Company, take the initiative to investigate and obtain the necessary information and documents for making decisions. Independent directors shall submit and disclose their annual report of the work undertaken of all independent directors to the annual general meeting of the Company and clarify their performance of duties. Independent directors shall issue independent opinions on the following issues to the Board of Directors or the shareholders' general meeting: (1) the nomination, appointment and removal of directors; (2) the engagement or dismissal of senior management; (3) the remunerations of the directors and senior management of the Company; (4) existing or new fund movement between shareholders, actual controller and their connected companies and the Company, of which over 5% of the net asset value of the latest audited accounts of the Company and whether Company has adopted any effective measures to collect the debt; (5) matters that may, in an independent director's opinion, prejudice the rights and interests of small and medium shareholders; (6) the profit distribution plan of the Company; (7) other matters specified in laws, regulations, regulatory documents and listing rules of the place where the Company's shares are listed. With respect to the aforesaid matters, an independent director shall express one of the opinions set forth below: consent; qualified opinion and relevant reasons; objection and relevant reasons; inability to express opinion and obstacles. If the relevant matter is a matter requiring disclosure, the Company shall make a public announcement of the independent directors' opinions. If the independent directors fail to reach a consensus in their opinions, the Company shall disclose each of the independent directors' respective opinions.	Deleted	Contents in respect of Article 23 of the old Rules for Independent Directors of Listed Companies were deleted due to its invalidity and the lack of relevant requirements in the Measures for the Administration of Independent Directors of Listed Companies.

No.	Original provisions	Amended provisions	Basis or reason of amendment
69	Newly added	**Article 166 The following matters shall be approved by a majority of all independent directors of the Company and submitted to the Board of Directors for consideration thereafter:** **(i) disclosable related party transactions;** **(ii) proposals for changes in or waivers of commitments by the Company and its related parties;** **(iii) decisions made and measures taken by the board of directors of any acquiree in connection with the acquisition;** **(iv) other matters prescribed by laws, administrative regulations, securities regulatory authorities and stock exchanges where the Company's securities are listed, and the Articles of Association.** **The Company shall regularly or irregularly convene a meeting attended by all of its independent directors (hereinafter referred to as the "Special Meeting of Independent Directors"). Matters listed in (i) to (iii) under the first paragraph of Article 165 of the Articles of Association and the preceding paragraph of this Article shall be considered by the Special Meeting of Independent Directors.** **The Special Meeting of Independent Directors may consider and discuss other matters of the Company as necessary.** **The Special Meeting of Independent Directors shall be convened and chaired by an independent director jointly nominated by a majority of the independent directors; where the convenor is unable or fails to perform his or her duties, two or more independent directors may convene a meeting on their own initiative and nominate a representative to preside over the meeting. The Company shall provide convenience and support for the convening of any Special Meeting of Independent Directors.**	Supplemented in accordance with Article 23 and Article 24 of the Measures for the Administration of Independent Directors of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
70	Article 197 The Company shall provide necessary conditions to ensure that the independent directors effectively exercise their functions and powers. (1) The Company shall ensure that independent directors enjoy the same right to know as other directors, timely provide independent directors with relevant materials and information. For any matter that requires the decision-making of the Board of Directors, the Company must give independent directors the prior notice by the statutory deadline and provide them with sufficient information. If an independent director is of the opinion that the information provided is insufficient, he/she may ask for further information. If two or more independent directors are of the opinion that the information provided is insufficient or further clarification is necessary, they may jointly propose to the Board of Directors in writing that the meeting of the board or the deliberations on the matter in question should be postponed. The Board of Directors shall accept such a proposal. The information provided to an independent director by the Company shall be kept by the Company and the independent director for a period of at least 5 years. (2) The Company shall provide the working conditions necessary for independent directors to perform their duties and responsibilities. The secretary of the Board of Directors of the Company shall provide the assistance necessary for independent directors to perform their duties and responsibilities, including but not limited to explaining circumstances, providing materials, regularly reporting the operations of the Company and organising independent directors to conduct site visits if necessary. The Company shall assist in handling the matters relating to the announcement of independent opinions, proposals and written statements provided by independent directors that shall be announced in a timely manner. (3) When an independent director exercises his/her functions and powers, the relevant personnel of the Company shall actively cooperate with him/her and may not refuse to cooperate, hinder him, conceal information from him/her or interfere with his independently exercising his/her functions and powers. (4) The expenses incurred by independent directors when engaging intermediary organizations or required when otherwise exercising their functions and powers shall be borne by the Company. (5) The Company shall provide an appropriate allowance to independent directors. The proposed rate for such allowance shall be formulated by the Board of Directors, deliberated and adopted by the shareholders' general meeting and disclosed in the Company's annual report. Independent directors shall not receive any extra, undisclosed other benefits from the listed company, its substantial shareholders or interested organizations or individuals other than the aforesaid allowance. (6) The Company may establish necessary independent director liability insurance systems in order to mitigate the risks that may arise in the normal performance by independent directors of their duties and responsibilities.	Article ~~197~~167 The Company shall provide necessary conditions to ensure that the independent directors effectively exercise their functions and powers. ~~(1) The Company shall ensure that independent directors enjoy the same right to know as other directors, timely provide independent directors with relevant materials and information. For any matter that requires the decision-making of the Board of Directors, the Company must give independent directors the prior notice by the statutory deadline and provide them with sufficient information. If an independent director is of the opinion that the information provided is insufficient, he/she may ask for further information. If two or more independent directors are of the opinion that the information provided is insufficient or further clarification is necessary, they may jointly propose to the Board of Directors in writing that the meeting of the board or the deliberations on the matter in question should be postponed. The Board of Directors shall accept such a proposal.~~ ~~The information provided to an independent director by the Company shall be kept by the Company and the independent director for a period of at least 5 years.~~ ~~(2) The Company shall provide the working conditions necessary for independent directors to perform their duties and responsibilities. The secretary of the Board of Directors of the Company shall provide the assistance necessary for independent directors to perform their duties and responsibilities, including but not limited to explaining circumstances, providing materials, regularly reporting the operations of the Company and organising independent directors to conduct site visits if necessary. The Company shall assist in handling the matters relating to the announcement of independent opinions, proposals and written statements provided by independent directors that shall be announced in a timely manner.~~ ~~(3) When an independent director exercises his/her functions and powers, the relevant personnel of the Company shall actively cooperate with him/her and may not refuse to cooperate, hinder him, conceal information from him/her or interfere with his independently exercising his/her functions and powers.~~ ~~(4) The expenses incurred by independent directors when engaging intermediary organizations or required when otherwise exercising their functions and powers shall be borne by the Company.~~ ~~(5) The Company shall provide an appropriate allowance to independent directors. The proposed rate for such allowance shall be formulated by the Board of Directors, deliberated and adopted by the shareholders' general meeting and disclosed in the Company's annual report.~~ ~~Independent directors shall not receive any extra, undisclosed other benefits from the listed company, its substantial shareholders or interested organizations or individuals other than the aforesaid allowance.~~ ~~(6) The Company may establish necessary independent director liability insurance systems in order to mitigate the risks that may arise in the normal performance by independent directors of their duties and responsibilities.~~	The specific provisions are set out in the Independent Director System

No.	Original provisions	Amended provisions	Basis or reason of amendment
71	Article 200 When the Board of Directors disposes of fixed assets, such as the expected value of the consideration for the proposed disposal of fixed assets and the sum of the value of the consideration for disposal of fixed assets made in the 4 months immediately preceding the proposed disposal exceeds 33% of the value of the fixed assets shown in the latest balance sheet placed before the shareholders' general meeting, the Board of Directors may not dispose of the fixed assets without prior approval of the shareholders' general meeting. For the purposes of this article, the term "disposal of fixed assets" shall include an act involving the transfer of an interest in certain assets but does not include the provision of fixed assets by way of security. The validity of transactions whereby the Company disposes the fixed assets shall not be affected by the breach of the first paragraph hereof.	Deleted	Contents in respect of Article 89 of the old Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the document has expired
72	Article 202 The Board of Directors of the Company shall establish special committees such as strategy committee, audit committee, nomination committee and remuneration and evaluation committee, environmental, social and governance committee etc. according to the relevant resolutions of the shareholder's general meeting. All members of special committees shall comprise directors. Independent directors shall be the majority in the audit committee, nomination committee, remuneration and evaluation committee and shall serve as conveners. The audit committee shall consist entirely of non-executive directors, shall have at least three members and shall have at least one independent director who is an accounting professional or has the appropriate accounting or relevant financial management expertise required under the Hong Kong Listing Rules.	Article ~~202~~**171** The Board of Directors of the Company shall establish special committees such as strategy committee, audit committee, nomination committee and remuneration and evaluation committee, environmental, social and governance committee etc. according to the relevant resolutions of the shareholder's general meeting. All members of special committees shall comprise directors. Independent directors shall be the majority in the audit committee, nomination committee, remuneration and evaluation committee and shall serve as conveners. **The members of the audit committee shall be directors who do not hold senior management positions in the Company.** The audit committee shall consist entirely of non-executive directors, shall have at least three members and shall have at least one independent director who is an accounting professional or has the appropriate accounting or relevant financial management expertise required under the Hong Kong Listing Rules **and serves as a convener**.	Consistent with the provisions of Article 5 of the Measures for the Administration of Independent Directors of Listed Companies and Article 2.2.5 of Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No.1 — Regulation of Operations (revised in December 2023)
73	Article 220 The voting method for board resolutions shall be voting by show of hands. An interim board meeting may, on the premise that full expression of opinions by directors are guaranteed, be conducted in form of tele-conference (including telephone conference, video conference and written proposal or other off-site conference forms) and pass resolutions; the directors present at the meeting shall sign the resolutions. Regular meetings of the Board of Directors, meetings to consider matters in which the board considers major shareholders or directors have major conflicts of interest, and appointment and dismissal of the secretary of the Company shall not be convened by means of written resolutions.	Article ~~220~~**189** The voting method for board resolutions shall be voting by show of hands. An interim board meeting may, on the premise that full expression of opinions by directors are guaranteed, be conducted in form of tele-conference (including telephone conference, video conference and written proposal or other off-site conference forms) and pass resolutions; the directors present at the meeting shall sign the resolutions. Regular meetings of the Board of Directors, meetings to consider matters in which the board considers major shareholders or directors have major conflicts of interest, and appointment and dismissal of the secretary of the Company shall not be convened by means of **circulation of** written resolutions.	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
74	Article 228 ... (1) any person enumerated in Article 146 of the *Company Law*; (2) any person who has been subject to any administrative sanction imposed by the CSRC in the most recent three years; (3) He/she is under a penalty of prohibited access to the securities market that may not serve as senior management of a listed company imposed by the CSRC, which penalty is still effective; (4) He/she has been publicly identified by the stock exchange as not suitable to serve as senior management of a listed company, the term of which has not expired; (5) any person who has been censured publicly or criticized more than two times through circulating notices by stock exchanges in the most recent three years; ... (7) any other person deemed by the Shanghai Stock Exchange as inappropriate for serving as the secretary of the Board of Directors.	Article ~~228~~**197** ... (1) **circumstances under which a person may not serve as a director, supervisor or senior management member as stipulated in** ~~any person enumerated in Article 146 of~~ the *Company Law*; (2) any person who has been subject to any administrative sanction imposed by the CSRC in the most recent three years; (3) He/she is under a penalty of prohibited access to the **securities** market that may not serve as **a director, supervisor and** senior management of a listed company imposed by the CSRC, which penalty is still effective; (4) He/she has been publicly identified by the stock exchange as not suitable to serve as **a director, supervisor and** senior management of a listed company, the term of which has not expired; (5) any person who has been censured publicly or criticized more than ~~two~~**three** times through circulating notices by stock exchanges in the most recent three years; ... (7) any other person deemed by the ~~Shanghai S~~stock ~~E~~exchange as inappropriate for serving as the secretary of the Board of Directors.	Revised in accordance with Rule 4.4.4 and Rule 4.3.3 of the Rules Governing the Listing of Stock on the Shanghai Stock Exchange (revised in August 2023), and improved the accuracy of expression taking into account the multi-listing of the Company
75	Article 230 ... (1) recommendation letter of the Board of Directors, including the description of the qualifications of the secretary of the Board of Directors and the securities affairs representative as stipulated in the SSE Listing Rules, his/her current position, work performance and personal morality etc.; ...	Article ~~230~~**199** ... (1) recommendation letter of the Board of Directors, including the description of the qualifications of the secretary of the Board of Directors and the securities affairs representative as stipulated in the ~~SSE Listing Rules~~ **the Rules Governing the Listing of Stock on the Shanghai Stock Exchange**, his/her current position, work performance and personal morality etc.; ...	Improved the accuracy of expression
76	Article 232 ... (1) any of the circumstances enumerated in Article 228;...	Article ~~232~~**201** ... (1) **any of the circumstances enumerated in Article 197** ~~228~~ **hereof arises**;...	Improved the accuracy of expression
77	Article 233 When appointing a secretary of the Board of Directors, the Company shall enter into a confidentiality agreement with the secretary of the Board of Directors, requiring him/her to make an undertaking to fulfill the obligation of confidentiality on an ongoing basis during his/her term of office and after leaving office until the relevant information has been disclosed, except for the information relating to the Company's violations of laws and regulations. Before leaving office, the secretary of the Board of Directors shall be subject to the inspection of the Board of Directors and the Board of Supervisors, and, under the supervision of the Board of Supervisors, hand over relevant archives, documents as well as any matters being handled or to be handled.	Article ~~233~~**202** When appointing a secretary of the Board of Directors, the Company shall enter into a confidentiality agreement with the secretary of the Board of Directors, requiring him/her to make an undertaking to fulfill the obligation of confidentiality on an ongoing basis during his/her term of office and after leaving office until the relevant information has been disclosed, except for the information relating to the Company's violations of laws and regulations. ~~**Before leaving office, the secretary of the Board of Directors shall be subject to the inspection of the Board of Directors and the Board of Supervisors, and, under the supervision of the Board of Supervisors, hand over relevant archives, documents as well as any matters being handled or to be handled.**~~	Contents in respect of Rule 18 of the Practice Guidelines for Secretary to the Board of Directors of Companies Listed Overseas were deleted as the document has expired
78	Article 236 The information disclosure and equity management affairs handled in the name of the Company by the secretary of the Board of Directors, the person who performs the duties in place of the secretary of the Board of Directors as prescribed in Article 234 hereof or the securities affairs representative are acceptable to the Shanghai Stock Exchange.	Article ~~236~~**205** The information disclosure and equity management affairs handled in the name of the Company by the secretary of the Board of Directors, the person who performs the duties in place of the secretary of the Board of Directors as prescribed in Article **203**~~234~~ **hereof** or the securities affairs representative are acceptable to the Shanghai Stock Exchange.	Improved the accuracy of expression
79	Article 238 The provisions of Article 156 hereof where a person is prohibited from acting as a director shall apply to senior management.	Article ~~238~~**207** The provisions of Article **139**~~156~~ hereof where a person is prohibited from acting as a director shall apply to senior management.	Improved the accuracy of expression
80	Article 247 The provisions of Article 156 hereof where a person is prohibited from acting as a director shall also apply to candidates for supervisors.	Article ~~247~~**216** The provisions of Article **139**~~156~~ hereof where a person is prohibited from acting as a director shall also apply to candidates for supervisors.	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
81	Article 249 The term of office of supervisors shall be 3 years. Supervisors served by shareholders shall be elected or replaced by the shareholders' general meeting. Supervisors served by employees shall be democratically elected or replaced by the employees of the Company. A supervisor may be re-appointed upon the expiration of his/her term of office.	Article ~~249~~**218** The term of office of supervisors shall be 3 years. **Supervisors who are shareholder representatives** ~~served by shareholders~~ shall be elected or replaced by the shareholders' general meeting. Supervisors served by employees shall be democratically elected or replaced by the employees of the Company. A supervisor may be re-appointed upon the expiration of his/her term of office.	Improved the accuracy of expression according to regulatory updates
82	Article 256 The Company shall establish a Board of Supervisors. The Board of Supervisors shall comprise 3 supervisors and shall have a Chairman. The appointment or removal of the Chairman and vice-Chairman of the Board of Supervisors shall be approved by more than two-thirds of the members of the Board of Supervisors. The Chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors; where the Chairman of the Board of Supervisors is unable or fails to perform his/her duties, the deputy Chairman of the Board of Supervisors shall convene and preside over the meetings of the Board of Supervisors; where the deputy Chairman of the Board of Supervisors is unable or fails to perform his/her duties, a supervisor elected by a simple majority of the supervisors shall convene and preside over the meetings of the Board of Supervisors. The Board of Supervisors shall include shareholder representatives and an appropriate percentage of employee representatives, and the ratio of employee representatives shall not be less than one-third. The employee representatives in the Board of Supervisors shall be elected by the employees of the Company through the employee representatives' assembly, employees' assembly or any other democratic form.	Article ~~256~~**225** The Company shall establish a Board of Supervisors. The Board of Supervisors shall comprise 3 supervisors and shall have a Chairman. The appointment or removal of the Chairman and vice-Chairman of the Board of Supervisors shall be approved by more than ~~two-thirds~~**one-half** of the members of the Board of Supervisors. The Chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors; where the Chairman of the Board of Supervisors is unable or fails to perform his/her duties, the deputy Chairman of the Board of Supervisors shall convene and preside over the meetings of the Board of Supervisors; where the deputy Chairman of the Board of Supervisors is unable or fails to perform his/her duties, a supervisor elected by a simple majority of the supervisors shall convene and preside over the meetings of the Board of Supervisors. The Board of Supervisors shall include shareholder representatives and an appropriate percentage of employee representatives, and the ratio of employee representatives shall not be less than one-fourth. The employee representatives in the Board of Supervisors shall be elected by the employees of the Company through the employee representatives' assembly, employees' assembly or any other democratic form.	Corresponding adjustments were made according to the amendments of the Hong Kong Listing Rules and the new Company Law
83	Article 257... (8) verifying financial information such as financial reports, business reports, profit distribution plans, etc. that the Board of Directors intents to submit to the shareholders' general meeting and, if in doubt, a registered accountant or practicing auditor shall be appointed in the name of the Company to assist in reviewing such information. The reasonable expenses incurred by the Board of Supervisors in the employment of professionals such as lawyers, registered accountants, practicing auditors, etc. in the exercise of its functions and powers shall be borne by the Company.	Article ~~257~~**226**... (8) **conducting investigations when abnormalities in the Company's operations are found and, where necessary, engaging professional organizations such as accounting firms and law firms to assist in their work at the Company's expense;** ~~verifying financial information such as financial reports, business reports, profit distribution plans, etc. that the Board of Directors intents to submit to the shareholders' general meeting and, if in doubt, a registered accountant or practicing auditor shall be appointed in the name of the Company to assist in reviewing such information. The reasonable expenses incurred by the Board of Supervisors in the employment of professionals such as lawyers, registered accountants, practicing auditors, etc. in the exercise of its functions and powers shall be borne by the Company.~~	Improved the accuracy of expression in accordance with Article 145 of the Guidelines on Articles of Association of Listed Companies
84	Article 259 Resolutions of the Board of Supervisors shall be adopted by more than two-thirds of the members of the Board of Supervisors.	Article ~~259~~**227** Resolutions of the Board of Supervisors shall be adopted by more than **one-half**~~two-thirds~~ of the members of the Board of Supervisors.	Corresponding adjustments were made according to the amendments of the Hong Kong Listing Rules and New Company Law
85	Article 264 The Company shall prepare the interim financial reports of the Company within 60 days from the end of the first 6 months of each fiscal year and prepare the annual financial reports of the Company within 120 days from the end of each fiscal year.	Deleted	Contents in respect of the existing Article 136 of the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted due to its invalidity

No.	Original provisions	Amended provisions	Basis or reason of amendment
86	Article 271 Except for statutory accounts books, the Company shall not establish additional accounting books. The Company's assets shall not be deposited in any account opened in the name of any individual. The profits after income tax paid by the Company shall be distributed in the following order: (1) making up the Company's losses in the previous year; (2) drawing 10% to the Company's statutory reserve; (3) draw discretionary reserve; (4) pay dividends to shareholders. When the Company's statutory reserve attains above 50% of the registered capital of the Company, the Company may cease to make such withdraw. After withdrawing the statutory reserve, the shareholders' general meeting may decide on whether to draw discretionary reserve. The Company shall not distribute dividends to shareholders before making up the Company's losses and drawing the statutory reserve. Where the Company's statutory reserve is inadequate to make up losses in previous years, the Company shall, prior to withdrawing the statutory reserve pursuant to the provisions of the preceding paragraph, use the profits of the current year to make up the losses. Upon resolution by the shareholders' general meeting, the Company may, after withdrawing the statutory reserve from the profits after tax, withdraw any discretionary reserve from the profits after tax. Where the shareholders' general meeting violates the provisions of the preceding paragraph in distributing profits to shareholders prior to making up for the losses and withdrawing statutory reserve, the shareholders shall return the profits which are distributed in violation of the provisions to the Company.	Article ~~271~~**238** Except for statutory accounts books, the Company shall not establish additional accounting books. The Company's assets shall not be deposited in any account opened in the name of any individual. The profits after income tax paid by the Company shall be distributed in the following order: (1) making up the Company's losses in the previous year; (2) drawing 10% to the Company's statutory reserve; (3) draw discretionary reserve; (4) pay dividends to shareholders. When the Company's statutory reserve attains above 50% of the registered capital of the Company, the Company may cease to make such withdraw. After withdrawing the statutory reserve, the shareholders' general meeting may decide on whether to draw discretionary reserve. **When the Company's reserves are used to make up for its losses, the Company shall first use its discretionary reserve and statutory reserve; if the Company still cannot make up for the losses, it may use its capital reserve in accordance with the regulations.** The Company shall not distribute dividends to shareholders before making up the Company's losses and drawing the statutory reserve. Where the Company's statutory reserve is inadequate to make up losses in previous years, the Company shall, prior to withdrawing the statutory reserve pursuant to the provisions of the preceding paragraph, use the profits of the current year to make up the losses. Upon resolution by the shareholders' general meeting, the Company may, after withdrawing the statutory reserve from the profits after tax, withdraw any discretionary reserve from the profits after tax. Where the shareholders' general meeting violates the provisions of the preceding paragraph in distributing profits to shareholders prior to making up for the losses and withdrawing statutory reserve, the shareholders shall return the profits which are distributed in violation of the provisions to the Company.	Supplemented and improved in accordance with Article 214 of the new Company Law

No.	Original provisions	Amended provisions	Basis or reason of amendment
87	Article 275 The Company shall implement an active profit distribution method: (1) The profit distribution of the listed company shall be focused on providing reasonable investment returns to investors. Profit distribution may be carried out in form of cash dividends or stock dividends or by interim cash profit distribution. Profit distribution policy shall maintain consistency and stability. In case that the conditions for both cash dividends and stock dividends are satisfied, cash dividends shall prevail. ..... After the end of each fiscal year, the Board of Directors of the Company shall put forward an annual profit distribution proposal, which shall be submitted to the shareholders' general meeting for examination and approval after being approved by the Board of Directors. In the course of the demonstration of an annual profit distribution proposal, the Board of Directors of the Company shall fully discuss with the independent directors and formulate the annual profit distribution proposal in consideration of the ongoing, stable and scientific returns to all shareholders. The independent directors shall provide independent opinions on the profit distribution proposal. More details are as follows: (a) The Board of Directors needs to make decisions on the matters such as profit distribution and capitalization of capital reserves. When examining the specific proposal of cash dividends, the Board of Directors shall carefully study and demonstrate the timing, conditions and minimum proportion of cash dividends, the conditions for adjustment and the requirements for decision-making procedures. The Independent directors shall expressly give their opinions. The profit distribution proposal put forward by the Board of Directors needs to be approved by more than half of the Board of Directors and passed by more than half of all the independent directors.	Article ~~275~~**242** The Company shall implement an active profit distribution method: (1) The profit distribution of the ~~listed c~~Company shall be focused on providing reasonable investment returns to investors. Profit distribution may be carried out in form of cash dividends or stock dividends or by interim cash profit distribution. Profit distribution policy shall maintain consistency and stability. In case that the conditions for both cash dividends and stock dividends are satisfied, cash dividends shall prevail. ..... After the end of each fiscal year, the Board of Directors of the Company shall put forward an annual profit distribution proposal, which shall be submitted to the shareholders' general meeting for examination and approval after being approved by the Board of Directors. In the course of the demonstration of an annual profit distribution proposal, the Board of Directors of the Company shall ~~fully discuss with the independent directors and~~ formulate the annual profit distribution proposal ~~in~~ **based on full** consideration of the ongoing, stable and scientific returns to all shareholders. ~~The independent directors shall provide independent opinions on the profit distribution proposal.~~ More details are as follows: (a) The Board of Directors needs to make decisions on the matters such as profit distribution and capitalization of capital reserves. When examining the specific proposal of cash dividends, the Board of Directors shall carefully study and demonstrate the timing, conditions and minimum proportion of cash dividends, the conditions for adjustment and the requirements for decision-making procedures. **The Independent directors shall be entitled to express their independent opinions if they believe that the specific proposal of cash dividends may jeopardize the interests of the Company or the small and medium-sized shareholders. If the Board of Directors fails to adopt the opinion of the independent directors or fails to adopt it in full, it shall record the opinion of the independent directors and the specific reasons for not adopting it in the resolution of the Board of Directors and make disclosures** ~~expressly give their opinions. The profit distribution proposal put forward by the Board of Directors needs to be approved by more than half of the Board of Directors and passed by more than half of all the independent directors~~.	1. Supplementation was made in respect of the circumstances that require the opinion of independent directors in accordance with the relevant requirements under the Measures for the Administration of Independent Directors of Listed Companies and the Guidelines for Supervision of Listed Companies No. 3 — Cash Dividends of Listed Companies (revised in 2023); 2. the proportion for a resolution to be passed was adjusted in accordance with the requirements under Article 6.5.5 of the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No.1 — Regulation of Operations (revised in December 2023); 3. A statement about interim dividends was supplemented in accordance with the requirements under Article 7 of the Guidelines for Supervision of Listed Companies No. 3 — Cash Dividends of Listed Companies (revised in 2023); 4. The requirement of the timing for dividend payment was reflected in Article 240 above

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(b) When examining the specific proposal of cash dividends, the shareholders' general meeting shall, through various channels, actively communicate and exchange views with shareholders especially small and medium-sized shareholders, fully listen to the opinions and requests of, and promptly respond to the concerns of small and medium-sized shareholders. The profit distribution proposal shall be approved by more than one-half of the voting rights held by shareholders attending the shareholders' general meeting. Upon passing of a resolution on profit distribution proposal of the Company by the shareholders' general meeting, the Board of Directors of the Company shall complete distribution of dividends (or shares) within 2 months from the convening of the shareholders' general meeting. (3) Where the Company made profit in the previous fiscal year but the Board of Directors has not made a plan for cash profit distribution, it shall disclose the reasons for not making cash dividends distribution and the use of funds undistributed but retained in the Company in periodical reports, as well as the next steps to be taken to enhance the level of investor returns. Independent directors shall issue independent opinions thereon. When a shareholders' general meeting is held for examination thereon, the Board of Directors shall make statements to the shareholders' general meeting. If the Company does not make cash profit distribution in the recent three consecutive years, it may not conduct the issuance of new shares or convertible bonds to the public or placement of shares to existing shareholders.	(b) **When an annual general meeting of the Company is convened to consider the annual profit distribution plan, it may consider and approve the conditions, the ratio cap and amount cap of next year's interim cash dividends. The cap of next year's interim dividend to be considered at the annual general meeting shall not exceed the net profit attributable to shareholders of the Company for the corresponding period. The Board of Directors shall formulate a specific proposal of interim dividends in accordance with the resolution of the shareholders' general meeting subject to the conditions for profit distribution.** **(c)** When examining the specific proposal of cash dividends, the shareholders' general meeting shall, through various channels, actively communicate and exchange views with shareholders especially small and medium-sized shareholders, fully listen to the opinions and requests of, and promptly respond to the concerns of small and medium-sized shareholders. The profit distribution proposal shall be approved by **more than** ~~**one-half**~~ **two-thirds** of the voting rights held by shareholders attending the shareholders' general meeting. ~~**Upon passing of a resolution on profit distribution proposal of the Company by the shareholders' general meeting, the Board of Directors of the Company shall complete distribution of dividends (or shares) within 2 months from the convening of the shareholders' general meeting.**~~ (3) Where the Company made profit in the previous fiscal year but the Board of Directors has not made a plan for cash profit distribution, it shall disclose the reasons for not making cash dividends distribution and the use of funds undistributed but retained in the Company in periodical reports**, as well as the next steps to be taken to enhance the level of investor returns.** ~~**Independent directors shall issue independent opinions thereon**~~**.** When a shareholders' general meeting is held for examination thereon, the Board of Directors shall make statements to the shareholders' general meeting. If the Company does not make cash profit distribution in the recent three consecutive years, it may not conduct the issuance of new shares or convertible bonds to the public or placement of shares to existing shareholders.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
88	Article 276 The payment of stock dividends, cash dividends and other payables by the Company to shareholders shall be announced in RMB. Dividends on domestic shares shall be paid in RMB; dividends in foreign shares shall be paid in foreign currency. The dividends paid by the Company to the shareholders of foreign shares shall be paid in the currency of the place where the foreign shares are listed. Where stock dividends, cash dividends or other payments paid in foreign currencies, the applicable rate of exchange shall be average exchange rate of the medium rates of converting Renminbi into foreign currencies as quoted by The People's Bank of China for a week immediately prior to the announcement of dividend and payment decision on other payables. The Company shall appoint collecting agents for shareholders of overseas-listed foreign shares. Collecting agents shall receive dividends distributed by and other sums payable on overseas-listed foreign shares by the Company on behalf of relevant shareholders. The receiving agent appointed by the Company shall meet the requirements of the laws of the place(s) or the relevant regulations of the securities exchange(s) where the shares are listed. The receiving agent appointed by the Company in the shareholders of H-share shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong. The Company has the right to terminate the sending of dividend slips to certain H-share shareholders by post, but the Company should exercise this power only after the dividends have not been withdrawn twice in a row. However, the Company may also exercise this power if the dividend slip is could not reach the recipient for the first time and is returned. In respect of exercising the power to issue warrants to nameless holders, no new warrants shall be issued in lieu of the lost warrants unless the Company truly believes beyond reasonable doubt that the original warrants have been destroyed. Under the premise of observing applicable laws and regulations, the Company has the right to sell the shares of H-share shareholders who have not been in contact in a manner deemed appropriate by the board of directors, but must comply with the following conditions: (1) The relevant shares should have paid out at least three dividends within twelve years, and no one has claimed dividends during that period; and (2) After the expiration of the twelve-year period, the Company shall publish an announcement in one or more newspapers in the place where the Company is listed, stating its intention to sell the shares, and notify the Stock Exchanges on which the shares are listed. The Company may exercise its power to confiscate unclaimed dividends under the premise of observing relevant Chinese laws and regulations, but this power shall not be exercised until the applicable relevant limitation period expires. Any amount paid up on a share before a call is made shall carry interest; however, the holders of the shares do not have the right to participate in the dividends announced thereafter for the advance payment.	Article ~~276~~**243** The payment of stock dividends, cash dividends and other payables by the Company to shareholders shall be announced in RMB. Dividends on domestic shares shall be paid in RMB; dividends in foreign shares shall be paid in foreign currency. The dividends paid by the Company to the shareholders of foreign shares shall be paid in the currency of the place where the foreign shares are listed. Where stock dividends, cash dividends or other payments paid in foreign currencies, the applicable rate of exchange shall be average exchange rate of the medium rates of converting Renminbi into foreign currencies as quoted by The People's Bank of China for a week immediately prior to the announcement of dividend and payment decision on other payables. The Company shall appoint collecting agents for shareholders of ~~overseas-listed~~ foreign shares. Collecting agents shall receive dividends distributed by and other sums payable on ~~overseas-listed~~ foreign shares by the Company on behalf of relevant shareholders. The receiving agent appointed by the Company shall meet the requirements of the laws of the place(s) or the relevant regulations of the securities exchange(s) where the shares are listed. ~~The receiving agent appointed by the Company in the shareholders of H-share shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.~~ ~~The Company has the right to terminate the sending of dividend slips to certain H-share shareholders by post, but the Company should exercise this power only after the dividends have not been withdrawn twice in a row. However, the Company may also exercise this power if the dividend slip is could not reach the recipient for the first time and is returned.~~ ~~In respect of exercising the power to issue warrants to nameless holders, no new warrants shall be issued in lieu of the lost warrants unless the Company truly believes beyond reasonable doubt that the original warrants have been destroyed.~~ ~~Under the premise of observing applicable laws and regulations, the Company has the right to sell the shares of H-share shareholders who have not been in contact in a manner deemed appropriate by the board of directors, but must comply with the following conditions:~~ ~~(1) The relevant shares should have paid out at least three dividends within twelve years, and no one has claimed dividends during that period; and~~ ~~(2) After the expiration of the twelve-year period, the Company shall publish an announcement in one or more newspapers in the place where the Company is listed, stating its intention to sell the shares, and notify the Stock Exchanges on which the shares are listed.~~ ~~The Company may exercise its power to confiscate unclaimed dividends under the premise of observing relevant Chinese laws and regulations, but this power shall not be exercised until the applicable relevant limitation period expires.~~ ~~Any amount paid up on a share before a call is made shall carry interest; however, the holders of the shares do not have the right to participate in the dividends announced thereafter for the advance payment.~~	Corresponding adjustments were made according to the amendments of the Hong Kong Listing Rules

No.	Original provisions	Amended provisions	Basis or reason of amendment
89	Article 279 The first accounting firm of the Company may be employed by the inaugural meeting prior to the first annual general meeting. Such accounting firm shall hold office until the conclusion of the first annual general meeting. If the inaugural meeting does not exercise its functions and powers under the preceding paragraph, the Board of Directors shall exercise such functions and powers. The Company shall appoint an independent accounting firm that complies with relevant State regulations and regulatory provisions of the place where the Company's shares are listed to audit its accounting statements, verify its net assets and provide other relevant advisory services. The term of employment of an accounting firm employed by the Company shall be between the end of the annual general meeting of the Company and the end of the next annual general meeting and the term of employment may be renewable upon expiry of the term of employment.	Article **~~279~~246** ~~**The first accounting firm of the Company may be employed by the inaugural meeting prior to the first annual general meeting. Such accounting firm shall hold office until the conclusion of the first annual general meeting. If the inaugural meeting does not exercise its functions and powers under the preceding paragraph, the Board of Directors shall exercise such functions and powers.**~~ The Company shall appoint an independent accounting firm that complies with relevant State regulations and regulatory provisions of the place where the Company's shares are listed to audit its accounting statements, verify its net assets and provide other relevant advisory services. The term of employment of an accounting firm employed by the Company shall be between the end of the annual general meeting of the Company and the end of the next annual general meeting and the term of employment may be renewable upon expiry of the term of employment.	Contents in respect of Article 141 of the old Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing were deleted as the provision has expired, and such content was about the first accounting firm of the inaugural meeting
90	Article 280 The accounting firm employed by the Company to perform regular statutory audits of its financial statements must be decided by the shareholders' general meeting and the Board of Directors shall not appoint an accounting firm prior to the decision by the shareholders' general meeting.	Article **~~280~~247** The accounting firm employed by the Company to perform regular statutory audits of its financial statements must be **considered and approved by the audit committee before submitting to the Board of Directors for consideration and** decided by the shareholders' general meeting, and the Board of Directors shall not appoint an accounting firm prior to the decision by the shareholders' general meeting.	The audit committee's consideration procedure was improved in accordance with the requirements under Article 5 of the Administrative Measures for Selection and Appointment of Accounting Firms by State-owned Enterprises and Listed Companies and Article 26 of the Measures for the Administration of Independent Directors of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
91	Article 286 The appointment, dismissal or non-renewal by the Company of an accounting firm that conducts regular statutory audits of the Company's financial statements shall be decided by the shareholders' general meeting and reported to the relevant securities authorities for the record (if applicable). To adopt a resolution, where the general meeting appoints another accounting firm to fill any vacancy, or continues to appoint an accounting firm which is employed to fill in any vacancy or remove an accounting firm before the expiry of its term of office, it shall comply with the followings: (I) The proposal on appointment or removal shall be sent to the accounting firm that is to be appointed, removed or has been removed in the financial year prior to the issuance of notice of general meeting. The leaving of an accounting firm includes the removal, resignation or retirement of such firm. (II) In case the leaving accounting firm makes a written statement and requests the Company to tell the shareholders about the statement, the Company shall take the following measures unless the written statement is too late in arriving at the Company: 1. explaining the statement was made by the leaving accounting firm on the notice for resolution; and 2. sending the duplicate of statement as attachment of notice to each shareholder entitled to notice of the general meeting by the way specified by the Articles of Association. (III) if the Company fails to send the statement of accounting firm according to the provisions described in subparagraph (II), the public accounting firm may request to read the statement at the general meeting and can further make a complaint. (IV) the leaving accounting firms have the right to attend the following meetings: 1. the general meeting that the term shall expire; 2. the general meeting which is convened because of the existence of vacancy due to its removal; and 3. the general meeting which is convened because it took the initiative to resign. The leaving accounting firm shall have the right to receive all the notice of meeting as mentioned above or other information related to the meeting and speak if the subject matter is related to its being the Company's former accounting firm in the meeting as mentioned above.	Article ~~286~~**253** The appointment, dismissal or non-renewal by the Company of an accounting firm that conducts regular statutory audits of the Company's financial statements shall be decided by the shareholders' general meeting and reported to the relevant securities authorities for the record (if applicable). ~~To adopt a resolution, where the general meeting appoints another accounting firm to fill any vacancy, or continues to appoint an accounting firm which is employed to fill in any vacancy or remove an accounting firm before the expiry of its term of office, it shall comply with the followings:~~ ~~(I) The proposal on appointment or removal shall be sent to the accounting firm that is to be appointed, removed or has been removed in the financial year prior to the issuance of notice of general meeting.~~ ~~The leaving of an accounting firm includes the removal, resignation or retirement of such firm.~~ ~~(II) In case the leaving accounting firm makes a written statement and requests the Company to tell the shareholders about the statement, the Company shall take the following measures unless the written statement is too late in arriving at the Company:~~ ~~1. explaining the statement was made by the leaving accounting firm on the notice for resolution; and~~ ~~2. sending the duplicate of statement as attachment of notice to each shareholder entitled to notice of the general meeting by the way specified by the Articles of Association.~~ ~~(III) if the Company fails to send the statement of accounting firm according to the provisions described in subparagraph (II), the public accounting firm may request to read the statement at the general meeting and can further make a complaint.~~ ~~(IV) the leaving accounting firms have the right to attend the following meetings:~~ ~~1. the general meeting that the term shall expire;~~ ~~2. the general meeting which is convened because of the existence of vacancy due to its removal; and~~ ~~3. the general meeting which is convened because it took the initiative to resign.~~ ~~The leaving accounting firm shall have the right to receive all the notice of meeting as mentioned above or other information related to the meeting and speak if the subject matter is related to its being the Company's former accounting firm in the meeting as mentioned above.~~	Corresponding adjustments were made according to the amendments of the Hong Kong Listing Rules

No.	Original provisions	Amended provisions	Basis or reason of amendment
92	Article 287 In the event of termination of appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm in advance; where the Company's shareholders' general meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state at the shareholders' general meeting whether the Company has committed any other improper act. The accounting firm may resign by placing a written notice of resignation at the legal address of the Company. The notice shall enter into effect from the date that it is placed at the legal address of the Company or the later date indicated in the notice. The notice shall include the following statements: 1. its resignation does not involve any information to be disclosed to the shareholders or creditors of the Company; or 2. any information is to be disclosed. Within 14 days from the date of receipt of written notice referred to in the preceding paragraph, the Company shall send the copy of notice to relevant competent authority. In case of the notice containing the statement mentioned in subparagraph (II) of the preceding paragraph, copies of statement shall be available at the Company's premises for shareholders' review. In addition, the Company shall distribute copies of statement as mentioned above to each shareholder that has the right to receive financial reports of the Company, and the addresses of recipient shall be the addresses recorded in the register of shareholders. If the notice of resignation of the accounting firm contains any of the statements referred to in paragraph 2 (2) of this article, the accounting firm may require the Board to convene an extraordinary general meeting to listen to its explanation about the resignation.	Article **~~287~~254** In the event of termination of appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm~~ in advance~~ **promptly after the resolution is made by the Board of the Directors**; where the Company's shareholders' general meeting votes on termination of appointment of**, or a resignation was tendered by,** an accounting firm, the accounting firm ~~shall be allowed to~~ **may** make its representation. An accounting firm proposing to resign shall state at the shareholders' general meeting whether the Company has committed any other improper act. ~~The accounting firm may resign by placing a written notice of resignation at the legal address of the Company. The notice shall enter into effect from the date that it is placed at the legal address of the Company or the later date indicated in the notice. The notice shall include the following statements:~~ ~~1. its resignation does not involve any information to be disclosed to the shareholders or creditors of the Company; or~~ ~~2. any information is to be disclosed.~~ ~~Within 14 days from the date of receipt of written notice referred to in the preceding paragraph, the Company shall send the copy of notice to relevant competent authority. In case of the notice containing the statement mentioned in subparagraph (II) of the preceding paragraph, copies of statement shall be available at the Company's premises for shareholders' review. In addition, the Company shall distribute copies of statement as mentioned above to each shareholder that has the right to receive financial reports of the Company, and the addresses of recipient shall be the addresses recorded in the register of shareholders.~~ ~~If the notice of resignation of the accounting firm contains any of the statements referred to in paragraph 2 (2) of this article, the accounting firm may require the Board to convene an extraordinary general meeting to listen to its explanation about the resignation.~~	1. Adjustments were made in accordance with Rule 12.3.1 of the Rules Governing the Listing of Stock on the Shanghai Stock Exchange (revised in August 2023) 2. Corresponding adjustments were made according to the amendments of the Hong Kong Listing Rules
93	Article 288 ..... As for providing or sending corporate communications to holders of H shares, according to the Hong Kong Listing Rules, subject to the laws and regulations and listing rules of the place where the Company's shares are listed as well as these Articles, corporate communications may be provided or sent to holders of H shares by posting on the websites designated by the Company and the Hong Kong Stock Exchange or by electronic means. Corporate communications referred to in the preceding paragraph shall mean any document issued or to be issued by the Company for the information or action of the holders of H shares or other person as required by the Listing Rules of Hong Kong, including but not limited to: ... When giving notice in the form of public notice in exercise of the powers prescribed in these Articles, such notice shall be published in the manner prescribed in the Hong Kong Listing Rules.	Article **~~288~~255 .....** As for providing or sending corporate communications to holders of **foreign ~~H~~** shares, according to the **listing rules of the place where the Company's shares are listed~~ Hong Kong Listing Rules~~**, subject to the laws and regulations and listing rules of the place where the Company's shares are listed as well as these Articles, corporate communications may be provided or sent to holders of **foreign ~~H~~** shares by posting on the websites designated by the Company and the **securities regulatory authority where the Company's shares are listed ~~Hong Kong Stock Exchange~~** or by electronic means. Corporate communications referred to in the preceding paragraph shall mean any document issued or to be issued by the Company for the information or action of the holders of **foreign ~~H~~** shares or other person as required by the **listing rules of the place where the Company's shares are listed~~ Listing Rules of Hong Kong~~**, including but not limited to: ...When giving notice in the form of public notice in exercise of the powers prescribed in these Articles, such notice shall be published in the manner prescribed in the **listing rules of the place where the Company's shares are listed~~ Hong Kong Listing Rules~~**.	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
94	Article 298 In the event of merger, the parties to the merger shall enter into a merger agreement and prepare balance sheet and asset list. The Company shall notify its creditors within 10 days from the date on which the merger resolution is adopted and make an announcement on the *Shanghai Securities News* and another newspaper designated by the CSRC within 30 days. Creditors may require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.	Article ~~298~~**265** In the event of merger, the parties to the merger shall enter into a merger agreement and prepare balance sheet and asset list. The Company shall notify its creditors within 10 days from the date on which the merger resolution is adopted and make an announcement on~~ the Shanghai Securities News and another newspaper designated by the CSRC~~ **a newspaper or the National Enterprise Credit Information Publicity System** within 30 days. Creditors may require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.	Corresponding adjustments were made in accordance with Article 220 of the new Company Law
95	Article 300 In the event of division, the parties to the division shall enter into a division agreement and the Company shall prepare balance sheet and asset list. The Company shall notify its creditors within 10 days from the date on which the division resolution is adopted and make an announcement on the *Shanghai Securities News* and another newspaper designated by the CSRC within 30 days.	Article ~~300~~**267** In the event of division, the parties to the division shall enter into a division agreement and the Company shall prepare balance sheet and asset list. The Company shall notify its creditors within 10 days from the date on which the division resolution is adopted and make an announcement on ~~the *Shanghai Securities News* and another newspaper designated by the CSRC~~ **a newspaper or the National Enterprise Credit Information Publicity System** within 30 days.	Corresponding adjustments were made in accordance with Article 222 of the new Company Law
96	Article 302 The Company shall notify its creditors within 10 days from the date on which the resolution on reduction of registered capital is adopted and make an announcement on the *Shanghai Securities News* and another newspaper designated by the CSRC within 30 days. The creditors shall have the right to require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.	Article ~~302~~**268** The Company shall notify its creditors within 10 days from the date on which the resolution on reduction of registered capital is adopted and make an announcement on ~~the *Shanghai Securities News* and another newspaper designated by the CSRC~~ **a newspaper or the National Enterprise Credit Information Publicity System** within 30 days. The creditors shall have the right to require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.	Corresponding adjustments were made in accordance with Article 224 of the new Company Law
97	Article 306 The Company shall be dissolved and liquidated under any of the following conditions: (1) upon expiry of term of business stipulated in the Articles of Association or occurrence of any other circumstances of dissolution stipulated in the Articles of Association; (2) the shareholders' general meeting has resolved on dissolution of the Company; (3) dissolution is necessary due to a merger or division of the Company; (4) the Company is declared bankrupt according to law as it is unable to repay its debts upon maturity; (5) the Company's business license is cancelled pursuant to the law, or the Company is ordered to be closed down or revoked pursuant to the law; (6) the Company has serious difficulties in its business operation and its subsistence will cause serious damages to the interests of its shareholders. The Company is unable to resolve such difficulties through any other means, the shareholders holding 10% or more of the voting rights of the Company may apply to the competent people's court for dissolution of the Company.	Article ~~306~~**271** The Company shall be dissolved and liquidated under any of the following conditions: (1) upon expiry of term of business stipulated in the Articles of Association or occurrence of any other circumstances of dissolution stipulated in the Articles of Association; (2) the shareholders' general meeting has resolved on dissolution of the Company; (3) dissolution is necessary due to a merger or division of the Company; ~~(4) the Company is declared bankrupt according to law as it is unable to repay its debts upon maturity;~~ (4) the Company's business license is cancelled pursuant to the law, or the Company is ordered to be closed down or revoked pursuant to the law; (5) the Company has serious difficulties in its business operation and its subsistence will cause serious damages to the interests of its shareholders. The Company is unable to resolve such difficulties through any other means, the shareholders holding 11% or more of the voting rights of the Company may apply to the competent people's court for dissolution of the Company.	Contents in respect of Article 153 of the old Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing are deleted as the document has expired

No.	Original provisions	Amended provisions	Basis or reason of amendment
98	Article 308 If the Company is dissolved pursuant to Item (1) and Item (2) of Article 306 of the Articles of Association, it shall establish a liquidation committee and commence liquidation within 15 days from occurrence of the cause of dissolution. The liquidation committee shall comprise persons determined by the ordinary resolution of shareholders' general meeting. Where the liquidation committee is not established within the stipulated period, the creditors may apply to the people's court to designate the relevant persons to form a liquidation committee to commence liquidation. If the Company is dissolved pursuant to Item (4) of Article 306 of the Articles of Association, the People's court shall, according to the relevant laws and regulations, organize shareholders, relevant institutions and professionals to establish liquidation team and carry out liquidation. If the Company is dissolved pursuant to Item (5) of Article 306 of the Articles of Association, the relevant regulatory authority shall organize Shareholders, relevant institutions and professionals to establish liquidation team and carry out liquidation.	Article ~~308~~**273** If the Company is dissolved pursuant to Item (1)**,** ~~and~~ Item (2)**, Item (4) and Item (5)** of Article **271** ~~306~~ of the Articles of Association, it shall establish a liquidation committee and commence liquidation within 16 days from occurrence of the cause of dissolution. The liquidation committee shall comprise persons determined by the ordinary resolution of shareholders' general meeting. Where the liquidation committee is not established within the stipulated period, the creditors may apply to the people's court to designate the relevant persons to form a liquidation committee to commence liquidation. ~~**If the Company is dissolved pursuant to Item (4) of Article 306 of the Articles of Association, the People's court shall, according to the relevant laws and regulations, organize shareholders, relevant institutions and professionals to establish liquidation team and carry out liquidation.**~~ ~~**If the Company is dissolved pursuant to Item (5) of Article 306 of the Articles of Association, the relevant regulatory authority shall organize Shareholders, relevant institutions and professionals to establish liquidation team and carry out liquidation.**~~	Contents in respect of Article 154 of the old Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing are deleted as the document has expired
99	Article 310 Where the Board of Directors proposes to liquidate the Company (due to causes other than where the Company has declared that it is insolvent), it shall declare in the notice of the general shareholders' meeting to be convened for such purpose that after making full inquiry into the affairs of the Company, the Board of Directors is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation. Upon the passing of the resolution at the general shareholders' meeting for the liquidation, all functions and powers of its Board of Directors of the Company shall cease. The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once every year to the meeting on the committee's receipts and payments, the business of the Company and the progress of the liquidation and to present a final report at the general meeting on completion of the liquidation.	Deleted	Contents in respect of Article 155 of the old Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing are deleted as the document has expired
100	Article 311 The liquidation committee shall notify the creditors within 10 days from the date of its establishment and make an announcement on the *Shanghai Securities News* and another newspaper designated by the CSRC within 60 days. The creditors shall declare their creditor's rights to the liquidation committee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification. Creditors declaring creditor's rights shall state the relevant information of the creditor's rights and provide evidentiary materials. The liquidation committee shall register the creditor's rights. During the period for declaration of creditor's rights, the liquidation committee shall not make repayment to creditors.	Article ~~311~~**275** The liquidation committee shall notify the creditors within 10 days from the date of its establishment and make an announcement on ~~**the *Shanghai Securities News* and another newspaper designated by the CSRC**~~ **a newspaper or the National Enterprise Credit Information Publicity System** within 60 days. The creditors shall declare their creditor's rights to the liquidation committee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification. Creditors declaring creditor's rights shall state the relevant information of the creditor's rights and provide evidentiary materials. The liquidation committee shall register the creditor's rights. During the period for declaration of creditor's rights, the liquidation committee shall not make repayment to creditors.	Corresponding adjustments were made in accordance with Article 235 of the new Company Law

No.	Original provisions	Amended provisions	Basis or reason of amendment
101	Article 314 Upon completion of liquidation, the liquidation committee shall prepare liquidation report, as well as revenue and expenditure statement and financial account books in respect of the liquidation period and, after verification by an accountant registered in China and submit the same to the shareholders' general meeting or the people's court for confirmation. Within 30 days from the date of confirmation of the above-mentioned documents by the relevant authorities in charge, the liquidation committee shall submit the aforesaid documents to company registration authorities and apply for deregistration and make an announcement on termination of the Company.	Article ~~314~~**278** Upon completion of liquidation, the liquidation committee shall prepare liquidation report~~, as well as revenue and expenditure statement and financial account books in respect of the liquidation period and, after verification by an accountant registered in China~~ and submit the same to the shareholders' general meeting or the people's court for confirmation. Within 30 days from the date of confirmation of the above-mentioned documents by the relevant authorities in charge, the liquidation committee shall submit the aforesaid documents to company registration authorities and apply for deregistration and make an announcement on termination of the Company.	Contents in respect of Article 160 of the old Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing are deleted as the document has expired
102	Article 321 Where amendment to the Articles of Association involves matters provided for in the Notice on the Implementation of the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing, such amendment shall become effective after being examined and approved by the company approval authorities and the securities regulatory authorities authorized by the State Council. Where registration of the Company's information is involved, relevant change registration formalities shall be completed pursuant to the law (if applicable).	Deleted	This is deleted as the provision has expired
103	Article 322 The Company shall abide by the following dispute resolution procedures: (I) If any disputes or claims related to the Company's business based on the rights or obligations provided in the Articles of Association, contracts entered into under Article 178 and Article 179 of the Articles of Association, the Company Law and other relevant laws or administrative regulations arise between the holders of overseas-listed foreign shares and the Company, between the holders of overseas-listed foreign shares and the directors, supervisors, president, or other senior executives of the Company or between the holders of overseas-listed foreign shares and holders of domestic shares, the parties concerned shall submit the dispute or claim for arbitration.	Article ~~322~~**286** The Company shall abide by the following dispute resolution procedures: (I) If any disputes or claims related to the Company's business based on the rights or obligations provided in the Articles of Association, contracts entered into under **the relevant provisions** ~~Article 178 and Article 179~~ of the Articles of Association, the Company Law and other relevant laws or administrative regulations arise between the holders of ~~overseas-listed~~ foreign shares and the Company, between the holders of ~~overseas-listed~~ foreign shares and the directors, supervisors, president, or other senior executives of the Company or between the holders of ~~overseas-listed~~ foreign shares and holders of domestic shares, the parties concerned shall submit the dispute or claim for arbitration.	Improved the accuracy of expression
104	Article 324 For inconsistencies between the Article of Associations and future laws, regulations, supervisory rules promulgated by the State, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, or relating listing regulations of Frankfurt Stock Exchange, Hong Kong Listing Rules, the supervisory rules promulgated by the State, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange or relating listing regulations of Frankfurt Stock Exchange, Hong Kong Listing Rules shall prevail.	Article ~~324~~**288 Matters not covered herein shall be handled in accordance with the laws, regulations, supervisory rules promulgated by the State, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange or relating listing regulations of Frankfurt Stock Exchange and Hong Kong Listing Rules. Where** the Article of Associations **is in conflict with** future laws, regulations, supervisory rules promulgated by the State, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, or relating listing regulations of Frankfurt Stock Exchange and Hong Kong Listing Rules, **the latest** supervisory rules promulgated by the State, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange or relating listing regulations of Frankfurt Stock Exchange and Hong Kong Listing Rules shall prevail.	Improved the accuracy of expression to allow room for amendments to laws and regulations
105	"Overseas-listed foreign shares"	**Foreign shares**	Improved the accuracy of expression
106		The sequence numbers and relevant references were reordered due to the deletion of Articles	

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	Article 1 For the purpose of regulating the general meetings of Haier Smart Home Co., Ltd. (hereinafter referred to as the "Company") and the actions of attendees thereof, improving the procedural efficiency of the general meetings, ensuring the legitimacy of the procedures and resolutions of the general meetings, and sufficiently safeguarding the legitimate rights and interests of all shareholders, these Rules are formulated in accordance with the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), the *Securities Law of the People's Republic of China* (hereinafter referred to as the "Securities Law"), the *Rules for the General Meeting of Listed Companies* (hereinafter referred to as the "*Rules*"), the *Special Regulations of the State Council concerning the Offering and Listing of Shares Overseas by Joint Stock Limited Companies*, the *Reply of the State Council on the Adjustment of the Notice Period of the Shareholders' General Meeting and Other Matters Applicable to the Overseas Listed Companies*, the *German Securities Trading Act*, the *Listing Rules of Frankfurt Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and the *Articles of Association of Haier Smart Home Co., Ltd.* (hereinafter referred to as the "*Articles of Association*"), and relevant existing national laws, regulations, and regulatory documents as well.	Article 1 For the purpose of regulating the general meetings of Haier Smart Home Co., Ltd. (hereinafter referred to as the "Company") and the actions of attendees thereof, improving the procedural efficiency of the general meetings, ensuring the legitimacy of the procedures and resolutions of the general meetings, and sufficiently safeguarding the legitimate rights and interests of all shareholders, these Rules are formulated in accordance with the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), *the Securities Law of the People's Republic of China* (hereinafter referred to as the "*Securities Law*"), ***the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on Shanghai Stock Exchange — Standardized Operation, the Code of Corporate Governance for Listed Companies,*** the *Rules for the General Meeting of Listed Companies* (hereinafter referred to as the "*Rules*"), ~~***the Special Regulations of the State Council concerning the Offering and Listing of Shares Overseas by Joint Stock Limited Companies***~~, the *Reply of the State Council on the Adjustment of the Notice Period of the Shareholders' General Meeting and Other Matters Applicable to the Overseas Listed Companies*, the *German Securities Trading Act*, the *Listing Rules of Frankfurt Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and the *Articles of Association of Haier Smart Home Co., Ltd.* (hereinafter referred to as the "*Articles of Association*"), and relevant existing national laws, regulations, and regulatory documents as well.	Improve the accuracy of expression, delete invalid the regulation and add relevant basis of rules
2	Article 10 Those shareholders who hold different classes of shares are class shareholders. Class shareholders shall enjoy rights and assume obligations in accordance with the provisions of laws, administrative regulations, the *Articles of Association*, and the requirements of the securities regulatory authorities and the stock exchange in the place where the shares of the Company are listed. Apart from the shareholders of other classes of shares, the shareholders of the domestic shares and shareholders of overseas listed foreign shares shall be deemed as shareholders of different classes of shares. The Company intends to change or abrogate the rights conferred on a class of shareholders only with the approval of a special resolution at a general meeting and with the approval by the affected class shareholders at a general meeting convened in accordance with Articles 12 to 15.	Article 10 Those shareholders who hold different classes of shares are class shareholders. Class shareholders shall enjoy rights and assume obligations in accordance with the provisions of laws, administrative regulations, the *Articles of Association*, and the requirements of the securities regulatory authorities and the stock exchange in the place where the shares of the Company are listed. Apart from the shareholders of other classes of shares, the shareholders of the domestic shares and shareholders of ~~**overseas listed**~~ foreign shares shall be deemed as shareholders of different classes of shares. The Company intends to change or abrogate the rights conferred on a class of shareholders only with the approval of a special resolution at a general meeting and with the approval by the affected class shareholders at a general meeting convened in accordance with Articles 1**12**~~2~~ to 1**65**~~5~~ **of these Rules**.	Improve the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
3	Article 12 The affected class shareholders, regardless of whether they have the voting right at the general meeting, shall have the voting right at the meeting of class shareholders in respect of matters concerning items (2) to (8) and (11) to (12) of Article 11, except that shareholder having an interest shall not be entitled to vote at such meeting of class shareholders.	Article 12 The affected class shareholders, regardless of whether they have the voting right at the general meeting, shall have the voting right at the meeting of class shareholders in respect of matters concerning items (2) to (8) and (11) to (12) of Article 11, **of these rules** except that shareholder having an interest shall not be entitled to vote at such meeting of class shareholders. The meaning of a "shareholder having an interest" in the preceding paragraph is as follows:	Improve the accuracy of expression, and quote the provisions of the *Articles of Association* in a smoother manner
	(1) In the case of a repurchase of shares by way of a general offer in proportion to all shareholders of the Company or by way of public dealing on a stock exchange according to the provisions of Article 35 of the *Articles of Association*, a "shareholder having an interest" refers to a controlling shareholder within the meaning of Article 85 of the *Articles of Association*;	(1) In the case of a repurchase of shares by way of a general offer in proportion to all shareholders of the Company or by way of public dealing on a stock exchange according to the provisions of Article ~~35~~**29** of the *Articles of Association*, a "shareholder having an interest" refers to a controlling shareholder within the meaning of Article ~~85~~**71** of the *Articles of Association*;	
	(2) In the case of a repurchase of shares outside the stock exchange by agreement according to the provisions of Article 35 of the *Articles of Association*, a "shareholder having an interest" refers to a shareholder relating to such agreement;	(2) In the case of a repurchase of shares outside the stock exchange by agreement according to the provisions of Article ~~35~~**29** of the *Articles of Association*, a "shareholder having an interest" refers to a shareholder relating to such agreement;	
	(3) In the case of a restructuring of the Company, a "shareholder having an interest" refers to a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class or who has an interest different from the general interests of the shareholders of that class.	(3) In the case of a restructuring of the Company, a "shareholder having an interest" refers to a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class or who has an interest different from the general interests of the shareholders of that class.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
4	Article 15 The notice of meetings of class shareholders needs to be served only on shareholders entitled to vote thereat. Except for shareholders of other classes of shares, the shareholders of domestic shares and the shareholders of foreign shares shall be deemed as shareholders of different class. The special voting procedures for shareholders of class shareholders shall not apply: (1) where, as approved by way of a special resolution of the general meeting, the Company issues, either separately or concurrently, domestic shares and overseas listed foreign shares once every 12 months, and the number of the domestic shares and overseas listed foreign shares intended to be issued does not exceed 20% of the outstanding shares of the respective categories; (2) where the plan for issuance of domestic shares and overseas listed foreign shares upon the establishment of the Company is completed within 15 months of being approved by the relevant securities authorities.	Article 15 The notice of meetings of class shareholders needs to be served only on shareholders entitled to vote thereat. Except for shareholders of other classes of shares, the shareholders of domestic shares and the shareholders of foreign shares shall be deemed as shareholders of different class. The special voting procedures for shareholders of class shareholders shall not apply: ~~(1)~~ where, as approved by way of a special resolution of the general meeting, the Company issues, either separately or concurrently, domestic shares and overseas listed foreign shares once every 12 months, and the number of the domestic shares and overseas listed foreign shares intended to be issued does not exceed 20% of the outstanding shares of the respective categories~~; (2) where the plan for issuance of domestic shares and overseas listed foreign shares upon the establishment of the Company is completed within 15 months of being approved by the relevant securities authorities~~.	The basis of these provisions, the *Special Regulations of the State Council concerning the Offering and Listing of Shares Overseas by Joint Stock Limited Companies*, has become invalid, thus they have been deleted

No.	Original provisions	Amended provisions	Basis or reason of amendment
5	Article 28 Shareholders who hold at least 3% shares of the Company individually or collectively may submit ad-hoc proposals in writing to the convener 10 days prior to the convening of the general meeting. Where shareholders subject to the conditions as mentioned above raise interim proposals before the convening of the shareholders' general meeting, their shareholding proportions shall not be less than 3% during the period from the date of the issuance of notice on proposals to the announcement of the resolutions. The convener shall give a supplementary notice of general meeting to publish the content of the ad-hoc proposal within 2 days after receiving the proposal.	Article 28 **Shareholders who hold at least 1% shares** of the Company individually or collectively **may submit ad-hoc proposals in writing to the convener 10 days prior to the convening of the general meeting. Where shareholders subject to the conditions as mentioned above raise interim proposals before the convening of the shareholders' general meeting, their shareholding proportions shall not be less than 1% during the period from the date of the issuance of notice on proposals to the announcement of the resolutions. Where shareholders submit temporary proposals, he/she shall provide the convener with documents proving that he/she holds more than 1% of shares of the Company. Where shareholders jointly submit proposals by proxy, the entrusting shareholder shall issue an authorization document in writing to the entrusted shareholder.** The convener shall give a supplementary notice of general meeting to publish the content of the ad-hoc proposal within 2 days after receiving the proposal.	According to Article 115 of the new *Company Law*, Article 2.1.5 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations*, (Revised in August 2023) has been amended
	Except for the circumstances set forth in the preceding paragraph, the convener shall not modify any proposal listed in the notice of general meeting or add any new proposal after issuing the notice of general meeting.	Except for the circumstances set forth in the preceding paragraph, the convener shall not modify any proposal listed in the notice of general meeting or add any new proposal after issuing the notice of general meeting. **Where the convener needs to supplement or correct the disclosure of a resolution as required, no material amendment shall be made to the resolution, and relevant supplementary or correction announcement shall be made within specified time. The legal opinions on resolutions of general meeting shall set out the explicit opinions issued by lawyers on whether the supplement or correction to the resolutions constitutes material amendments to the resolutions.** **Where there are material amendments to the resolutions, the relevant amendments shall be deemed as new resolutions and shall not be voted on at the general meeting.**	
	The general meeting shall not vote on and adopt a resolution on any proposal that is not listed in the notice of general meeting or that is not in compliance with Article 27 of these Rules.	The general meeting shall not vote on and adopt a resolution on any proposal that is not listed in the notice of general meeting or that is not in compliance with Article 27 of these Rules.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
6	Article 30 The notice of a general meeting shall be made in writing (including paper documents or electronic documents that meet the requirements of the place where the Company's securities are listed) and include the following contents:	Article 30 The notice of a general meeting shall be made in writing (including paper documents or electronic documents that meet the requirements of the place where the Company's securities are listed) and include the following contents:	Consistent with amendments to Article 87 of the *Articles of Association*
	(1) the time and venue of the meeting and the duration of the meeting;	(1) the time and venue of the meeting and the duration of the meeting;	
	(2) the matters and proposals to be tabled at the meeting for deliberation;	(2) the matters and proposals to be tabled at the meeting for deliberation;	
	(3) the information and explanation necessary for the shareholders shall be provided to them to make a wise decision on the matters to be discussed. This principal represents that (without limitation) when the Company proposes a merger, buy-back of shares, reorganization of share capital or other restructuring, it shall provide the specific conditions and contract (if any) of the transaction under discussions and earnestly explain the cause and result of the transaction;	~~(3) the information and explanation necessary for the shareholders shall be provided to them to make a wise decision on the matters to be discussed. This principal represents that (without limitation) when the Company proposes a merger, buy-back of shares, reorganization of share capital or other restructuring, it shall provide the specific conditions and contract (if any) of the transaction under discussions and earnestly explain the cause and result of the transaction;~~	
	(4) it shall disclose the nature and extent of conflict of interests of any director, supervisor, manager or other senior management member in any matter to be discussed; and it shall provide an explanation of the difference between the way in which the matter to be discussed would affect such director, supervisor, manager or other senior management member in his capacity as shareholder and the way in which such matter would affect other shareholders of the same category;	~~(4) it shall disclose the nature and extent of conflict of interests of any director, supervisor, manager or other senior management member in any matter to be discussed; and it shall provide an explanation of the difference between the way in which the matter to be discussed would affect such director, supervisor, manager or other senior management member in his capacity as shareholder and the way in which such matter would affect other shareholders of the same category;~~	
	(5) the full text of any special resolution proposed to be adopted at the meeting;	~~(5) the full text of any special resolution proposed to be adopted at the meeting;~~	
	(6) stating clearly that: all shareholders shall have the right to attend the general meeting and may appoint in writing a proxy to attend the meeting and participate in voting who needs not be a shareholder of the Company;	(3~~6~~) stating clearly that: all shareholders shall have the right to attend the general meeting and may appoint in writing a proxy to attend the meeting and participate in voting who needs not be a shareholder of the Company;	
	(7) the date of record to determine shareholders who have the right to attend the general meeting;	(4~~7~~) the date of record to determine shareholders who have the right to attend the general meeting;	

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(8) the name and telephone number of the permanent contact person for meetings;	(5~~8~~) the name and telephone number of the permanent contact person for meetings;	
	(9) the voting time and procedures for online or other methods;	(6~~9~~) the voting time and procedures for online or other methods;	
	(10) if a proposal taking effect is conditional upon other proposals become effective, it shall explicitly disclose the relevant preconditions in the notice of the shareholders' general meeting and shall give special reminders that the approval of such proposal is the precondition to the voting results of subsequent proposals taking effect.	(7~~10~~) if a proposal taking effect is conditional upon other proposals become effective, it shall explicitly disclose the relevant preconditions in the notice of the shareholders' general meeting and shall give special reminders that the approval of such proposal is the precondition to the voting results of subsequent proposals taking effect.	
	The notice and supplementary notice of a general meeting shall disclose the specific contents of all proposals fully and completely. The convener shall disclose other necessitate information 5 days prior to the convening of the shareholders' general meeting to enable the shareholders to make reasonable decisions on the matters proposed to be discussed; Where relevant proposals require independent directors, the Board of Supervisors and intermediary institutions to issue opinions, such opinions shall be disclosed as part of materials of the meeting. For matters which require the independent directors to issue an opinion, the notice or supplementary notice of the general meeting shall disclose the opinions of the independent directors and the reason thereof.	The notice and supplementary notice of a general meeting shall disclose the specific contents of all proposals fully and completely. The convener shall disclose other necessitate information 5 days prior to the convening of the shareholders' general meeting to enable the shareholders to make reasonable decisions on the matters proposed to be discussed; Where relevant proposals require independent directors, the Board of Supervisors and intermediary institutions to issue opinions, such opinions shall be disclosed as part of materials of the meeting. For matters which require the independent directors to issue an opinion, the notice or supplementary notice of the general meeting shall disclose the opinions of the independent directors and the reason thereof.	
	Online or other voting methods for a general meeting shall not commence earlier than 3:00 p.m. on the day preceding the date of the physical general meeting or later than 9:30 a.m. on the date of the physical general meeting and shall not end before 3:00 p.m. of the date of the physical general meeting.	Online or other voting methods for a general meeting shall not commence earlier than 3:00 p.m. on the day preceding the date of the physical general meeting or later than 9:30 a.m. on the date of the physical general meeting and shall not end before 3:00 p.m. of the date of the physical general meeting.	
7	Article 40 ...(5) Signature (or stamp) of the principal; (6) Whether the proxy has the voting right over interim proposals that may be included into the agenda of the general meeting, and if so, the specific instruction on how to exercise the voting right.	Article 40 ...(5) Signature (or stamp) of the principal;... ~~(6) Whether the proxy has the voting right over interim proposals that may be included into the agenda of the general meeting, and if so, the specific instruction on how to exercise the voting right.~~	To delete paragraph 6 and keep it consistent with the amendments to Article 96 of the *Articles of Association*

No.	Original provisions	Amended provisions	Basis or reason of amendment
8	Article 46 The Chairman of the board shall convene the general meeting and act as the president. Where the Chairman is unable or fails to perform his/her duties, the deputy Chairman (where there are two or more deputy Chairmen, the deputy Chairman nominated by more than half of the directors) shall act as the president; where the deputy Chairman is unable or fails to perform his/her duties, a director nominated by more than half of the directors shall act as the president.	Article 46 The Chairman of the board shall ~~**convene the general meeting and**~~ act as the president **of the general meeting**. Where the Chairman is unable or fails to perform his/her duties, the deputy Chairman (where there are two or more deputy Chairmen, the deputy Chairman nominated by more than half of the directors) shall act as the president; where the deputy Chairman is unable or fails to perform his/her duties, a director nominated by more than half of the directors shall act as the president.	Consistent with the amendments to Article 101 of the Articles of *Association*
	If the board of directors is unable or fails to fulfill the obligation of convening the general meetings, the board of supervisors shall convene and preside over such meetings. If the board of supervisors does not convene or preside over such meetings, the shareholders separately or aggregately holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over such meetings on their own initiative. If for any reason the shareholders are unable to elect a chairman, the shareholder (or its proxy) holding the largest number of voting shares and attending the meeting shall preside over the meeting.	If the board of directors is unable or fails to fulfill the obligation of convening the general meetings, the board of supervisors shall convene and preside over such meetings. If the board of supervisors does not convene or preside over such meetings, the shareholders separately or aggregately holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over such meetings on their own initiative. ~~**If for any reason the shareholders are unable to elect a chairman, the shareholder (or its proxy) holding the largest number of voting shares and attending the meeting shall preside over the meeting.**~~ **The Chairman of the Board of Supervisors shall preside over the shareholders' general meetings convened by the Board of Supervisors. Where the Chairman of the Board of Supervisors is unable or fails to perform his/her duties, the deputy Chairman of the Board of Supervisors shall preside over the meeting; where the deputy Chairman of the Board of Supervisors is unable or fails to perform his/her duties, a supervisor nominated by more than half of the supervisors shall preside over the meeting.** **In the case of a shareholders' general meeting convened by shareholders on their own initiative, the convener shall appoint a representative to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the shareholder (or its proxy) holding the largest number of voting shares and attending the meeting shall preside over the meeting.**	

No.	Original provisions	Amended provisions	Basis or reason of amendment
9	Article 52 The following proposals shall be resolved by a special resolution at a shareholders' general meeting:...(8) any other matters to be approved by a special resolution as required by the laws, administrative regulations, listing rules of the place where the Company's securities are listed and other regulatory requirements, or the *Articles of Association*, or considered to have a substantial impact on the Company according to the ordinary resolution at the general meeting.	Article 52 The following proposals shall be resolved by a special resolution at a shareholders' general meeting:...(8) **authorisation to the Board of Directors to issue shares by the shareholders' general meeting; (~~8~~9)** any other matters to be approved by a special resolution as required by the laws, administrative regulations, listing rules of the place where the Company's securities are listed and other regulatory requirements, or the *Articles of Association*, or considered to have a substantial impact on the Company according to the ordinary resolution at the general meeting.	Consistent with the amendments to Article 116 of the *Articles of Association*
10	Article 54 When a shareholders' general meeting votes on the election of directors and supervisors, the cumulative voting method may be implemented pursuant to the provisions of the *Articles of Association* or the resolution of a shareholders' general meeting. Where a sole shareholder and its party acting in concert are interested in 30% or more in the shares of the Company, the cumulative voting method shall be adopted.	Article 54 When a shareholders' general meeting votes on the election of directors and supervisors, the cumulative voting method may be implemented pursuant to the provisions of the *Articles of Association* or the resolution of a shareholders' general meeting. Where a sole shareholder and its party acting in concert are interested in 30% or more in the shares of the Company, the cumulative voting method shall be adopted. **Where two or more independent Directors are elected, the cumulative voting system shall be implemented.**	Consistent with the amendments to Article 120 of the *Articles of Association*
11	Article 63 (3) Number of attending shareholders and proxies, total number of voting shares held by attending shareholders and their percentage of total shares in the Company;	Article 63 (3) Number of attending shareholders and proxies, total number of voting shares held by attending shareholders and their percentage of total shares in the Company; **the number of voting shares held and percentage of such shares with respect to the Company's total shares, held respectively by the holders of tradable shares (including their proxies) and the holders of non-tradable shares (including their proxies) attending the shareholders' meeting;**	Consistent with the amendments to Article 106 of the *Articles of Association*
	(4) Deliberation process, key remarks and voting result of each proposal;	(4) Deliberation process, key remarks and voting result of each proposal**, including the voting on each of the matters being considered by tradable shareholders and non-tradable shareholders;**	

No.	Original provisions	Amended provisions	Basis or reason of amendment
12	Paragraph 3 of Article 67 If the convening procedure or voting method of the general meeting is in violation of laws, administrative regulations, or the *Articles of Association*, or if the content of the resolution is in violation of the *Articles of Association*, shareholders may, within 60 days of resolution, request the people's court to revoke the resolution.	Article 67 If the convening procedure or voting method of the general meeting is in violation of laws, administrative regulations, or the *Articles of Association*, or if the content of the resolution is in violation of the Articles of Association, shareholders may, within 61 days of resolution, request the people's court to revoke the resolution. **However, there are only minor flaws in the convening procedures or voting methods of the shareholders' general meeting or the Board of Directors' meeting, which do not have a substantial impact on the resolution. Shareholders who have not been notified to participate in the shareholders' general meeting may request the People's Court to revoke the resolution within 60 days from the date when they know or should know that the resolution of the shareholders' general meeting is made; if the right of revocation is not exercised within one year from the date of making the resolution, the right of revocation shall be extinguished.**	Consistent with the amendments to Article 64 of the *Articles of Association*

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	CHAPTER 1 GENERAL PROVISIONS For the purpose of further optimizing the governance structure of the Company and ensuring the normalization and effectiveness of the works of the Board of Directors, these rules of procedure are specially formulated in accordance with the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), the *Code of Corporate Governance for Listed Companies* (hereinafter referred to as the "*Code of Corporate Governance*"), the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations*, the *Mandatory Provisions for Articles of Association of Companies to be Listed Overseas* (hereinafter referred to as the "*Mandatory Provisions*"), the *Letter of Opinion on Amendment to Articles of Association of Companies Listing in Hong Kong* (hereinafter referred to as the "*Letter of Opinion on Amendment*"), the *Articles of Association of Haier Smart Home Co., Ltd.* (hereinafter referred to as the "*Articles of Association*"), *Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, *Market Abuse Regulation of European Union* (《關於市場濫用的歐盟規定》), the *German Securities Trading Act and the Listing Rules of Frankfurt Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and other relevant regulations and requirements.	CHAPTER 1 GENERAL PROVISIONS For the purpose of further optimizing the governance structure of **Haier Smart Home Co., Ltd. (the "Company")** and ensuring the normalization and effectiveness of the works of the Board of Directors, these rules of procedure are specially formulated in accordance with the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), the *Code of Corporate Governance for Listed Companies* (hereinafter referred to as the "*Code of Corporate Governance*"), the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations*, ~~**the *Mandatory Provisions for Articles of Association of Companies to be Listed Overseas* (hereinafter referred to as the "*Mandatory Provisions*"), the *Letter of Opinion on Amendment to Articles of Association of Companies Listing in Hong Kong* (hereinafter referred to as the "*Letter of Opinion on Amendment*"),**~~ the *Articles of Association of Haier Smart Home Co., Ltd.* (hereinafter referred to as the "*Articles of Association*"), ~~***Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies*,***~~ the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* **(hereinafter referred to as the "*Listing Rules of the Shanghai Stock Exchange*")**, *Market Abuse Regulation of European Union* (《關於市場濫用的歐盟規定》), the *German Securities Trading Act and the Listing Rules of Frankfurt Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and other relevant regulations and requirements.	Improve the accuracy of expression and update the relevant basis of rules

No.	Original provisions	Amended provisions	Basis or reason of amendment
2	Article 3 Resolutions in respect of the matters specified in items 6, 7, 8, 13 above made by the Board of Directors shall be passed by the affirmative vote of more than two-thirds of the directors.	Article 3 Resolutions in respect of the matters specified in **items 6, 7, 8 and 13 in the first paragraph of this Article** ~~items 6, 7, 8, 13 above~~ made by the Board of Directors shall be passed by the affirmative vote of more than two-thirds of the directors.	Improve the accuracy of expression and keep it consistent with the amendments to Article 169 of the *Articles of Association* and the expression of other paragraphs of this Article
	For resolutions by the Board of Directors on external guarantees stipulated under Item (9) in the first paragraph of this Article, apart from being deliberated and adopted by the affirmative vote of more than half of all directors, they should also require to be deliberated and adopted by the affirmative vote of more than two-thirds of the directors presented at the board meetings.	For resolutions by the Board of Directors on external guarantees stipulated under item **9**~~(9)~~ in the first paragraph of this Article, apart from being deliberated and adopted by the affirmative vote of more than half of all directors, they should also require to be deliberated and adopted by the affirmative vote of more than two-thirds of the directors presented at the board meetings.	
	For resolutions by the Board of Directors on financial assistance stipulated under Item (9) in the first paragraph of this Article, apart from being deliberated and adopted by the affirmative vote of more than half of all directors, they should also require to be deliberated and adopted by the affirmative vote of more than two-thirds of the directors present at the board meetings, except that the assistance subject is the controlling subsidiary included in the consolidated statements of the Company and that the other shareholders of that controlling subsidiary do not include the controlling shareholders, de facto controllers and their related parties of the listed company. The Company is also subject to the deliberation requirements for Board of Directors consideration if providing financial assistance to connected joint-stock companies not under the control of the Company's controlling shareholders and de facto controllers (and that the other shareholders of such joint-stock companies provide financial assistance on equal terms and in proportion to their capital contributions).	For resolutions by the Board of Directors on financial assistance stipulated under item **9**~~(9)~~ in the first paragraph of this Article, apart from being deliberated and adopted by the affirmative vote of more than half of all directors, they should also require to be deliberated and adopted by the affirmative vote of more than two-thirds of the directors present at the board meetings, except that the assistance subject is the controlling subsidiary included in the consolidated statements of the Company and that the other shareholders of that controlling subsidiary do not include the controlling shareholders, de facto controllers and their related parties of the listed company. The Company is also subject to the deliberation requirements for Board of Directors consideration if providing financial assistance to connected joint-stock companies not under the control of the Company's controlling shareholders and de facto controllers (and that the other shareholders of such joint-stock companies provide financial assistance on equal terms and in proportion to their capital contributions).	

No.	Original provisions	Amended provisions	Basis or reason of amendment
3	Article 4 The Board of Directors shall establish strict examination and decision-making procedures on external investment, purchase and sale of assets, assets pledge, external guarantee, entrusted wealth management, related-party transactions and external donations of the Company; consultations with relevant experts and professionals are required for material investment projects before such projects are submitted to the general meeting for approval. The Board of Directors shall exercise the functions and powers on the matters stipulated in Article 199 of the *Articles of Association*.	Article 4 The Board of Directors shall establish strict examination and decision-making procedures on external investment, purchase and sale of assets, assets pledge, external guarantee, entrusted wealth management, related-party transactions and external donations of the Company; consultations with relevant experts and professionals are required for material investment projects before such projects are submitted to the general meeting for approval. ~~**The Board of Directors shall exercise the functions and powers on the matters stipulated in Article 199 of the *Articles of Association*.**~~	Repeated content with Article 3
4	Article 5 The Board of Directors shall not, without the prior approval from the general meeting, dispose or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the fixed assets to be disposed and the total amount of the disposals of fixed assets that have been completed in the period of 4 months immediately preceding the proposed disposal, exceeds 33% of the value of fixed assets as shown in the latest balance sheet which was tabled at a general meeting. For the purposes of this Article, disposal of fixed assets includes an act involving the transfer of certain interests in assets but does not include the usage of fixed assets for the provision of guarantee. The validity of transactions contemplated under disposal of fixed assets by the Company shall not be affected by any breach of the first paragraph of this Article.	Delete	Being content in Article 89 in the original *Mandatory Provisions in the Articles of Association of Companies Listed Overseas*, it was deleted due to invalidity of the document
5	Article 8 The Board of Directors shall have a Secretary of the Board of Directors. The Secretary of the Board of Directors is a senior manager of the Company, accountable to the Board of Directors and serves as the designated contact person between the Company and the relevant stock exchange, securities regulatory authorities.	Article 8 The Board of Directors shall have a Secretary of the Board of Directors. The Secretary of the Board of Directors is a senior manager of the Company, accountable to **the Company and** the Board of Directors and serves as the designated contact person between the Company and the relevant stock exchange, securities regulatory authorities.	Consistent with amendments to Article 193 of the *Articles of Association*

No.	Original provisions	Amended provisions	Basis or reason of amendment
6	Article 10...(1) to guarantee that the Company has complete organizational documents and records; to ensure that the Company prepares and submits according to law the reports and documents required by the regulatory authorities, to guarantee that the Company's register of shareholders is properly established and that persons entitled to relevant records and documents of the Company obtain such records and documents in a timely manner. To be responsible for releasing the Company's information, to coordinate the Company's information disclosure, to organize the formulation of information disclosure management system of the Company, and to urge the Company and relevant information disclosure obligors to comply with the regulations on information disclosure;	Article ~~109~~**...**(1) ~~to guarantee that the Company has complete organizational documents and records; to ensure that the Company prepares and submits according to law the reports and documents required by the regulatory authorities, to guarantee that the Company's register of shareholders is properly established and that persons entitled to relevant records and documents of the Company obtain such records and documents in a timely manner.~~ To be responsible for releasing the Company's information, to coordinate the Company's information disclosure, to organize the formulation of information disclosure management system of the Company, and to urge the Company and relevant information disclosure obligors to comply with the regulations on information disclosure, **ensuring that the Company prepares and submits reports and documents required by relevant authorities pursuant to the law**;	Consistent with amendments to Article 195 of the *Articles of Association*
	(3) to organize the board meetings and general meetings, participate in general meetings, board meetings, meetings of the board of supervisors and senior management meetings, and take charge of and sign the minutes of board meeting;	(3) to organize the board meetings and general meetings, participate in general meetings, board meetings, meetings of the board of supervisors and senior management meetings, and take charge of and sign the minutes of board meeting, **ensuring that the Company has complete organizational documents and records**;	
	(6) to organize training on the relevant laws, administrative regulations, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, Related Listing Requirements of Frankfurt Stock Exchange and training on relevant requirements of the stock exchange where other companies' securities are listed for the directors, supervisors and senior management personnel of the Company to assist them to understand their respective duties in the course of information disclosure;	(6) to organize training on the relevant laws, administrative regulations, ~~the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, Related Listing Requirements of Frankfurt Stock Exchange and~~ training on relevant requirements of the stock exchange where ~~other companies'~~ the Company's securities are listed for the directors, supervisors and senior management personnel of the Company to assist them to understand their respective duties in the course of information disclosure;	
	(7) to urge directors, supervisors and senior management to comply with laws and regulations, relevant regulations of the stock exchanges where the Company's securities are listed and the *Articles of Association* and practically fulfill the commitments made by them; to remind the directors, supervisors and senior management of the Company and communicate with Shanghai Stock Exchange, The Stock Exchange of Hong Kong Limited (if necessary), Financial Supervisory Authority in Germany (if necessary) and Frankfurt Stock Exchange (if necessary) immediately upon having the understanding of their breach of the relevant laws, administrative regulations, departmental rules, other regulatory documents, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and relevant requirements of the securities regulatory authority and stock exchange of the place where the Company's securities are listed and the *Articles of Association* or upon the decision made or intended by the Company that is in breach of the relevant requirements;...	(7) to urge directors, supervisors and senior management to comply with laws and regulations, relevant regulations of the stock exchanges where the Company's securities are listed and the *Articles of Association* and practically fulfill the commitments made by them; to remind the directors, supervisors and senior management of the Company and **report to the stock exchange of the place where the Company's securities are listed** ~~communicate with Shanghai Stock Exchange, The Stock Exchange of Hong Kong Limited (if necessary), Financial Supervisory Authority in Germany (if necessary) and Frankfurt Stock Exchange (if necessary)~~ immediately upon having the understanding of their breach of the relevant laws, administrative regulations, departmental rules, other regulatory documents, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and relevant requirements of the securities regulatory authority and stock exchange of the place where the Company's securities are listed and the *Articles of Association* or upon the decision made or intended by the Company that is in breach of the relevant requirements;...	

No.	Original provisions	Amended provisions	Basis or reason of amendment
7	Article 12...(1) any circumstance as provided in Article 146 of the *Company Law*;	Article 12...(1) any circumstance **that prohibit a person from serving as a director, supervisor, or senior management** as provided in ~~**Article 146 of the**~~ *Company Law*;	Consistent with amendments to Article 197 of the *Articles of Association*
	(2) he/she is under a penalty of prohibited access to the securities market that may not serve as senior management of a listed company imposed by China Securities Regulatory Commission, which penalty is still effective;	(2) having been subject to the administrative punishment imposed by China Securities Regulatory Commission in the recent three years;	
	(3) he/she has been publicly identified by the stock exchange as not suitable to serve as senior management of a listed company, the term of which has not expired;	(3) he/she is under a penalty of prohibited access to the securities market that may not serve as **directors, supervisors** and senior management of a listed company imposed by China Securities Regulatory Commission, which penalty is still effective;	
	(4) having been subject to the administrative punishment imposed by China Securities Regulatory Commission in the recent three years;	(4) he/she has been publicly identified by the stock exchange as not suitable to serve as **directors, supervisors** and senior management of a listed company, the term of which has not expired;	
	(5) having been publicly censured or criticized by circulating a notice of criticism for more than two times by a stock exchange in the recent three years;	(5) having been publicly censured or criticized by circulating a notice of criticism for more than ~~**two**~~ **three** times by a stock exchange in the recent three years;	
	(6) currently serving as a supervisor of the Company;	(6) currently serving as a supervisor of the Company;	
	(7) other circumstances which Shanghai Stock Exchange deems inappropriate to take the post of Secretary of the Board of Directors.	(7) other circumstances which ~~**a**~~ stock exchange deems inappropriate to take the post of Secretary of the Board of Directors.	
8	Article 17 The Company shall, when appointing the Secretary of the Board of Directors, sign a confidentiality agreement with him or her and require him or her to undertake continued performance of the obligations for confidentiality during his or her term of office and after leaving office until the relevant information is disclosed, except for the information concerning the violation against laws and regulations by the Company.	Article 17 The Company shall, when appointing the Secretary of the Board of Directors, sign a confidentiality agreement with him or her and require him or her to undertake continued performance of the obligations for confidentiality during his or her term of office and after leaving office until the relevant information is disclosed, except for the information concerning the violation against laws and regulations by the Company.	The deleted clauses were Article 18 in the *Guidelines for the Secretarial Work of Boards of Directors of Companies Listed Overseas*, which was deleted accordingly due to the invalidity of the rules
	The Secretary of the Board of Directors shall, before leaving office, subject himself or herself to the examination on the office leaving by the Board of Directors and the Board of Supervisors, and hand over the relevant archives, matters in progress or to be processed under the supervision of the Board of Supervisors.	~~**The Secretary of the Board of Directors shall, before leaving office, subject himself or herself to the examination on the office leaving by the Board of Directors and the Board of Supervisors, and hand over the relevant archives, matters in progress or to be processed under the supervision of the Board of Supervisors.**~~	

No.	Original provisions	Amended provisions	Basis or reason of amendment
9	Article 36 Any matters not stipulated in these Rules shall be dealt with in accordance with the requirements in relation to the *Articles of Association, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Code of Corporate Governance, the Mandatory Provisions and the Letter of Opinion on Amendment*. In case of any inconsistency between these Rules and any future national laws, regulations and relevant regulatory rules of securities regulatory authorities and the stock exchange where the Company's securities are listed or the provisions of the *Articles of Association* as modified by legal procedures, the relevant laws, regulations, regulatory rules and the *Articles of Association* shall prevail.	Article 36 Any matters not stipulated in these Rules shall be dealt with in accordance with the requirements in relation to the *Articles of Association, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Code of Corporate Governance*~~**, the Mandatory Provisions and the Letter of Opinion on Amendment**~~. In case of any inconsistency between these Rules and any future national laws, regulations and relevant regulatory rules of securities regulatory authorities and the stock exchange where the Company's securities are listed or the provisions of the *Articles of Association* as modified by legal procedures, the relevant laws, regulations, regulatory rules and the *Articles of Association* shall prevail.	To delete invalid regulations to improve accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	CHAPTER 1 GENERAL PROVISIONS In order to perfect its corporate governance structure and ensure the standardization and effectiveness of the work of the Board of Supervisors, the Company has formulated the procedural rules in accordance with the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), the *Securities Law of the People's Republic of China*、the *Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies*, the *Code of Corporate Governance for Listed Companies*, *Self-regulatory Guidelines for the Companies Listed on the Shanghai Stock Exchange No.1 — Standardized operation*, the *Mandatory Provisions for Articles of Association of Companies to be Listed Outside the PRC* (hereinafter referred to as the "*Mandatory Provisions*"), the *Letter of Opinion on Amendment to Articles of Association of Companies Listing in Hong Kong* (hereinafter referred to as the "*Letter of Opinion on Amendment*"), "*the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*", the *Articles of Association of Hair Smart Home Co., Ltd.* (hereinafter referred to as the "*Articles of Association*") and other relevant regulations.	CHAPTER 1 GENERAL PROVISIONS In order to perfect its corporate governance structure **of Haier Smart Home Co., Ltd. (hereinafter referred to as the "Company")** and ensure the standardization and effectiveness of the work of the Board of Supervisors, the procedural rules are formulated in accordance with the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), the *Securities Law of the People's Republic of China*、the *Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies*, the *Code of Corporate Governance for Listed Companies*, *Self-regulatory Guidelines for the Companies Listed on the Shanghai Stock Exchange No.1 — Standardized operation*, ~~**the *Mandatory Provisions for Articles of Association of Companies to be Listed Outside the PRC* (hereinafter referred to as the "*Mandatory Provisions*"), the *Letter of Opinion on Amendment to Articles of Association of Companies Listing in Hong Kong* (hereinafter referred to as the "*Letter of Opinion on Amendment*")**~~, *the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*", the *Articles of Association of Hair Smart Home Co., Ltd.* (hereinafter referred to as the "*Articles of Association*") and other relevant regulations.	Delete the invalid rule and improve the accuracy of expression
2	Article 1 The Company shall have a Board of Supervisors, which shall consist of three supervisors, one of whom shall be the chairman of the Board of Supervisors and may have a vice-chairman. The appointment and removal of the chairman and vice chairman of the Board of Supervisors shall be approved by more than two-thirds of the members of the Board of Supervisors.	Article 1 The Company shall have a Board of Supervisors, which shall consist of three supervisors, one of whom shall be the chairman of the Board of Supervisors and may have a vice-chairman. The appointment and removal of the chairman and vice chairman of the Board of Supervisors shall be approved by more than **one-half** of the members of the Board of Supervisors.	Hong Kong rules originally invoked are no longer in force and are adjusted accordingly under domestic law
3	Article 2.....7. According to Article 151 of the *Company Law*, initiate proceedings against directors and senior management;	Article 2.....7. According to ~~**Article 151 of**~~ the *Company Law*, initiate proceedings against directors and senior management;	Adjust under the New *Company Law*
4	Article 16 An extraordinary meeting of the Board of Supervisors may be convened upon the proposal of the chairman of the Board of Supervisors or more than one-half of the supervisors.	Delete	Conflict with Article 15

No.	Original provisions	Amended provisions	Basis or reason of amendment
5	Article 19 At the meeting of the Board of Supervisors shall be valid only if more than two-thirds of the supervisors are present, and each supervisor shall have one vote. A resolution made by the Board of Supervisors shall be approved by more than two-thirds of the members of the Board of Supervisors.	Article 1~~9~~**8** At the meeting of the Board of Supervisors ~~**shall be valid only if more than two-thirds of the supervisors are present, and**~~**,** each supervisor shall have one vote. A resolution made by the Board of Supervisors shall be approved by more than **one-half** of the members of the Board of Supervisors.	Hong Kong rules originally invoked are no longer in force and are adjusted accordingly under domestic law
6	Article 25 For matters not stipulated in these rules of procedures, the Articles of Association shall apply and shall be implemented in accordance with the relevant provisions of the *Company Law*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, *Guidelines for the Governance of Listed Companies*, *Mandatory Provisions and Letter of Opinion on Amendment*.	Article 2~~5~~**4** For matters not stipulated in these rules of procedures, the Articles of Association shall apply and shall be implemented in accordance with the relevant provisions of the *Company Law*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, Guidelines for the Governance of Listed *Companies*~~***, Mandatory Provisions and Letter of Opinion on Amendment***~~.	Delete the invalid rule

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	**Article 1** The Administrative Measures are formulated pursuant to the relevant requirements of the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), the *Securities Law of the People's Republic of China* (hereinafter referred to as the "*Securities Law*"), *Administrative Measures for Initial Public Offerings and Listing of Stocks, Administrative Measures for the Issuance of Securities by Listed Companies, Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations*, *Rules Governing the Report on the Use of Proceeds from Previous Fund Raising Activity, Regulatory Guidance for Listed Companies No. 2 — Regulatory Requirements for the Administration and Use of Raised Funds of the Listed Companies*, the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* (hereinafter referred to as the "*Listing Rules of Shanghai Stock Exchange*"), the *Administrative Measures of Issuing of Securities by Listed Companies*, *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (hereinafter referred to as the "*Hong Kong Listing Rules*") and other laws, regulations, regulatory documents, regulatory rules of the place where the securities of the Company are listed and the actual conditions of the Company for the purpose of regulating the management and usage of the raised funds of Haier Smart Home Co., Ltd. (hereinafter referred to as the "Company"), improving efficiency in raised funds utilization and protecting the interest of investors.	**Article 1** The Administrative Measures are formulated pursuant to the relevant requirements of the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), the *Securities Law of the People's Republic of China* (hereinafter referred to as the "*Securities Law*"), *Administrative Measures for Initial Public Offerings and Listing of Stocks, Administrative Measures for the Issuance of Securities by Listed Companies, Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations*, *Rules Governing the Report on the Use of Proceeds from Previous Fund Raising Activity, Regulatory Guidance for Listed Companies No. 2 — Regulatory Requirements for the Administration and Use of Raised Funds of the Listed Companies*, the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* (hereinafter referred to as the "*Listing Rules of Shanghai Stock Exchange*"), ~~the *Administrative Measures of Issuing of Securities by Listed Companies*,~~ *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (hereinafter referred to as the "*Hong Kong Listing Rules*") and other laws, regulations, regulatory documents, regulatory rules of the place where the securities of the Company are listed and the actual conditions of the Company for the purpose of regulating the management and usage of the raised funds of Haier Smart Home Co., Ltd. (hereinafter referred to as the "Company"), improving efficiency in raised funds utilization and protecting the interest of investors.	Adjust the basis of rule and delete the invalid document

No.	Original provisions	Amended provisions	Basis or reason of amendment
2	**Article 13** Where any single Investment Project is completed and the Company proposes to use surplus raised funds (including interest income) for that project in other Investment Projects, it shall be implemented only after the Board of Directors has considered and approved such use and the independent directors, sponsor and the Board of Supervisors have given their opinions on such use. The Company make an announcement within 2 trading days after the board meeting. The Company is exempt from the procedure stated in the preceding paragraph if the amount of surplus raised funds (including interest income) is less than RMB1 million or 5% of the amount of the raised funds the Company commits to invest in the project, and the application of such surplus raised funds shall be disclosed in the annual reports. In case the Company uses the surplus raised funds (including interest income) in an Investment Project for purpose other than Investment Projects (including for supplementing the working capital), the procedures and disclosure obligations related to changing the Investment Project shall be applied.	**Article 13** Where any single Investment Project is completed and the Company proposes to use surplus raised funds (including interest income) for that project in other Investment Projects, it shall be implemented only after the Board of Directors has considered and approved such use and ~~**the independent directors,**~~ the sponsor and the Board of Supervisors have given their opinions on such use. The Company make an announcement within 2 trading days after the board meeting. The Company is exempt from the procedure stated in the preceding paragraph if the amount of surplus raised funds (including interest income) is less than RMB1 million or 5% of the amount of the raised funds the Company commits to invest in the project, and the application of such surplus raised funds shall be disclosed in the annual reports. In case the Company uses the surplus raised funds (including interest income) in an Investment Project for purpose other than Investment Projects (including for supplementing the working capital), the procedures and disclosure obligations related to changing the Investment Project shall be applied.	To be consistent with the provisions of Article 6.3.20 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*
3	**Article 15** In case the Company has invested in Investment Project with its own funds in advance, the Company may replace such funds with the raised funds within 6 months after the receipt of the raised funds. The replacement shall subject to consideration and approval by the Board of Directors, a verification report issued by an accounting firm and explicit approval from the independent directors, the Board of Supervisors, the sponsor or independent financial advisor. Save for the requirements stated in the preceding paragraph, in case the Company replaces its own funds invested in advance to Investment Project by raised funds, the procedures and disclosure obligations related to changing the Investment Project shall be applied.	**Article 15** In case the Company has invested in Investment Project with its own funds in advance, the Company may replace such funds with the raised funds within 6 months after the receipt of the raised funds. The replacement shall subject to consideration and approval by the Board of Directors, a verification report issued by an accounting firm and explicit approval from ~~**the independent directors,**~~ the Board of Supervisors, the sponsor or independent financial advisor. Save for the requirements stated in the preceding paragraph, in case the Company replaces its own funds invested in advance to Investment Project by raised funds, the procedures and disclosure obligations related to changing the Investment Project shall be applied.	To be consistent with the provisions of Article 6.3.10 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in August 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
4	**Article 16** The raised funds unused shall not be used to invest in any products unless such investment is approved by the Board of Directors of the Company after consideration and independent directors, the Board of Supervisors, the sponsor or independent financial advisor offer explicit opinions indicating their approval of the same. The following shall be announced by the Company within 2 trading days after the board meeting concerned: (1) Basic information of the raised funds concerned, including the time of financing, amount raised, the net value of raised funds and the investment plans, etc.; (2) Application of the raised funds; (3) The amount and term of the product to be invested by the raised funds unused, whether there are any changes in the purpose of the funds raised in the disguised form and any measures adopted for ensuring the proper implementation of the raised funds investment projects are not affected; (4) Profit distribution methods, scope of investment and security of the investment product; (5) Opinions offered by independent directors, the Board of Supervisors, the sponsor or independent financial advisor.	**Article 16** The raised funds unused shall not be used to invest in any products unless such investment is approved by the Board of Directors of the Company after consideration and ~~**independent directors,**~~ the Board of Supervisors, the sponsor or independent financial advisor offer explicit opinions indicating their approval of the same. The following shall be announced by the Company within 2 trading days after the board meeting concerned: (1) Basic information of the raised funds concerned, including the time of financing, amount raised, the net value of raised funds and the investment plans, etc.; (2) Application of the raised funds; (3) The amount and term of the product to be invested by the raised funds unused, whether there are any changes in the purpose of the funds raised in the disguised form and any measures adopted for ensuring the proper implementation of the raised funds investment projects are not affected; (4) Profit distribution methods, scope of investment and security of the investment product; (5) Opinions offered by ~~**independent directors,**~~ the Board of Supervisors, the sponsor or independent financial advisor.	To be consistent with the provisions of Article 6.3.13 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
5	**Article 17** The Company may use the raised funds unused to supplement the working capital on a temporary basis, provided that: (1) The funds shall only be used for production and operation related to the primary business; (2) The purpose of the raised funds shall not be changed in the disguised form and proper implementation of the raised funds investment plan shall not be affected; (3) The purpose of the funds shall not be used directly or indirectly for placement or subscription of new shares, or used in transactions in shares or its derivatives or convertible corporate bonds; (4) The time for each supplement to the working capital shall not exceed 12 months; (5) The raised funds previously used to supplement the working capital on a temporary basis (if applicable) have been returned within due time. The Company may use the raised funds unused to supplement the working capital on a temporary basis, to the extent that such use is approved by the Board of Directors after consideration and independent directors, the sponsor or independent financial advisor and the Board of Supervisors offer explicit opinions on approval of the same, in which case, the Company shall make an announcement within 2 trading days after the board meeting. The Company shall return the funds used to supplement the working capital to the Special Account for Raised Funds before the due date and make an announcement within 2 trading days after the funds are returned in full.	**Article 17** The Company may use the raised funds unused to supplement the working capital on a temporary basis, provided that: (1) The funds shall only be used for production and operation related to the primary business; (2) The purpose of the raised funds shall not be changed in the disguised form and proper implementation of the raised funds investment plan shall not be affected; (3) The purpose of the funds shall not be used directly or indirectly for placement or subscription of new shares, or used in transactions in shares or its derivatives or convertible corporate bonds; (4) The time for each supplement to the working capital shall not exceed 12 months; (5) The raised funds previously used to supplement the working capital on a temporary basis (if applicable) have been returned within due time. The Company may use the raised funds unused to supplement the working capital on a temporary basis, to the extent that such use is approved by the Board of Directors after consideration and ~~independent directors,~~ the sponsor or independent financial advisor and the Board of Supervisors offer explicit opinions on approval of the same, in which case, the Company shall make an announcement within 2 trading days after the board meeting. The Company shall return the funds used to supplement the working capital to the Special Account for Raised Funds before the due date and make an announcement within 2 trading days after the funds are returned in full.	To be consistent with the provisions of Article 6.3.13 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
6	**Article 18** The Excessive Funds may be used to supplement the working capital on a permanent basis or used to repay the bank borrowings, provided that the amount in aggregate in each 12-month period shall not exceed 30% of the total Excessive Funds and the Company shall undertake not to make any investment of high risks or provide any financial assistance to any parties other than its holding subsidiaries within 12 months after the working capital is supplemented. The Excessive Funds shall not be used to supplement the working capital on a permanent basis or used to repay the bank borrowings unless it is approved by the Board of Directors and general meeting of the Company, online voting is available for shareholders and independent directors, the Board of Supervisors, the sponsor or independent financial advisor have offered explicit opinions indicating the approval of the same. Within 2 trading days after the board meeting concerned, the Company shall announce the following: (1) Basic information of the raised funds concerned, including the time of financing, amount raised, the net value of raised funds, the Excessive Funds and the investment plans, etc.; (2) Application of the raised funds; (3) The necessity to use the Excessive Funds to supplement the working capital on a permanent basis or repay the bank loans, and the detailed plans in respect thereof; (4) A promise that the Company will not make any investment of high risks or provide any financial assistance to others within 12 months after the working capital is supplemented;	**Article 18** The Excessive Funds may be used to supplement the working capital on a permanent basis or used to repay the bank borrowings, provided that the amount in aggregate in each 12-month period shall not exceed 30% of the total Excessive Funds and the Company shall undertake not to make any investment of high risks or provide any financial assistance to any parties other than its holding subsidiaries within 12 months after the working capital is supplemented. The Excessive Funds shall not be used to supplement the working capital on a permanent basis or used to repay the bank borrowings unless it is approved by the Board of Directors and general meeting of the Company, online voting is available for shareholders and ~~independent directors,~~ the Board of Supervisors, the sponsor or independent financial advisor have offered explicit opinions indicating the approval of the same. Within 2 trading days after the board meeting concerned, the Company shall announce the following: (1) Basic information of the raised funds concerned, including the time of financing, amount raised, the net value of raised funds, the Excessive Funds and the investment plans, etc.; (2) Application of the raised funds; (3) The necessity to use the Excessive Funds to supplement the working capital on a permanent basis or repay the bank loans, and the detailed plans in respect thereof; (4) A promise that the Company will not make any investment of high risks or provide any financial assistance to others within 13 months after the working capital is supplemented;	To be consistent with the provisions of Article 6.3.23 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(5) The impact of using the Excessive Funds to supplement the working capital on a permanent basis or repay the bank loans on the Company;	(5) The impact of using the Excessive Funds to supplement the working capital on a permanent basis or repay the bank loans on the Company;	
	(6) Opinions offered by independent directors, the Board of Supervisors, the sponsor or independent financial advisor.	(6) Opinions offered by ~~independent directors,~~ the Board of Supervisors, the sponsor or independent financial advisor.	
	In case the Company uses the Excessive Funds in projects in progress n or new projects (including acquisition of assets), the investment shall be made in the primary business, feasibility analysis shall be made with regard to the investment projects in a scientific and prudent manner by reference to relevant requirements in Article 20 to Article 24 of these Measures and timely information disclosure shall be made.	In case the Company uses the Excessive Funds in projects in progress n or new projects (including acquisition of assets), the investment shall be made in the primary business, feasibility analysis shall be made with regard to the investment projects in a scientific and prudent manner by reference to relevant requirements in Article 20 to Article 24 of these Measures and timely information disclosure shall be made.	
7	**Article 19** After all Investment Projects are completed in full, the surplus raised funds (including interest income) shall not be used by the Company until it is approved by the Board of Directors after consideration and independent directors, the sponsor and the Board of Supervisors offer explicit opinions indicating their approval of the same. The Company shall make an announcement in a timely manner after it is being considered by the Board of Directors.	**Article 19** After all Investment Projects are completed in full, the surplus raised funds (including interest income) shall not be used by the Company until it is approved by the Board of Directors after consideration and ~~independent directors,~~ the sponsor and the Board of Supervisors offer explicit opinions indicating their approval of the same. The Company shall make an announcement in a timely manner after it is being considered by the Board of Directors.	To be consistent with the provisions of Article 6.3.21 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*
	In case the surplus raised funds (including interest income) account for more than 10% of the net value of raised funds, such surplus raised funds shall also be approved by the general meeting.	In case the surplus raised funds (including interest income) account for more than 10% of the net value of raised funds, such surplus raised funds shall also be approved by the general meeting.	
	The Company is exempt from the procedure stated in the preceding paragraph if the surplus raised funds (including interest income) are less than RMB5 million or account for less than 5% of the net value of raised funds, and the application of such surplus raised funds shall be disclosed in the next following regular report.	The Company is exempt from the procedure stated in the preceding paragraph if the surplus raised funds (including interest income) are less than RMB5 million or account for less than 5% of the net value of raised funds, and the application of such surplus raised funds shall be disclosed in the next following regular report.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
8	**Article 21** The raised funds shall be used only for purposes specified in the Prospectus or other public offering documents. The Investment Project shall not be changed unless it is approved by the Board of Directors and the general meeting after consideration or independent financial advisor, and independent directors, the sponsor or independent financial advisor and the Board of Supervisors offer explicit opinions indicating their approval of the same. In case of change of the implementing entity of the Investment Project between the Company and its wholly-owned subsidiaries, or only changes the place where the Investment Project is carried out, it is not regarded as a change in the use of the raised funds and may be exempt from the procedures of the general meeting while approval from the Board of Directors shall be obtained and the Company shall promptly announce the reasons for the changes of the implementing entity or location and opinions from the sponsor.	**Article 21** The raised funds shall be used only for purposes specified in the Prospectus or other public offering documents. The Investment Project shall not be changed unless it is approved by the Board of Directors and the general meeting after consideration or independent financial advisor, and ~~**independent directors,**~~ the sponsor or independent financial advisor and the Board of Supervisors offer explicit opinions indicating their approval of the same. In case of change of the implementing entity of the Investment Project between the Company and its wholly-owned subsidiaries, or only changes the place where the Investment Project is carried out, it is not regarded as a change in the use of the raised funds and may be exempt from the procedures of the general meeting while approval from the Board of Directors shall be obtained and the Company shall promptly announce the reasons for the changes of the implementing entity or location and opinions from the sponsor.	To be consistent with the provisions of Article 6.3.16 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in August 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
9	**Article 23** In case the Company proposes to change any Investment Project, the Company shall, within 2 trading days after the proposal is submitted to the Board of Directors for consideration, announces the following: (I) Basic information of the original Investment Project and the specific reasons for such change; (II) Basic information of the new Investment Project, feasibility analysis and risk warnings; (III) The investment plans for the new Investment Project; (IV) Statements that the new Investment Project has obtained the approval of competent authorities or such approval remains to be obtained, if applicable; (V) Opinions of independent directors, the Board of Supervisors, the sponsor or independent financial advisor on changing the Investment Project; (VI) Statements in relation to the change of the Investment Project that needs to be submitted to the general meeting for consideration; (VII) Other information required by the SSE. In case the new Investment Project involves any related party transaction, purchase of assets or external investment, disclosure shall be made by reference to relevant rules.	**Article 23** In case the Company proposes to change any Investment Project, the Company shall, within 2 trading days after the proposal is submitted to the Board of Directors for consideration, announces the following: (I) Basic information of the original Investment Project and the specific reasons for such change; (II) Basic information of the new Investment Project, feasibility analysis and risk warnings; (III) The investment plans for the new Investment Project; (IV) Statements that the new Investment Project has obtained the approval of competent authorities or such approval remains to be obtained, if applicable; (V) Opinions of ~~independent directors,~~ the Board of Supervisors, the sponsor or independent financial advisor on changing the Investment Project; (VI) Statements in relation to the change of the Investment Project that needs to be submitted to the general meeting for consideration; (VII) Other information required by the SSE. In case the new Investment Project involves any related party transaction, purchase of assets or external investment, disclosure shall be made by reference to relevant rules.	To be consistent with the provisions of Article 6.3.16 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in August 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
	Where the Company changes Investment Project to acquire the assets (including the equity interests) of the controlling shareholder or actual controller, the Company shall ensure that horizontal competition can be avoided and the related party transactions can be reduced effectively after such acquisition.	Where the Company changes Investment Project to acquire the assets (including the equity interests) of the controlling shareholder or actual controller, the Company shall ensure that horizontal competition can be avoided and the related party transactions can be reduced effectively after such acquisition.	
	If the Investment Project has not been completed after the original completion date and it still intends to implement the Investment Project with a postponed schedule, the Company shall promptly disclose the specific reasons for not able to complete the project on time, explain the current deposit and account condition of the raised funds, and whether there are any circumstances that affect the normal use of the raised funds, estimated time of completion, and relevant measures to ensure the completion is as scheduled after the extension, and perform corresponding decision-making procedures for the extension of the Investment Project.	If the Investment Project has not been completed after the original completion date and it still intends to implement the Investment Project with a postponed schedule, the Company shall promptly disclose the specific reasons for not able to complete the project on time, explain the current deposit and account condition of the raised funds, and whether there are any circumstances that affect the normal use of the raised funds, estimated time of completion, and relevant measures to ensure the completion is as scheduled after the extension, and perform corresponding decision-making procedures for the extension of the Investment Project.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
10	**Article 24** In case the Company proposes to transfer an Investment Project to others or to replace an Investment Project (except in case the Investment Projects are transferred to others or replaced in full during material asset restructuring of the Company), the Company shall, within 2 trading days after the proposal is approved by the Board of Directors after consideration, announce the following: (I) Specific reasons for transferring or replacing the Investment Project; (II) The amount of raised funds input in such project; (III) Percentage of completion of the project and profit generated; (IV) Basic information of the new project after the replacement, feasibility analysis and risk warnings, if applicable; (V) Pricing basis for and relevant proceeds from such transfer or replacement; (VI) Opinions of independent directors, the Board of Supervisors, the sponsor or independent financial advisor on transferring or replacing the Investment Project; (VII) Statements in relation to the transfer or replacement of the Investment Project that needs to be submitted to the general meeting for consideration.	**Article 24** In case the Company proposes to transfer an Investment Project to others or to replace an Investment Project (except in case the Investment Projects are transferred to others or replaced in full during material asset restructuring of the Company), the Company shall, within 2 trading days after the proposal is approved by the Board of Directors after consideration, announce the following: (I) Specific reasons for transferring or replacing the Investment Project; (II) The amount of raised funds input in such project; (III) Percentage of completion of the project and profit generated; (IV) Basic information of the new project after the replacement, feasibility analysis and risk warnings, if applicable; (V) Pricing basis for and relevant proceeds from such transfer or replacement; (VI) Opinions of ~~**independent directors,**~~ the Board of Supervisors, the sponsor or independent financial advisor on transferring or replacing the Investment Project; (VII) Statements in relation to the transfer or replacement of the Investment Project that needs to be submitted to the general meeting for consideration.	To be consistent with the provisions of Article 6.3.19 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	**Article 1** In order to further optimize the governance structure of Haier Smart Home Co., Ltd., promote the standardized operation of the Company, safeguard the interest of the Company as a whole and protect the legal rights and interests of all shareholders, particularly minority shareholders, from being harmed, this system is formulated in accordance with the provisions of the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), the *Code of Corporate Governance of Listed Companies, the Rules for Independent Directors of Listed Companies* (hereinafter referred to as the "*Rules for Independent Directors*") issued by the China Securities Regulatory Commission, the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations*, and other relevant laws and regulations and regulatory documents, as well as the provisions of the *Articles of Association* of Haier Smart Home Co., Ltd. (hereinafter referred to as the "*Articles of Association*"), the *Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies*, the *Stock Listing Rules of Shanghai Stock Exchange* and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.*	**Article 1** In order to further optimize the governance structure of Haier Smart Home Co., Ltd., promote the standardized operation of the Company, safeguard the interest of the Company as a whole and protect the legal rights and interests of all shareholders, particularly minority shareholders, from being harmed, this system is formulated in accordance with the provisions of the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), the *Code of Corporate Governance of Listed Companies*, ~~**the *Rules for Independent Directors of Listed Companies* (hereinafter referred to as the "*Rules for Independent Directors*")**~~ **the *Management Measures for Independent Directors of Listed Companies* (hereinafter referred to as the "*Management Measures for Independent Directors*")** issued by the China Securities Regulatory Commission, the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations*, and other relevant laws and regulations and regulatory documents, as well as the provisions of the *Articles of Association* of Haier Smart Home Co., Ltd. (hereinafter referred to as the "*Articles of Association*"), ~~**the *Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies*,**~~ the *Stock Listing Rules of Shanghai Stock Exchange* and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.*	Delete the expired rule and add a new regulation
2	**Article 2** An independent director (being "independent non-executive director") refers to a director who meets relevant regulatory requirements, who does not hold any position in the Company other than director and who has no relationship with the Company or its principal shareholders that would hinder his/her independent and objective judgements. An independent director must have the independence required by the securities regulatory agency and stock exchange where the Company's securities are listed.	**Article 2** An independent director (being "independent non-executive director") refers to a director who meets relevant regulatory requirements, who does not hold any position in the Company other than director and **has no direct or indirect interest in the Company, any of its substantial shareholders, or its actual controllers, or no other relationship that may obstruct him or her from making independent and objective judgments** ~~**who has no relationship with the Company or its principal shareholders that would hinder his/her independent and objective judgements**~~. An independent director must have the independence required by the securities regulatory agency and stock exchange where the Company's securities are listed.	Consistent with the requirements in Article 2 of the *Management Measures for Independent Directors of Listed Companies*

No.	Original provisions	Amended provisions	Basis or reason of amendment
3	**Article 3** An independent director has the obligation of fiduciary and diligence toward the Company and all its shareholders. An independent director shall, pursuant to the requirements of the relevant laws and regulations, *the Rules for Independent Directors*, the listing rules in place where the Company's securities are listed and the *Articles of Association*, conscientiously perform his/her duties and responsibilities, safeguard the Company's interests as a whole and, in particular, pay attention that the lawful rights and interests of minority shareholders are not prejudiced.	**Article 3** An independent director has the obligation of fiduciary and diligence toward the Company and all its shareholders. An independent director shall, pursuant to the requirements of the relevant laws and regulations, ***the Management Measures ~~Rules~~ for Independent Directors,*** the listing rules in place where the Company's securities are listed and the *Articles of Association*, conscientiously perform his/her duties and responsibilities, ~~**safeguard the Company's interests as a whole**~~ **and play a role in participating in decision-making, supervising and balancing, and providing professional consultation in the Board of Directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.**	Update the name of the System, and be consistent with the requirements in Article 3 of the *Management Measures for Independent Directors of Listed Companies*
	An independent director shall perform his/her duties and responsibilities independently, without the interference of the principle shareholders or the actual controller of the Company or other entities or individuals that have any stake in the Company.	An independent director shall perform his/her duties and responsibilities independently, without the interference of the principle shareholders or the actual controller of the Company or other entities or individuals that have any stake in the Company.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
4	**Article 5** A person holding the position of independent director of the Company shall satisfy the basic conditions set forth below: (I) he should be qualified as a director of a listed company under the laws, administrative regulations and other relevant provisions; (II) he shall be independent under the *Rules for Independent Directors*; (III) he shall have basic knowledge of the operation of a listed company, be familiar with the relevant laws, administrative rules, regulations and rules; (IV) he shall have more than 5 years legal or economic experience or other experience necessary to perform his duties as an independent director; (V) he shall meet the laws and regulations and other requirements stipulated in the *Articles of Association*.	**Article 5** A person holding the position of independent director of the Company shall satisfy the basic conditions set forth below: (I) he should be qualified as a director of a ~~**listed**~~ company under the laws, administrative regulations and other relevant provisions; (II) he shall be independent under the **Article 11 of this System** ~~***Rules for Independent Directors***~~; (III) he shall have basic knowledge of the operation of a ~~**listed**~~ company, **be familiar with relevant laws, regulations and rules** ~~**be familiar with the relevant laws, administrative rules, regulations and rules**~~; (IV) he shall have more than 5 years of **legal, economic, accounting financial, management and other work experience necessary to perform the duties of an independent director** ~~**legal or economic experience or other experience necessary to perform his duties as an independent director**~~; (V) **he shall have good personal morality, with no bad record such as major breach of trust, etc.;** **(VI)** he shall meet the ~~**laws and regulations and**~~ **laws, administrative regulations, the provisions of the securities regulatory authorities and stock exchanges where the Company's securities are listed, and** other requirements stipulated in the *Articles of Association*.	To be consistent with the requirements in Article 7 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.3 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
5	**Article 6** A person holding the position of independent director or being nominated as candidate for independent director of the Company shall comply with the following laws, administrative regulations, departmental rules and the listing rules in place where the Company's securities are listed: (I) provisions of Article 146 of the *Company Law* on the qualifications of directors; (II) provisions of the *Public Servant Law of the People's Republic of China* on posts held by public servants concurrently; (III) relevant provisions of the *Rules for Independent Directors*; (IV) provisions of the *Notice on Regulating Taking Office as Independent Directors and Independent Supervisors of Listed Companies and Fund Management Companies by the Central Management Cadres after Resignation from Public Service or Retirement* issued by the Central Commission for Discipline Inspection of the CPC and the Central Organization Department of the CPC; (V) provisions of the *Opinions on Further Regulating the Issue of Party And Government Leading Cadres Taking Up Part-Time Positions (Employment) In Enterprises* issued by the Central Organization Department of the CPC; (VI) *provisions of the Opinions on Strengthening the Construction of Anti-corruption and Building a Clean Governance in Colleges and Universities* issued by the Central Commission for Discipline Inspection of the CPC, Ministry of Education, and Ministry of Supervision; (VII) circumstances under the provisions of other laws, administrative regulations, departmental rules and regulations and the listing rules in place where the Company's securities are listed.	**Article 6** A person holding the position of independent director or being nominated as candidate for independent director of the Company shall comply with the following laws, administrative regulations, departmental rules and the listing rules in place where the Company's securities are listed: (I) provisions of the *Company Law* on the qualifications of directors; (II) provisions of the *Public Servant Law of the People's Republic of China* on posts held by public servants concurrently; (III) relevant provisions of the ***Management Measures*** ~~***Rules***~~ *for Independent Directors*; (IV) provisions of the *Notice on Regulating Taking Office as Independent Directors and Independent Supervisors of Listed Companies and Fund Management Companies by the Central Management Cadres after Resignation from Public Service or Retirement* issued by the Central Commission for Discipline Inspection of the CPC and the Central Organization Department of the CPC; (V) provisions of the *Opinions on Further Regulating the Issue of Party And Government Leading Cadres Taking Up Part-Time Positions (Employment) In Enterprises* issued by the Central Organization Department of the CPC; (VI) *provisions of the Opinions on Strengthening the Construction of Anti-corruption and Building a Clean Governance in Colleges and Universities* issued by the Central Commission for Discipline Inspection of the CPC, Ministry of Education, and Ministry of Supervision; (VII) circumstances under the provisions of other laws, administrative regulations, departmental rules and regulations and the listing rules in place where the Company's securities are listed.	Make corresponding adjustments according to the amendments to the *Company Law*, and modify the name of the invalid rule

No.	Original provisions	Amended provisions	Basis or reason of amendment
6	**Article 7** The candidates for independent directors of the Company shall have no adverse records as follows:	**Article 7** The candidates for independent directors of the Company **shall possess good personal integrity and comply with the relevant rules and requirements stipulated by the securities regulatory authority of the place where the shares of the Company are listed**. ~~**shall have no adverse records as follows:**~~	The content of the original rule has been adjusted. In order to avoid frequent changes to the content of the rule, flexible adjustments are made
	(I) subject to any administrative punishment imposed by the China Securities Regulatory Commission in the recent 36 months;	~~**(I) subject to any administrative punishment imposed by the China Securities Regulatory Commission in the recent 36 months;**~~	
	(II) during the period when the stock exchange publicly announces the candidate not suitable for serving as a director of a listed company;	~~**(II) during the period when the stock exchange publicly announces the candidate not suitable for serving as a director of a listed company;**~~	
	(III) publicly condemned or criticized for more than two times by the stock exchange in the recent 36 months;	~~**(III) publicly condemned or criticized for more than two times by the stock exchange in the recent 36 months;**~~	
	(IV) during the previous tenure as an independent director, the candidate has failed to attend in person two consecutive board meetings or the number of times where he did not attend the board meeting in person accounted for more than one-third of the board meetings in that year;	~~**(IV) during the previous tenure as an independent director, the candidate has failed to attend in person two consecutive board meetings or the number of times where he did not attend the board meeting in person accounted for more than one-third of the board meetings in that year;**~~	
	(V) during any previous tenure as an independent director, the independent opinion issued by the candidate was evidently inconsistent with the facts;	~~**(V) during any previous tenure as an independent director, the independent opinion issued by the candidate was evidently inconsistent with the facts;**~~	
	(VI) Other circumstances as determined by the Shanghai Stock Exchange (hereinafter referred to as "SSE").	~~**(VI) Other circumstances as determined by the Shanghai Stock Exchange (hereinafter referred to as "SSE").**~~	

No.	Original provisions	Amended provisions	Basis or reason of amendment
7	**Article 8** Independent directors should ensure that they have sufficient time and energy to effectively perform their duties as independent directors. Those who have simultaneously held the position of independent director in five domestic listed companies may no longer be nominated as candidates for independent director of the Company.	**Article 8** Independent directors should ensure that they have sufficient time and energy to effectively perform their duties as independent directors. Those who have simultaneously held the position of independent director in **three~~five~~** domestic listed companies may no longer be nominated as candidates for independent director of the Company.	To be consistent with the requirements in Article 8 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.6 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*
8	**Article 9** Persons who have been serving independent directors for six consecutive years in the Company may no longer serve as independent directors of the Company continuously.	**Article 9 Where the shareholders' general meeting of the Company elects two or more independent Directors, the cumulative voting system shall be implemented. The votes of minority Shareholders shall be counted separately and disclosed.** Persons who have been serving independent directors for six consecutive years in the Company may no longer serve as independent directors of the Company continuously.	Consistent with the requirements in Article 12 of the *Management Measures for Independent Directors of Listed Companies*

No.	Original provisions	Amended provisions	Basis or reason of amendment
9	**Article 11** The following person may not hold the position of independent director of the Company:	**Article 11 Independent directors shall maintain their independence, and** the following person may not hold the position of independent director of the Company:	Article 6 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.4 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*
	(I) persons holding a position in the Company or a subsidiary thereof and their lineal relatives and major social relations (the term "lineal relatives" means spouses, parents, children, etc. and the term "major social relations" means siblings, parents-in-law, children-in-law, siblings' spouses, spouse's siblings, etc.);	(I) persons holding a position in the Company or a subsidiary thereof and their **spouses, parents and children, and major social relations** (the term "major social relations" means siblings, parents-in-law, children-in-law, siblings' spouses, spouse's siblings, etc.);	
	(II) natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or who rank in the top ten shareholders of the Company and their lineal relatives;	(II) natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or who rank in the top ten shareholders of the Company **and their spouses, parents and children**;	
	(III) persons who hold positions in the entities that directly or indirectly hold more than 5% of the issued shares of the Company or who rank in the top five shareholders of the Company and their lineal relatives.	(III) persons who hold positions in the entities that directly or indirectly hold more than 5% of the issued shares of the Company or who rank in the top five shareholders of the Company **and their spouses, parents and children**.	
	(IV) the actual controller of the Company and persons who hold positions in the subsidiary thereof, being currently or proposed to be appointed as independent directors within two years prior to the date of their appointment;	(IV) the actual controller of the Company and persons who hold positions in the subsidiary thereof **and their spouses, parents and children**, being currently or proposed to be appointed as independent directors within two years prior to the date of their appointment;	
	(V) persons who provide financial, legal, consulting or other such services to the Company or its subsidiaries, being currently or proposed to be appointed as independent directors within two years prior to the date of their appointment, including all project members, reviewing staff at all levels, staff who sign the report, partners, and main persons in charge of intermediary agencies which provide services;	(V) **persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers;**	

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(VI) persons who hold the position of director, supervisor or senior manager of a unit which has a significant business relationship with the Company or its subsidiaries, or persons who hold the position of director, supervisor or senior manager of a controlling shareholder unit of the unit thereof;	(VI) persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, being currently or proposed to be appointed as independent directors within two years prior to the date of their appointment, **including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management and principals;**	
	(VII) persons who, at some time in the previous year, have fallen into the categories of items (I) to (III) and (VI) listed above;	(VII) persons who, at some time in the last 12 months, have fallen into the categories of items (I) to (III) and (V) listed above;	
	(VIII) other persons determined by the China Securities Regulatory Commission and the regulatory agency in place where the Company's securities are listed.	(VIII) other persons determined by the China Securities Regulatory Commission and the regulatory agency in place where the Company's securities are listed.	
		Independent Directors shall conduct an annual self-examination of independence and submit the self-examination to the Board. The Board shall evaluate and issue a special opinion on the independence of the incumbent independent Directors on an annual basis, which shall be disclosed at the same time as the annual report.	
10	**Article 12** The Company's Board of Directors, Board of Supervisor and shareholders who hold more than 1% of the shares of the Company separately or in aggregate may nominate candidates for independent directors, who will be decided through election by the general meeting.	**Article 12** The Company's Board of Directors, Board of Supervisor and shareholders who hold more than 1% of the shares of the Company separately or in aggregate may nominate candidates for independent directors, who will be decided through election by the general meeting. **The investor protection institution established according to laws may publicly request the shareholders to entrust it to exercise the right to nominate independent directors on their behalf.** **The nominator specified in paragraph 1 of this Clause shall not nominate a person who has interest in the nominator or any other close relationship that may affect the independent performance of duties as a candidate for the Independent Director.**	To be consistent with the requirements in Article 9 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.8 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
11	**Article 14** The nominator shall be fully aware of such details of the nominee as occupation, educational background, title, work experience, all concurrent positions etc. The nominator shall express his/her opinions on the nominee's qualifications for holding the position of independent director and his/her independence. The nominee shall make a public statement that no relationship exists between himself/herself and the Company that could affect his/her independent and objective judgments. The board of directors of the Company shall make the disclosure of afore-mentioned information in accordance with regulations before the holding of the general meeting at which the independent director is to be elected.	**Article 14** The nominator shall be fully aware of such details of the nominee as occupation, educational background, title, work experience, all concurrent positions **and whether having any bad conduct records such as material breach of integrity** etc. The nominator shall **prudently verify whether the nominee meets the conditions and qualifications for appointment, the ability to perform the duties of the office, and whether there are any circumstances affecting his/her independence, and shall make a declaration and an undertaking in respect of the results of such verification.** **The nominee shall make declarations and undertakings as to whether they comply with the laws and regulations and the relevant requirements of the stock exchange in respect of the conditions of office, qualifications for office and independence of independent director.** **The Nomination Committee shall examine the qualifications of the nominee for appointment and form a clear opinion on such examination.**	To be consistent with the requirements in Article 11 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.9/3.5.10 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
12	**Article 15** When issuing the notice of the general meeting on nominating the candidates of the independent director, the Company shall, within 2 trading days after the nomination is determined, submit the relevant information about the candidates on the corporate business management system of the Shanghai Stock Exchange through Internet and submit their related informations to the China Securities Regulatory Commission and the Qingdao Securities Regulatory Bureau under the China Securities Regulatory Commission. In the case that the Board of Directors of the Company has any objection against any nominee, the written opinion of the Board shall be submitted as well. Informations described in the preceding paragraphs include written documents such as *Statements of the Nominee of Independent Director, Statements of the Candidate of Independent Director,* and *Profile of Independent Directors*, etc. Nominees against whom the stock exchange in place where the Company's securities are listed has objections may serve as candidates for the directors of the Company but not as candidates for independent directors. At the time the general meeting to elect an independent director is convened, the Board of Directors of the Company shall elaborate on whether the stock exchange in place where the Company's securities are listed has had any objections against the candidates for independent directors.	**Article 15 The Company shall submit relevant materials of candidates of independent directors (including the Statement and Undertaking of Candidate of Independent Director, Statement and Undertaking of Nominator of Independent Director, Curriculum Vitae of Independent Directors and other written documents) to the Shanghai Stock Exchange no later than the time when the announcement on the notice of the shareholders' general meeting convening by the Company for election of independent directors.** **The Board of Directors of the Company, candidates for independent directors and independent director nominees shall answer the enquires of Shanghai Stock Exchange within the designated time and timely provide the relevant supplemental materials to Shanghai Stock Exchange according to the requirements.** **At the time the general meeting to elect an independent director is convened, the Board of Directors of the Company shall elaborate on whether the stock exchange in place where the Company's securities are listed has had any objections against the candidates for independent directors. As to independent director nominees against whom the stock exchange in place where the Company's securities are listed has objections, the Company shall not submit them to the shareholders' general meeting for election. If the proposal has already been submitted for consideration by the shareholders' general meeting, it shall be canceled.**	To be consistent with the requirements in Article 11 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.11/3.5.12 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
13	**Article 16** If an independent director fails to attend in person 3 consecutive board meetings, the Board of Directors shall invite the general meeting to replace such independent director.	**Article 16 Independent directors shall attend the meetings of the board of directors in person. If the independent directors are unable to attend a meeting in person for any reasons, they shall review the meeting materials in advance, form a clear opinion, and delegate another independent director in writing to attend the meeting on their behalf.**	To be consistent with the requirements in Article 14 and Article 20 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.13 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*
	Before the expiry of the term of office of an independent director, the listed company may remove him/her from office by statutory procedures. In case of early dismissal, the listed company shall disclose it as a special disclosure.	If an independent director fails to attend in person **2~~3~~ consecutive** board meetings, the Board of Directors shall**, within thirty days from the date of occurrence of such fact, propose to convene a shareholders' general meeting to terminate his duties as an independent director** ~~**invite the general meeting to replace such independent director**~~. Before the expiry of the term of office of an independent director, the company may remove him/her from office by statutory procedures. In case of early dismissal, ~~**the listed company shall disclose it as a special disclosure**~~ **the company shall disclose the specific reasons and basis in a timely manner. The company shall disclose any objections raised by independent directors in a timely manner.**	

No.	Original provisions	Amended provisions	Basis or reason of amendment
14	**Article 17** If an independent director of a listed company becomes ineligible for the qualifications of an independent director as required by this system after his/her appointment, he/she shall resign from the position of independent director within 30 days from the date of such occurrence. If he/she fails to resign as required, the Board of Directors of the Company shall start the decision-making process within 2 days to dismiss him/her from the position of independent director.	**Article 17** If an independent director of a listed company becomes ineligible for the qualifications of an independent director as required by this system after his/her appointment, he/she shall **immediately cease to perform his/her duties and** resign from the position ~~**of independent director within 30 days from the date of such occurrence**~~. If he/she fails to resign **in a timely manner** ~~**as required**~~, the Board of Directors of the Company shall**, as soon as it knows or ought to have known of the occurrence of such fact, remove him/her from office in accordance with the regulations** ~~**start the decision-making process within 2 days to dismiss him/her from the position of independent director**~~.	To be consistent with the requirements in Article 15 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.13 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*
	In the event that an independent director fails to meet the conditions of independence or is otherwise unfit to perform the duties of an independent director, and as a result, the number of independent directors of a listed company fails to meet the requirements of this system, the listed company shall make up the number of independent directors in accordance with the provisions.	~~**In the event that an independent director fails to meet the conditions of independence or is otherwise unfit to perform the duties of an independent director, and as a result, the number of independent directors of a listed company fails to meet the requirements of this system, the listed company shall make up the number of independent directors in accordance with the provisions.**~~ **If an independent director resigns or is dismissed from office due to the circumstances specified in the preceding paragraphs, the proportion of independent directors in the board of directors or its special committees does not comply with the provisions of the laws and regulations or the *Articles of Association*, or there is a lack of accounting professionals among the independent directors, the company shall complete the by-election within 60 days from the date of the occurrence of the aforesaid circumstances.**	

No.	Original provisions	Amended provisions	Basis or reason of amendment
15	**Article 19** An independent director shall perform his duties and responsibilities independently, without the interference of the principle shareholders or the actual controller of the listed company or other entities or individuals that have any stake in the listed company and its principle shareholders or the actual controller.	**Article 19** ~~**An independent director shall perform his duties and responsibilities independently, without the interference of the principle shareholders or the actual controller of the listed company or other entities or individuals that have any stake in the listed company and its principle shareholders or the actual controller.**~~ **Independent directors shall perform the following duties:** **(1) To participate in the decision-making of the Board and express clear opinions on the matters discussed;** **(2) To supervise the matters of potential material conflict of interests between the Company and its controlling shareholders, actual controllers, directors and senior management in accordance with paragraph 1 in Article 20, Article 25, Article 26 and Article 27 of this System, facilitating the Board to make decisions in the interests of the Company as a whole and protect the legitimate rights and interests of small and medium shareholders;** **(3) To provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making level of the Board;** **(4) To perform other duties as required by laws and regulations, the requirements of the securities regulatory authority and the stock exchange where the Company's shares are listed and the *Articles of Association*.** **Independent directors shall perform their duties independently and impartially, without the interference by the Company, its substantial shareholders, de facto controllers or other entities or individuals. If it is found that there are circumstances affecting the independence of the matters under consideration, they shall declare such circumstances to the Company and avoid them. Where there are circumstances clearly affecting his/her independence arise during his/her tenure of office, he/she shall notify the Company in a timely manner, propose measures to resolve the situation, and, if necessary, tender his/her resignation.**	To be consistent with the requirements in Article 17 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.15 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
16	**Article 20** In addition to the functions and powers granted to the directors by laws, regulations, regulatory documents, the listing rules in place where the Company's securities are listed and *Articles of Association*, independent directors shall be granted the following special functions and powers: (I) major related-party transactions (refer to related-party transactions conducted by the Company and related-party totaling more than 5% of the Company's most recently audited net asset value and determined pursuant to the standards issued by the competent regulatory authority from time to time) shall be submitted to the Board of Directors for deliberation after the approval of the independent directors; before rendering their judgement, independent directors may engage an intermediary organization to issue an independent financial consultant report which may be utilized as a basis for rendering their judgement. (II) proposing the engagement or dismissal of an accounting firm to the Board of Directors; (III) proposing to the Board of Directors the convening of an extraordinary general meeting; (IV) proposing the convening of a meeting of the Board of Directors; (V) openly soliciting shareholders' voting rights before the holding of a general meeting; (VI) independently engaging external auditing institutions and advisory agencies to audit and consult on specific matters of the Company. (VII) Other functions and authorities stipulated in laws and regulations, relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, and the Articles of Association.	**Article 20** In addition to the functions and powers granted to the directors by laws, regulations, regulatory documents, the listing rules in place where the Company's securities are listed and *Articles of Association*, independent directors shall be granted the following special functions and powers: ~~(I) major related-party transactions (refer to related-party transactions conducted by the Company and related-party totaling more than 5% of the Company's most recently audited net asset value and determined pursuant to the standards issued by the competent regulatory authority from time to time) shall be submitted to the Board of Directors for deliberation after the approval of the independent directors; before rendering their judgement, independent directors may engage an intermediary organization to issue an independent financial consultant report which may be utilized as a basis for rendering their judgement.~~ ~~(II) proposing the engagement or dismissal of an accounting firm to the Board of Directors;~~ ~~(III) proposing to the Board of Directors the convening of an extraordinary general meeting;~~ ~~(IV) proposing the convening of a meeting of the Board of Directors;~~ ~~(V) openly soliciting shareholders' voting rights before the holding of a general meeting;~~ ~~(VI) independently engaging external auditing institutions and advisory agencies to audit and consult on specific matters of the Company;~~ ~~(VII) Other functions and authorities stipulated in laws and regulations, relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, and the Articles of Association.~~	To be consistent with the requirements in Article 18 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.17 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
	In exercising the authorities and functions set out in items (I) to (V) of the preceding article, the independent directors shall obtain the consent of at least one-half of all independent directors, and matters set out in items (I) and (II) of the preceding article shall be submitted to the Board of Directors for discussion only after the consent of at least one-half of the independent directors; in exercising the authorities and functions set out in item (VI) of the preceding article, the consent of all independent directors shall be obtained.	~~In exercising the authorities and functions set out in items (I) to (V) of the preceding article, the independent directors shall obtain the consent of at least one-half of all independent directors, and matters set out in items (I) and (II) of the preceding article shall be submitted to the Board of Directors for discussion only after the consent of at least one-half of the independent directors; in exercising the authorities and functions set out in item (VI) of the preceding article, the consent of all independent directors shall be obtained.~~	
	If the proposal listed in items (I) to (VII) of this Article has not been accepted or its functions and powers could not be exercised normally, the Company shall disclose the details thereof.	~~If the proposal listed in items (I) to (VII) of this Article has not been accepted or its functions and powers could not be exercised normally, the Company shall disclose the details thereof.~~ **(I) To independently employ intermediaries to audit, consult or verify specific matters of the Company;** **(II) To propose to the Board of Directors to convene an extraordinary general meeting;** **(III) To propose to convene a board meeting;** **(IV) To publicly solicit the rights of shareholders from shareholders according to law;** **(V) To express independent opinions on matters that may damage the rights and interests of companies or minority shareholders;** **(VI) Other functions and powers as prescribed by laws, administrative regulations, the requirements of the securities regulatory authority and the stock exchange where the Company's shares are listed and the *Articles of Association* of the Company.** **Where an independent director exercises the functions and powers listed in items (I) to (III) of the preceding paragraph, the director in question shall obtain the consent of more than half of all independent directors.** **Where an independent director exercises the functions and powers listed in paragraph I, the Company shall disclose them in a timely manner. Where the above powers cannot be exercised normally, the Company shall disclose the details and reasons.**	

No.	Original provisions	Amended provisions	Basis or reason of amendment
17	Newly added	**Article 21** When an independent director votes against or abstains from voting on a proposal of the board, he/she shall explain the specific reasons and grounds therefor, the legality and potential risks of the matters involved in the proposal, and the impact on the rights and interests of the Company and minority shareholders, among others. When the Company discloses the resolution of the board, it shall simultaneously disclose the dissenting opinions of the independent directors and indicate such opinions in the resolution of the board and the meeting minutes.	To be consistent with the requirements in Article 21 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.20 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*
18	Newly added	**Article 22** Independent directors shall continue to pay attention to the implementation of the resolutions of the Board of Directors in relation to the matters set out in Article 23, Article 25, Article 26 and Article 27 of the System, and shall report to the Board of Directors in a timely manner and may require the Company to make written explanations if they find any violation of the laws, administrative regulations, departmental regulations, the requirements of the securities regulatory authority and the stock exchange where the Company's shares are listed and the *Articles of Association*, or violation of the resolutions of the general meeting and the Board of Directors. If the disclosure is involved, the Company shall disclose it in a timely manner. If the Company fails to make explanations or timely disclosures in accordance with the provisions of the preceding paragraph, the Independent Directors may report to the securities regulatory authority and the stock exchange where the Company's shares are listed.	To be consistent with the requirements in Article 22 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.21 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
19	Newly added	**Article 23** The following matters shall be submitted to the board of directors for consideration after being approved by more than half of all independent directors of the Company: (1) related transactions which shall be discloseable; (2) changes in or waivers of commitments by the Company and related parties; (3) decisions and measures taken by the board of directors of the acquired company in connection with the acquisition; (4) other matters stipulated by laws, administrative regulations, the requirements of the securities regulatory authority and the stock exchange where the Company's shares are listed and the *Articles of Association*.	To be consistent with the requirements in Article 23 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.16 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*
20	**Article 21** The Board of Directors of the Company shall establish special committees such as strategy committee, audit committee, nomination committee, and remuneration and performance review committee. All members of special committees shall comprise directors. Independent directors shall be the majority in the audit committee, nomination committee, remuneration and performance review committee and shall serve as conveners. At least one independent director in the audit committee shall be accounting professional.	**Article 24** The Board of Directors of the Company shall establish special committees such as strategy committee, audit committee, nomination committee, and remuneration and performance review committee. All members of special committees shall comprise directors. Independent directors shall be the majority in the audit committee, nomination committee, remuneration and performance review committee and shall serve as conveners. **Members of the audit committee shall be directors who do not serve as senior management of the Company.** At least one independent director in the audit committee shall be accounting professional **and serve as the convener**.	To be consistent with the requirements in Article 5 of the *Management Measures for Independent Directors of Listed Companies* and Article 2.2.5 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
21	Newly added	**Article 25** The audit committee of is responsible for reviewing the financial information of the Company and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for consideration with the consent of more than half of all members of the audit committee: (1) The disclosure of the financial information in the financial and accounting reports and the regular reports, and the internal control assessment reports; (2) The appointment or removal of an accounting firm which engages in the audit business of the company; (3) The appointment or removal of the financial officer of the company; (4) The changes in accounting policies and accounting estimates or correction in significant accounting errors for reasons other than changes in accounting standards; (5) Other matters stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association. The audit committee shall convene a meeting at least once a quarter. When proposed by two and more members or considered necessary by the convener, a provisional meeting shall be convened. Meetings of the audit committee may be held when more than 2/3 of the members are present.	To be consistent with the requirements in Article 26 of the *Management Measures for Independent Directors of Listed Companies* and Article 2.2.8 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
22	Newly added	**Article 26** The responsibilities of the nomination committee are drawing up selecting standards and procedures of directors and senior management members, selecting and reviewing the candidates for directors and senior management members and their qualifications and making recommendations to the board of directors on the following matters: (I) The nomination, appointment and dismissal of directors; (II) The appointment or dismissal of senior management members; (III) Other matters required by laws and regulations, the relevant rules of the securities regulatory authority and the stock exchange at the place where the securities of the Company are listed and the *Articles of Association*. If the Board of Directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and the specific reasons for non-adoption in the resolution of the board of directors and disclose the same.	To be consistent with the requirements in Article 27 of the *Management Measures for Independent Directors of Listed Companies* and Article 2.2.13 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
23	Newly added	**Article 27** The remuneration and evaluation committee is responsible for setting appraisal standards for directors and senior management and evaluating thereof, formulating and reviewing the remuneration policies and proposals for directors and senior management, and making recommendations to the Board of Directors on: (I) The remuneration of directors and senior management; (II) Developing or changing equity incentive schemes and employee stock ownership plans, and conditions for incentive participants to be granted with and exercise interests; (III) The arrangement of stock ownership plans for subsidiaries to be spun off by directors and senior management; (IV) Other matters as required by laws and regulations, the relevant rules of the securities regulatory authority and the stock exchange at the place where the securities of the Company are listed and the *Articles of Association*. In the event that the board of directors has not adopted or fully adopted the recommendations of the remuneration and evaluation committee, it shall state the opinions of the remuneration and evaluation committee and the specific reasons for not adopting in the resolutions of the board of directors, and disclose such matter.	To be consistent with the requirements in Article 28 of the *Management Measures for Independent Directors of Listed Companies* and Article 2.2.14 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
24	Newly added	**Article 28** The Company shall regularly or irregularly convene meetings attended by all independent directors (hereinafter referred to as the "Special Meetings of Independent Directors"). Matters listed in the items (1) to (3) to the paragraph 1 of Article 20 and Article 23 of the System shall be considered at the Special Meetings of Independent Directors. The Special Meetings of Independent Directors may study and discuss other matters of the Company as needed. The Special Meetings of Independent Directors shall be convened and chaired by an independent director jointly elected by more than half of the independent directors; in the event that the convenor is not performing his/her duties or is unable to perform his/her duties, two or more independent directors may convene their own meeting and elect a representative to chair the meeting. The Company shall provide convenience and support for the convening of the Special Meetings of Independent Directors.	To be consistent with the requirements in Article 24 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.23 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*
25	Newly added	**Article 29** In principle, notice of the Special Meetings of Independent Directors should be issued three days before the meeting. With the unanimous consent of all independent directors, the notification time limit may not be limited by this Article. Methods of notification include personal delivery, fax, postage-paid express delivery, registered mail, telephone or verbal delivery. The notice shall include the date, place and method of the meeting, matters to be considered and the date of issuance of the notice.	Add a new procedural provision detailing Special Meetings of Independent Directors
26	Newly added	**Article 30** Voting on Special Meetings of Independent Directors shall be conducted on a one-person-one vote basis. Voting methods include show of hands, written vote and communication vote.	Add a new procedural provision detailing Special Meetings of Independent Directors

No.	Original provisions	Amended provisions	Basis or reason of amendment
27	Newly added	**Article 31** Minutes of Special Meetings of Independent Directors shall be recorded, and the minutes shall include the following: (1) The date, place and name of the convener of the meeting; (2) Names of attending independent directors; (3) Proposals to be reviewed; (4) Opinions expressed by independent directors; (5) Voting methods and voting results for each resolution matter (the voting results should indicate the number of votes in favor, against or abstention). Independent directors should express clear opinions in special meetings. The types of opinions include agreement, reserved opinions and their reasons, objections and their reasons, and inability to express opinions and their obstacles. If any reservations, objections or inability to express an opinion are raised, the relevant independent directors shall clearly state the reasons. Independent directors should sign and confirm the meeting minutes and report to the Board of Directors in a timely manner.	Add a new procedural provision detailing Special Meetings of Independent Directors
28	Newly added	**Article 32** Independent directors shall work at the office of the Company for not less than fifteen workdays every year. In addition to attending shareholders' meetings, Board meetings and its special committees meetings, and the Special Meetings of Independent Directors as required, independent directors may perform their duties in a variety of ways, such as obtaining information on the operation of the Company on a regular basis, receiving reports from the management, communicating with the head of the internal auditing department and intermediaries such as accounting firms undertaking the audits of the Company, conducting on-site inspections, and communicating with small and medium shareholders.	To be consistent with the requirements in Article 30 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.25 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
29	Newly added	**Article 33** Independent directors shall make work records to record in detail the performance of their duties. Information obtained by the independent directors in the course of performing their duties, relevant minutes of meetings, and records of communications with staff of the company and intermediaries constitute an integral part of their work records. For important contents in the work records, the independent directors may request the secretary to the Board and other related personnel to sign and confirm, and the Company and related personnel shall provide relevant support. The work records of independent directors and the information provided by the Company to independent directors shall be kept for at least ten years.	To be consistent with the requirements in Article 31 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.28 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*
30	**Article 22** Independent directors shall attend the board meetings on time, understand the production and operation of a listed company, take the initiative to investigate and obtain the necessary information and documents for making decisions. Independent directors shall submit a report of independent directors to the annual general meeting of the Company and make disclosures. The report should include the followings: (I) the manner, number and voting of attendance at Board meetings and attendance at general meetings throughout the year; (II) the circumstances in which the independent opinion was expressed; (III) on-site inspections; (IV) situations about proposing the convening of a meeting of the Board of Directors, proposing the engagement or dismissal of an accounting firm, independently engaging external auditing institutions and advisory agencies etc.; (V) Other work done in protecting the legitimate rights and interests of minority shareholders.	**Article 34** ~~**Independent directors shall attend the board meetings on time, understand the production and operation of a listed company, take the initiative to investigate and obtain the necessary information and documents for making decisions.**~~ ~~**Independent directors shall submit a report of independent directors to the annual general meeting of the Company and make disclosures. The report should include the followings:**~~ ~~**(I) the manner, number and voting of attendance at Board meetings and attendance at general meetings throughout the year;**~~ ~~**(II) the circumstances in which the independent opinion was expressed;**~~ ~~**(III) on-site inspections;**~~ ~~**(IV) situations about proposing the convening of a meeting of the Board of Directors, proposing the engagement or dismissal of an accounting firm, independently engaging external auditing institutions and advisory agencies etc.;**~~ ~~**(V) Other work done in protecting the legitimate rights and interests of minority shareholders.**~~	To be consistent with the requirements in Article 33 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.29 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
		Independent directors shall provide the annual general meeting of the Company the work report to explain their conditions on performance of duties. The work report of Independent directors shall be disclosed no later than when the Company issues the notice of annual general meeting of shareholder. The work report shall include the following: (1) Number of times and method of attendance at the Board of Directors and the voting results, and number of times of attendance at the general meeting of the Company for the year; (2) Participation in the special committees of the Board of Directors and the Special Meetings of Independent Directors; (3) Review of the matters set out in Article 25, Article 26, Article 27 and Article 23 herein and exercise of the special authority of Independent Directors set out in Paragraph 1 of Article 20 herein; (4) Major matters, methods and results of communication with the internal audit department and the accounting firm undertaking the audit business of the Company regarding the financial and business conditions of the Company; (5) Communication with minority shareholders; (6) Time and content of Independent Directors at on-site work of the Company; (7) Other circumstance of their duty performance.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
31	**Article 23** Save as the aforesaid performance of duties, independent directors shall issue independent opinions on following issues to the Board of Directors or the general meeting: (I) the nomination, appointment and removal of directors; (II) the engagement or dismissal of senior management staff; (III) the remunerations of the directors and senior management staff of the Company; (IV) engagement or dismissal of an accounting firm; (V) changes in accounting policies, changes in accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards; (VI) a non-standard unqualified audit opinion on the Company's financial accounting report and internal controls issued by an accounting firm; (VII) internal control evaluation reports; (VIII) proposals for changes in commitments by relevant parties; (IX) the impact of the preferred share issue on the rights and interests of various types of shareholders of the Company; (X) the formulation of profit distribution policies, profit distribution plans and cash dividend plans; (XI) material matters requiring disclosure such as connected transactions, provision of guarantees (excluding guarantees to subsidiaries within the scope of consolidated statements), entrusted financial management, provision of financial assistance, use of proceeds, investment in shares and their derivatives;	Delete	Under the *Management Measures for Independent Directors of Listed Companies* and the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*, there is no longer a clear distinction between the content of matters for expressing independent opinions, thus the adjustment of the aforementioned rule is made accordingly.

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(XII) major asset restructuring proposals, management buyouts, share incentive plans, employee share ownership plans, share buyback proposals, and asset-for-debt schemes for connected parties of listed companies;		
	(XIII) the Company's intention to decide that its shares will no longer be traded on the SSE;		
	(XIV) existing or new borrowings totaling more than 5% of the Company's most recently audited net asset value extended by the Company to its shareholders, actual controller or affiliates or other transactions involving funds totaling more than 5% of the Company's most recently audited net asset value between the Company and its shareholders, actual controller or affiliates, and whether the Company has taken effective measures to recover the monies owed;		
	(XV) matters that may, in an independent director's opinions, prejudice the rights and interests of minority shareholders;		
	(XVI) other matters specified in laws, regulations, regulatory documents, the listing rules in place where the Company's securities are listed and the *Articles of Association*.		

No.	Original provisions	Amended provisions	Basis or reason of amendment
32	Newly added	**Article 39 The Company shall provide the independent directors with the necessary working conditions and personnel support to perform their duties, and designate the office of the Board of Directors, the secretary to the Board of Directors and other special departments and special personnel to assist the independent Directors in the performance of their duties.** **The secretary to the Board of Directors shall ensure the unimpeded access to information between the independent directors and other directors, senior management and other relevant persons, and ensure that the independent directors are able to obtain adequate resources and necessary professional opinions when performing their duties.** **Prior to the convening of a Board meeting, the independent directors may communicate with the secretary to the Board of Directors, and the Board of Directors and the relevant personnel shall seriously study the questions, requests and opinions put forward by the independent directors and provide timely feedback to the independent directors on the implementation of the amendments to the motions and other matters.**	To be consistent with the requirements in Article 19, Article 35 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.19 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
33	**Article 28** The Company shall ensure that independent directors enjoy the same information right as other directors, timely provide independent directors with relevant materials and information.	**Article 40** The Company shall ensure that independent directors enjoy the same information right as other directors~~, timely provide independent directors with relevant materials and information~~.	To be consistent with the requirements in Article 36 of the *Management Measures for Independent Directors of Listed Companies*
	For any matter that requires the decision of the Board of Directors, the Company must give independent directors prior notice by the statutory deadline and provide them with sufficient information. If an independent director is of the opinion that the information provided is insufficient, he/she may ask for further information.	~~For any matter that requires the decision of the Board of Directors, the Company must give independent directors prior notice by the statutory deadline and provide them with sufficient information. If an independent director is of the opinion that the information provided is insufficient, he/she may ask for further information.~~	
	If two or more independent directors are of the opinion that the information provided is insufficient or the clarification made is unclear, they may jointly propose to the Board of Directors in writing that the meeting of the Board or the deliberations on the matter in question should be postponed. The Board of Directors shall accept such a proposal.	~~If two or more independent directors are of the opinion that the information provided is insufficient or the clarification made is unclear, they may jointly propose to the Board of Directors in writing that the meeting of the Board or the deliberations on the matter in question should be postponed. The Board of Directors shall accept such a proposal.~~	
		To ensure that independent directors effectively exercise their functions and powers. The Company shall regularly report its operation to the independent directors, provide them with relevant materials, and organize or support them in on-site investigations and other work.	
		Before the deliberation of any significant or complicated matter by the Board of Directors, the Company may organize the independent directors to participate in the research and analysis of such matter, fully listen to the opinions of the independent directors, and promptly report the adoption of their opinions to the independent directors.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
34	Newly added	**Article 41** The Company shall timely issue the notice of Board of Directors meetings to independent directors, provide relevant meeting information no later than the notice period of Board of Directors meetings stipulated by laws, administrative regulations, the provisions of the CSRC or the *Articles of Association*, and provide the effective communication channels for independent directors; where the special committee of the Board of Directors convenes a meeting, the Company shall provide the relevant materials and information no later than three days prior to the convening of the meeting of the special committee in principle. The Company shall keep the above meeting information for at least ten years. Where two or more independent directors are of the view that the meeting materials are incomplete, the demonstrations are insufficient or not provided in a timely manner, they may propose in writing to the Board of Directors to postpone the meeting or the discussion of the matter in question, and the Board of Directors is obliged to accept such proposal. The meetings of the Board of Directors and the special committee shall be convened on site in principle. On the premise of ensuring that all participating directors are able to fully communicate and express their opinions, the meetings may be held by video, telephone or by other means in accordance with the procedures when necessary.	To be consistent with the requirements in Article 37 of the *Management Measures for Independent Directors of Listed Companies*

No.	Original provisions	Amended provisions	Basis or reason of amendment
35	Newly added	**Article 42** In the exercise of powers by the independent directors, the directors, senior management and other relevant personnel of the Company shall cooperate with them, and shall not reject, hinder or conceal relevant information, or interfere with their exercise of powers independently. If an independent director encounters obstruction in the exercise of his/her duties and powers in accordance with the laws, he/she may explain the situation to the board, request cooperation from the directors, senior management and other relevant personnel, and record the specific circumstances of the obstruction and the resolution of the situation in his/her work records; if the obstruction cannot be eliminated, he/she may report to the relevant securities regulatory authority and stock exchanges where the Company's securities are listed. Where the performance of duties by an independent director involves information that should be disclosed, the Company shall process the disclosure in a timely manner; where the Company does not disclose such information, the independent director may directly apply for disclosure, or report to the relevant securities regulatory authority and stock exchanges where the Company's securities are listed.	To be consistent with the requirements in Article 38 of the *Management Measures for Independent Directors of Listed Companies* and Article 3.5.18 of the *Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised in December 2023)*

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	Article 6 With reference to relevant provisions of the Articles of Association, the Rules of Procedure of the General Meeting of Haier Smart Home Co., Ltd. and the Rules of Procedure of the Board of Directors of Haier Smart Home Co., Ltd., the relevant requirements of the procedures for examination and approval of entrusted wealth management are as follows:	Article 6 With reference to relevant provisions of the Articles of Association, the Rules of Procedure of the General Meeting of Haier Smart Home Co., Ltd. and the Rules of Procedure of the Board of Directors of Haier Smart Home Co., Ltd., the relevant requirements of the procedures for examination and approval of entrusted wealth management are as follows:	Adjusted in accordance with the relevant requirements of the Measures for the Administration of Independent Directors of Listed Companies
	(I) The Board of Directors of the Company, within its the terms of reference, authorizes the President's Office of the Company to consider the entrusted wealth management with amount of single entrusted wealth management accounting for less than 5% of the Company's latest audited net assets and the aggregated amount of entrusted wealth management in the last twelve months accounting for less than 15% of the Company's latest audited net assets. The Board of Directors authorizes the President of the Company to exercise the decision-making power of the investment and execute relevant contracts within the fixed amount of funds to be used. The financial officer of the Company shall be responsible for organizing and implementing the entrusted wealth management.	(I) The Board of Directors of the Company, within its the terms of reference, authorizes the President's Office of the Company to consider the entrusted wealth management with amount of single entrusted wealth management accounting for less than 5% of the Company's latest audited net assets and the aggregated amount of entrusted wealth management in the last twelve months accounting for less than 15% of the Company's latest audited net assets. The Board of Directors authorizes the President of the Company to exercise the decision-making power of the investment and execute relevant contracts within the fixed amount of funds to be used. The financial officer of the Company shall be responsible for organizing and implementing the entrusted wealth management.	
	(II) If one of the following conditions is met, it shall not be implemented until being considered and approved by the general meeting of the Company: (i) the amount of entrusted wealth management accounts for more than 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million; (ii) the amount of entrusted wealth management accounts for more than 25% of the Company's latest audited total assets; (iii) the highest total income (annual expected income or realizable income) of entrusted wealth management accounts for 25% of the Company's audited income or total profit before tax in the latest fiscal year; or (iv) the amount of entrusted wealth management accounts for more than 25% of the Company's total market capitalization (based on the average closing price of the listed company's shares 5 trading days before the transaction).	(II) If one of the following conditions is met, it shall not be implemented until being considered and approved by the general meeting of the Company: (i) the amount of entrusted wealth management accounts for more than 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million; (ii) the amount of entrusted wealth management accounts for more than 25% of the Company's latest audited total assets; (iii) the highest total income (annual expected income or realizable income) of entrusted wealth management accounts for 25% of the Company's audited income or total profit before tax in the latest fiscal year; or (iv) the amount of entrusted wealth management accounts for more than 25% of the Company's total market capitalization (based on the average closing price of the listed company's shares 5 trading days before the transaction).	
	(III) When entrusted wealth management is submitted to the Board of Directors or the general meeting for consideration, the Board of Supervisors and independent directors shall give explicit consent for its implementation. If the temporary raised idle funds are used for entrusted wealth management, the sponsor institution shall also issue special review opinions.	(III) When entrusted wealth management is submitted to the Board of Directors or the general meeting for consideration, the Board of Supervisors~~ and independent directors~~ shall give explicit consent for its implementation. If the temporary raised idle funds are used for entrusted wealth management, the sponsor institution shall also issue special review opinions.	
	(IV) The total investment amount of entrusted wealth management transactions shall not exceed the amount approved by the Board of Directors or the general meeting.	(IV) The total investment amount of entrusted wealth management transactions shall not exceed the amount approved by the Board of Directors or the general meeting.	
	(V) For the entrusted wealth management products involving related-party transactions, the relevant approval procedures shall be carried out in accordance with the Articles of Association, the Rules of Procedure of the Board of Directors of Haier Smart Home Co., Ltd., the Rules of Procedure of the General Meeting of Haier Smart Home Co., Ltd. and the Fair Decision-Making System for Related-party Transactions of Haier Smart Home Co., Ltd.	(V) For the entrusted wealth management products involving related-party transactions, the relevant approval procedures shall be carried out in accordance with the Articles of Association, the Rules of Procedure of the Board of Directors of Haier Smart Home Co., Ltd., the Rules of Procedure of the General Meeting of Haier Smart Home Co., Ltd. and the Fair Decision-Making System for Related-party **(Connected)** Transactions of Haier Smart Home Co., Ltd.	
	(VI) The Board of Supervisors and independent directors of the Company shall be entitled to verify the entrusted wealth management business of the Company.	(VI) The Board of Supervisors~~ and independent directors~~ of the Company shall be entitled to verify the entrusted wealth management business of the Company.	

2024 A Share Core Employee Stock Ownership Plan Of Haier Smart Home Co., Ltd. (Draft)

April 2024

2024 A Share Core Employee Stock Ownership Plan Of Haier Smart Home Co., Ltd. (Draft)

Salient Points

The terms used in this part shall have the same meaning set forth in the "Interpretation".

1. The ESOP is formulated by the Company in accordance with the Company Law, the Securities Law, the Guiding Opinions and other relevant laws, administrative regulations, rules, normative documents of China, as well as the Articles of Association of the Company and A Share Core Employee Stock Ownership Plan (2021–2025) of Haier Smart Home Co., Ltd., etc.

2. The ESOP follows the principle of the Company's independent decision and employees' voluntary participation, and in no event will employee be forced to participate in the ESOP through the ways such as apportionment and forced distribution.

3. Participants of the ESOP shall include the directors (except for independent directors, the same hereinafter), supervisors and senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries. The total number of the Participants of the ESOP shall not exceed 2,400. The board of directors of the Company may authorize the Management Committee to adjust the list of employees participating in the ESOP and the distribution proportion according to the changes and assessment results of employees.

4. The source of funds of the ESOP shall be the incentive funds withdrawn by the Company in the amount of RMB711.5 million.

5. The source of shares of the ESOP shall be the repurchased A shares of the Company.

6. Duration, lock-up period and vesting period of the ESOP

   The duration of the ESOP shall not exceed 60 months, calculated from the date when the Company announces that the Underlying Shares obtained in the last time are recorded to the ESOP. After the expiration of the duration, the ESOP shall be terminated, or may be extended after being approved by the board of directors.

The total number of shares held under those established and existing ESOPs (including H share ESOP etc.) for each year shall not exceed 10% of the total amount of the Company's share capital, and the total number of shares corresponding to a single employee's share in the ESOPs (including each of the existing ESOPs) shall not exceed 1% of the total amount of the Company's share capital.

The ESOP shall establish a lock-up period of 12 months from the date of disclosure of the announcement on completion of transfer of the repurchased shares of the Company from the repurchase special account.

After the end of the lock-up period, the Participants of the ESOP shall be appraised according to the performance appraisal system of the Company. The appraisal period is two years, upon the expiration of the lock-up period of the ESOP, 40% and 60% of the corresponding Underlying Shares shall be vested to the Participants in two phases. The specific vesting time shall be determined by the Management Committee upon the expiration of the lock-up period.

7. After the establishment of the ESOP, it shall be managed by the Company itself or entrusted to a third-party organization or managed by other methods permitted by laws and administrative regulations.

8. Shareholders holding more than 5% of the shares and the actual controller shall not participate in the ESOP.

9. The Company's directors, supervisors, senior officers and other Participants of the ESOP hereby voluntarily waive the voting rights and other rights on the shares they indirectly hold in the Company due to participation in the ESOP, and only reserve the dividend rights, investment income rights and other similar rights. Therefore, there is no concerted action arrangement, nor is there any concerted action plan, between the ESOP and the Company's directors, supervisors, senior officers and other Participants of the ESOP.

10. The financial and accounting treatment and taxation with respect to the Company's implementation of the ESOP shall be carried out in accordance with the relevant financial system, accounting standards and taxation system. Relevant personal income tax to be paid by the Participants due to the implementation of the ESOP shall be borne by the Participants themselves.

11. Participants of the ESOP voluntarily waive their voting rights to indirectly hold the Company's shares as a result of their participation in the ESOP.

12. The implementation of the ESOP will not bring about a consequence that the equity structure of the Company does not meet the conditions for listing.

13. The ESOP shall be implemented after it is approved by the general meeting upon deliberation.

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I. INTERPRETATION

Unless otherwise specified herein, the following terms or abbreviations shall have the following meanings when used herein:

Company	refer(s) to	Haier Smart Home Co., Ltd.
ESOP	refer(s) to	2024 A Share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (Draft)
Participants	refer(s) to	participators of the ESOP
Senior Officer	refer(s) to	the president, vice president, secretary of the board of directors, chief financial officer and other personnel specified in the Articles of Association of the Company
Remuneration and Appraisal Committee	refer(s) to	the Remuneration and Appraisal Committee under the board of directors of the Company
Underlying Shares	refer(s) to	A share of the Company obtained for the ESOP by various ways
Management Committee	refer(s) to	the Employee Stock Ownership Plan Management Committee of the ESOP
Asset Management Institution	refer(s) to	a third-party institution with asset management qualification required by laws and regulations and entrusted to provide asset management services under the ESOP
Asset Management ESOP	refer(s) to	the asset management plan which is set up by the Asset Management Institution under the ESOP and which is specially used for core employee share vesting A shares of the Company
Company's Shares	refer(s) to	A shares of the Company
CSRC	refer(s) to	China Securities Regulatory Commission
SFC	refer(s) to	Securities and Futures Commission of Hong Kong
SSE	refer(s) to	Shanghai Stock Exchange
SEHK	refer(s) to	The Stock Exchange of Hong Kong Limited

CSDC	refer(s) to	Shanghai Branch, China Securities Depository and Clearing Co., Ltd.
Company Law	refer(s) to	the Company Law of the People's Republic of China
Securities Law	refer(s) to	the Securities Law of the People's Republic of China
Guiding Opinions	refer(s) to	the Guiding Opinions on Pilot Implementation of ESOP by Listed Companies
Articles of Association	refer(s) to	the Articles of Association of Haier Smart Home Co., Ltd.
RMB	refer(s) to	RMB yuan

II. PURPOSE OF THE ESOP

1. To drive employees' entrepreneurship and innovation with "Rendanheyi", and promote the full implementation of the Company's IoT smart home ecological brand strategy

The implementation of the ESOP can give full play to and mobilize the enthusiasm of employees, encourage employees to create value for users, and enhance the competitiveness of the Company. Meanwhile, the short-term or medium and long-term ESOP is conducive to drive employees to undertake the Company's development strategic objectives, and promote the Company to achieve industry leadership.

2. To enhance corporate governance mechanism and create shareholders' value

Core management team and core employees' holding of shares or relevant interests of the Company through the ESOP is conducive to the improvement of the corporate governance structure of the Company, the realization of the linking of the interests of management, core employees and the Company with the interests of shareholders, and the establishment of benefit sharing and risk sharing mechanism between shareholders and employees, and thus helpful to enhance the value of the Company and shareholders.

3. To attract talents and innovate the remuneration management system of the Company

The implementation of the ESOP is conducive to further improve the Company's remuneration incentive system and incentive and restraint mechanism. An open platform supporting first-class human resources can better attract entrepreneurial teams, motivate the operation and management backbone, core technology (business) talents and other key talents needed by the Company, so as to better advance the development of the Company.

III. BASIS FOR DETERMINING THE PARTICIPANTS AND SCOPE OF THE ESOP

Participants of the ESOP shall be determined based on the Company Law, the Securities Law, the Guiding Opinions and other relevant laws, regulations, rules, normative documents of China, as well as the Articles of Association of the Company and A Share Core Employee Stock Ownership Plan (2021–2025) of Haier Smart Home Co., Ltd.

Participants of the ESOP shall be the directors (except for independent directors), supervisors and senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries. In addition, the ESOP implemented by the Company follows the principle of employees' voluntary participation, and in no event will employee be forced to participate in the ESOP through the ways such as

apportionment and forced distribution. The Participants of the ESOP shall be responsible for their own profits and losses, bear their own risks, and have equal rights and interests with other investors.

The ESOP covers the Company and its subsidiaries, and the Participants should be the key personnel who play an important role in the overall performance and long-term development of the Company.

IV. SOURCE OF FUNDS

Considering the continuity of the Company's remuneration assessment mechanism, the source of funds of the ESOP shall be the incentive fund withdrawn by the Company in the amount of RMB711.5 million. These incentive funds are part of the Company's employee compensation structure.

V. SOURCE AND NUMBER OF SHARES

(I) Source of the ESOP shares

The source of shares for the ESOP shall be the repurchased shares of the Company in the repurchase special account. If the Company adopts the ways of allotment of shares for financing, the ESOP shall have the right to participate in the subscription fairly.

(II) Number of Underlying Shares involved in the ESOP

The total amount of funds to be withdrawn for the ESOP shall be RMB711.5 million, and the shares shall be sourced from the repurchased shares of the Company in the repurchase special account. Such shares are shares repurchased from the secondary market at market price, the transfer price of which shall be determined according to the average price of all the shares repurchased in the Securities Account (the average price shall be determined according to the total price of shares repurchased in the Securities Account divided by the total number of shares in the Securities Account), and the specific quantity shall be determined according to the average transaction price of the shares repurchased at that time. The ESOP will obtain shares of the Company held in the Securities Account through non-trading transfer and other legal and regulatory means.

The ESOP shall be independent of other ESOP, but the total number of shares held by each established and existing ESOP (including H share ESOP etc.) shall not exceed 10% of the total share capital of the Company, and the total number of shares corresponding to a single employee's share in the ESOPs (including each of the existing ESOPs) shall not exceed 1% of the total amount of the Company's share capital. The total number of shares held by the ESOP shall not include the shares acquired by the Participants before the IPO of the Company, and the shares purchased by the Participants from the secondary market and the shares acquired through equity incentive.

VI. STATUS OF THE PARTICIPANTS AND SHARES ALLOCATION

Participants of the ESOP shall include the directors (except for independent directors), supervisors and senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries.

There should be no more than 2,400 employees participating in the ESOP. The total amount of funds to be used to participate in the ESOP shall be RMB711.5 million (inclusive), with "shares" as the subscription unit, and each share is RMB1. There are 13 directors, supervisors and senior officers, including LI Huagang, SHAO Xinzhi, GONG Wei, LIU Dalin, YU Miao, XIE Juzhi, LI Pan, ZHAO Yanfeng, LI Yang, SONG Yujun, GUAN Jiangyong, WU Yong, LIU Xiaomei, with a total share of RMB34.59 million, accounting for 4.9% of the ESOP. There are 2,387 core technical (business) personnel of the Company and its subsidiaries, with a total share of RMB676.91 million, accounting for 95.1% of the ESOP.

VII. DURATION, LOCK-UP PERIOD, VESTING PERIOD AND CHANGE AND TERMINATION OF THE ESOP

(I) Duration of the ESOP

The duration of the ESOP shall not exceed 60 months, calculated from the date when the Company announces that the Underlying Shares obtained in the last time are recorded to the ESOP. After the expiration of the duration, the ESOP shall be terminated, or may be extended after being approved by the board of directors.

(II) Lock-up period of the Underlying Shares under the ESOP

1. The ESOP shall establish a lock-up period of 12 months from the date of disclosure of the announcement on completion of transfer of the repurchased shares of the Company from the repurchase special account.

2. In case the Company changes capital reserve to increase its share capital, distributes share dividends and refinances during the lock-up period, any and all shares newly acquired by the ESOP due to holding the Company's shares shall be locked as well, and cannot be sold or otherwise disposed in the secondary market. The lock-up period of such new shares shall be the same as that of the corresponding shares.

(III) Vesting of the ESOP

After the end of the lock-up period, the Management Committee shall appraise the Participants according to the performance appraisal system of the Company. The appraisal period is two years. During the duration of the ESOP, the Management Committee shall have the right to extend or shorten the appraisal period and adjust the corresponding proportion of vesting.

The Underlying Shares of the ESOP will be vested to the Participants in two phases. After the end of the lock-up period of the ESOP, the corresponding Underlying Shares shall be vested to the Participants in two phases (40% and 60% respectively). The specific vesting time shall be determined by the Management Committee after the end of the locking-in period. In order to encourage all the appraisees to focus on their objectives, create business value-added and promote the implementation of the Company's IoT smart home strategy, the appraisal indicators under the ESOP as follows:

1. Where the Participants under the ESOP are the directors, president, supervisors and platform personnel of the Company, the appraisal rules for 2024 and 2025 are based on a weighted average of the completion rate of the compound growth rate of net profit attributable to the parent company after non-recurring items and the completion rate of return on equity (hereinafter "Comprehensive Completion Rate"). The specific appraisal objectives and rules are as follows:

	Net profit attributable to the parent company after non-recurring items	**Return on equity *(Note)***
Performance appraisal indicators for 2024	Growth rate of audited net profit attributable to the parent company after non-recurring items for 2024 over net profit attributable to the parent company after non-recurring items for 2023 not less than 15% (inclusive)	Audited return on equity (ROE) for 2024 not less than 16.8% (inclusive)
Performance appraisal indicators for 2025	Compound growth rate of audited net profit attributable to the parent company after non-recurring items for 2025 over net profit attributable to the parent company after non-recurring items for 2023 not less than 15% (inclusive)	Audited return on equity (ROE) for 2025 not less than 16.8% (inclusive)
Appraisal weighting	50%	50%

Note: Return on equity (ROE) refers to the weighted average return on equity. If the Company raises fund through capital market such as a public offering or issuance of shares to specific targets during the term of the ESOP that may have an impact on the Company's net assets and ROE, the impact of such actions shall be excluded from the calculation of ROE attributable to shareholders of the listed company for each appraisal year, and the appraisal indicators in relation to ROE in each year's appraisal criteria shall be adjusted accordingly. The details of the adjustment plan will be considered by the Remuneration and Appraisal Committee and submitted to the board of directors for approval before implementation.

Comprehensive Completion Rate = 50%*completion rate of compound growth rate of net profit attributable to the parent company after non-recurring items + 50%*completion rate of return on equity

Of which:

Completion rate of compound growth rate of net profit attributable to the parent company after non-recurring items = compound growth rate of audited net profit attributable to the parent company after non-recurring items for the year over net profit attributable to the parent company after non-recurring items for 2023/15%

Completion rate of return on equity = audited return on equity for the year/16.8%

(1) Appraisal indicators and vesting for 2024

If the results of the Management Committee's appraisal of such Participants in 2024 are up to the standard, and the Comprehensive Completion Rate in 2024 is more than 1 (inclusive), 40% of the interests of the Underlying Shares under the ESOP shall be vested to the Participants.

If the Comprehensive Completion Rate is between 0.8 (inclusive) to 1: ① for the completion rates of compound growth rate of net profit attributable to the parent company after non-recurring items and return on equity exceeding 0.8 (inclusive), vesting shall be made after the proportion of vesting is determined by the Management Committee and submitted to the Remuneration and Appraisal Committee for approval; ② for any of the completion rate of compound growth rate of net profit attributable to the parent company after non-recurring items and return on equity below 0.8 (exclusive), vesting shall be made after the proportion of vesting is determined by the Remuneration and Appraisal Committee and submitted to the board of directors for approval.

If the Comprehensive Completion Rate is less than 0.8 (exclusive), 40% of the Underlying Shares under the ESOP will not be vested.

(2) Appraisal indicators and vesting for 2025

If the results of the Management Committee's appraisal of such Participants in 2025 are up to the standard, and the Comprehensive Completion Rate in 2025 is more than 1 (inclusive), 60% of the interests of the Underlying Shares under the ESOP shall be vested to the Participants.

If the Comprehensive Completion Rate is between 0.8 (inclusive) to 1: ① for the completion rates of compound growth rate of net profit attributable to the parent company after non-recurring items and return on equity exceeding 0.8 (inclusive), vesting shall be made after the proportion of vesting is determined by the Management Committee and submitted to the Remuneration and Appraisal Committee for approval; ② for any of the completion rate of compound growth rate of net profit attributable to the parent company after non-recurring items and return on equity below 0.8 (exclusive), vesting shall be made after the proportion of vesting is determined by the Remuneration and Appraisal Committee and submitted to the board of directors for approval.

If the Comprehensive Completion Rate is less than 0.8 (exclusive), 60% of the Underlying Shares under the ESOP will not be vested.

2. Where the Participants under the ESOP are the persons other than the Company's directors, president, supervisors and personnel of the Company's platform mentioned in item 1 above, 40% and 60% of the interests of the Underlying Shares under the ESOP shall be vested respectively if the results of the Management Committee's appraisal conducted according to its results in 2024 and 2025 are up to the standard.

(IV) Change of the ESOP

During the duration, changes to the ESOP must be approved by more than two-thirds (inclusive) of the shares held by the Participants attending the Participants' meeting, and submitted to the Company's board of directors for review and approval.

(V) Termination of the ESOP

1. The ESOP shall automatically terminate at the expiration of the duration, unless such duration is extended by the resolution of the board of directors;

2. When all the assets of the ESOP are monetary funds after the end of the lock-up period of the ESOP, the ESOP can be early terminated;

3. In case of serious business difficulties or other major matters of the Company, the ESOP may be terminated by resolution of the board of directors.

(VI) During the duration of the ESOP, when the Company finances by means of allotment, issuance and convertible bonds, the Management Committee shall decide the funding solutions and whether to participate in the same, and submit it to the meeting of the Participants for deliberation.

VIII. VESTING AND DISPOSAL OF THE INTERESTS OF THE SHARES UNDER THE ESOP

(I) After the end of the lock-up period of the ESOP, the Participants shall be appraised according to the Company's performance appraisal mechanism during the vesting period. If the appraisal is qualified and the conditions for vesting are met, one of the following treatment methods can be selected after an application is submitted by the Management Committee:

1. The Management Committee applies to the CSDC to vest the shares to the individual accounts of the Participants;

2. To entrust the Management Committee to sell the Underlying Shares purchased for the ESOP during the duration of the ESOP;

3. To entrust the Management Committee to continue to hold the Underlying Shares during the duration of the ESOP;

The vesting period under the ESOP is two years, the proportion of the interest of the Underlying Shares corresponding to each vesting period shall be determined by the Management Committee.

(II) Vesting of the interests of the shares under the ESOP

During the duration, the dividend of the shares under the ESOP shall be owned by the ESOP, and shall be firstly used to pay relevant management fees (if any) charged by the Asset Management Institution and the custodian bank. For the shares without objects to be vested due to the unqualified performance appraisal and employee's dismission, the Management Committee shall decide to vest the interests of the Underlying Shares to the Company or use it to encourage other employees with greater contribution.

(III) Before the Management Committee makes a decision on vesting, the shares or interests of the ESOP granted to but not vested to the Participants shall not be transferred, withdrawn or used for mortgage, pledge, guarantee and repayment of debts; otherwise, the corresponding act shall be invalid.

(IV) After the Management Committee makes a decision on vesting, if the Management Committee is obliged to withhold relevant taxes and fees according to laws and regulations, the shares or interests of the ESOP granted to but not vested to the Participants shall be distributed after the Management Committee withholds the said taxes and fees according to law.

(V) The ESOP shall strictly abide by the market trading rules, and the regulations on non-trading of shares during the information sensitive period. No party shall use the ESOP to conduct insider trading, market manipulation and other securities fraud. Unless otherwise provided by the CSRC, the stock exchange in the place where the Company's shares are listed and other regulatory bodies, the ESOP shall not trade the Company's shares during the following periods:

1. the period from the 60th day before the meeting of the board of directors of the Company where the annual report is deliberated to the date of disclosure of annual report (including the first and last two days);

2. the period from the 30th day before the meeting of the board of directors of the Company where the quarterly report or semi-annual report is deliberated to the date of disclosure of quarterly report or semi-annual report (including the first and last two days);

3. Within 10 days before the announcement of the Company's earnings preannouncement and preliminary earnings estimate (including the first and last two days);

The period mentioned in the items 1–3 above shall include the period during which the Company delays the announcement of its earnings;

4. the period from the date of occurrence of major events that may have a major impact on the trading price of the Company's shares and their derivatives or the date of entry into decision-making procedures to the date of disclosure in accordance with law;

5. Other periods prescribed by the relevant laws, regulations and rules applicable to the Company, as well as those stipulated by the CSRC and the stock exchange where the Company's shares are listed and other regulatory bodies.

IX. PARTICIPANTS' MEETING, RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE, CONVENING AND VOTING PROCEDURES

The highest internal management authority of the ESOP is the Participants' meeting. The Management Committee shall be responsible for the daily management of the ESOP and exercise shareholders' rights on behalf of the ESOP Participants or authorize the Asset Management Institution to exercise shareholders' rights.

(I) Participants' meeting

1. A Participants' meeting shall be held for deliberation on the following:

   (1) Election, removal or replacement of members of the Management Committee;

   (2) Major material adjustments to the ESOP;

   (3) Decision on whether to participate in the refinancing of the Company by rights offering, additional issuance, convertible bonds and other relevant matters;

   (4) Other functions and powers that may be exercised by the ESOP Participants' meeting as stipulated by laws and regulations or the CSRC and the stock exchange in the place where the Company's securities are listed and relevant competent authorities and other regulatory authorities.

2. The first Participants' meeting of the ESOP shall be convened and presided over by the chairman of the board of directors or his authorized person of the Company. After the directors of the Management Committee of the ESOP is

elected and appointed, Participants' meetings shall be convened by the Management Committee and presided over by the director of the Management Committee. If the director of the Management Committee is unable to perform his duties, he shall designate a member of the Management Committee to preside over the meetings.

3. To hold a Participants' meeting, the Management Committee shall submit a written notice of the meeting to all Participants by direct service, mail, fax, e-mail or other means 3 days in advance. In case of emergency, the meeting can be held at any time after the notice is given. The written notice of the meeting shall contain at least the following:

   (1) Time and place of the meeting;

   (2) Way to hold the meeting;

   (3) Matters to be deliberated;

   (4) Convener and chairman of the meeting;

   (5) Materials necessary for voting at the meeting;

   (6) The Participants shall attend the meeting in person or entrust other Participants to attend the meeting on their behalf;

   (7) Contact person and contact information;

   (8) Date on which the notice is given.

4. Voting procedure

   (1) The Participants shall exercise their voting rights with their ESOP shares, and each share shall have one vote. The Participants shall vote by open ballot at the meeting;

   (2) A Participants' meeting may be an on-site meeting or a communication meeting;

   (3) The Participants may cast approving or opposing votes or abstain from voting. The Participants attending the meeting shall choose one of such voting intentions. Not making a choice or choosing two or more intentions at the same time shall be regarded as abstention. An unfilled, inaccurately filled, illegible or uncast vote shall be regarded as abstention vote. If the Participants vote after the result of voting is announced by the chairman of the meeting or after the expiry of the prescribed time limit for voting, the votes shall not be counted;

(4) The chairman of the meeting shall announce the result of voting on the spot. Unless otherwise stipulated by the Participants' meeting and the ESOP, each proposal shall be valid only if approved by more than half of the valid voting rights held by the Participants (or agents) present at the Participants' meeting.

5. If the matters to be deliberated at the Participants' meeting shall be submitted to the board of directors and the general meeting of shareholders of the Company for deliberation, they shall be submitted to the board of directors and the general meeting of shareholders for deliberation in accordance with the Articles of Association of the Company.

6. Participants who individually or collectively hold 10% (inclusive) or more of the ESOP shares may submit to the Participants' meeting an interim proposal, which must be submitted to the Management Committee 5 days prior to the holding of the Participants' meeting.

7. Participants who individually or collectively hold 30% (inclusive) or more of the ESOP shares may propose to hold a Participants' meeting.

(II) Management Committee

1. The Management Committee shall be elected by the Participants' meeting. The Management Committee consists of three to five members. In case of any change of the members of the Management Committee, they shall be re-elected by the Participants' meeting and approved by more than half of the valid voting rights held by the Participants (or agents) present at the Participants' meeting.

2. The Management Committee shall have a director who shall be elected by more than half of the members of the Management Committee.

3. The Management Committee shall perform the following duties:

(1) Convene a Participants' meeting;

(2) Supervise the daily management of the ESOP on behalf of all Participants;

(3) Exercise shareholders' rights on behalf of all Participants or authorize the Asset Management Institution to exercise shareholder' rights;

(4) Examine and determine the qualifications, scope, number and limit of participants according to the ESOP;

(5) Formulate and revise management measures for the ESOP;

(6) Determine the interests (shares) of the Participants according to the assessment results of the Company;

(7) Cooperate with the Asset Management Institution of the ESOP for their selection and handover work (if any);

(8) Handle all matters concerning the locking, release and vesting of the shares purchased under the ESOP;

(9) Be responsible for the ESOP financing method, amount and other matters related to the ESOP financing;

(10) Perform the duty of the ESOP asset management, if the ESOP is self-managed, the Management Committee, as the management party, is responsible for the daily management of the ESOP (including but not limited to reducing shares of the Company held under the ESOP after the end of the lock-up period, and allocating income and cash assets to Participants).The Management Committee can entrust its duty of the asset management to a third party for management (such as the selection of the Asset Management Institution), including but not limited to selling the Company's Shares to cash in upon expiration of the lock-up period, and investing cash assets of the ESOP in fixed income securities, financial products, money market funds and other cash management tools;

(11) Formulate and implement plans for refinancing by additional issuance, rights offering or issuance of convertible bonds within the duration of the ESOP;

(12) Authorize the director of the Management Committee to exercise the shareholder' rights of the shares held in the ESOP before the liquidation and distribution of the ESOP are completed;

(13) Determine the allocation of the ESOP assets;

(14) Perform such other duties as may be authorized by the Participants' meeting.

4. The director of the Management Committee shall exercise the following functions and powers:

(1) Preside over the Participants' meetings and convene and preside over meetings of the Management Committee;

(2) Supervise and inspect the implementation of the resolutions of the Participants' meetings and the Management Committee;

(3) Exercise shareholders' rights on behalf of all Participants with authorization by the Management Committee;

(4) Sign relevant agreements and contracts on behalf of the ESOP;

(5) Exercise other functions and powers granted by the Management Committee.

5. The meetings of the Management Committee shall be held from time to time according to the need, and shall be convened by the director of the Management Committee unless otherwise provided for in the ESOP. Notice of the meeting shall be given to all members of the Management Committee 2 days prior to the meeting. In case of emergency, the members may be notified of a meeting of the Management Committee orally. Such notice may be given by mail, telephone, fax, etc.

6. The meetings of the Management Committee shall be held only when more than half of the members are present. The system of one person one vote shall be adopted at the meetings of the Management Committee. The resolutions of the meetings shall be valid only if approved by more than half of the members of the Management Committee. Subject to the full expression of views by the members of the Management Committee, E-mail or other means may be used, and a resolution shall be made and signed by members present.

7. The meetings of the Management Committee shall be attended by the members in person. If a member of the Management Committee cannot attend for some reason, he may entrust another member in writing to attend on his behalf. Failure to attend a meeting of the Management Committee and authorize a representative to attend shall be deemed to a waiver of the right to vote at the meeting.

8. The Management Committee shall make resolutions on the matters discussed at the meetings, and the resolutions shall be signed by members of the Management Committee.

X. MANAGEMENT MODE, SELECTION OF ASSET MANAGEMENT INSTITUTION, AND MANAGEMENT AGREEMENT

(I) Management mode and Selection of Asset Management Institution of the ESOP

The ESOP can be self-managed, or it can be entrusted to a professional institution with asset management qualifications (hereinafter referred to as "Asset Management Institution") to manage. If the ESOP is self-managed, the Management Committee, as the management party, is responsible for the daily management of the ESOP (including but not limited to reducing shares of the Company held under the ESOP after the end of the lock-up period, and allocating income and cash assets to Participants); if the ESOP entrusts an Asset Management Institution to carry out investment operations and daily management, the Participants' meeting of the ESOP or Management Committee will select an appropriate Asset Management Institution to manage the ESOP, and the management fee, custody fee and other related expenses will be paid by the Company, subject to the relevant final agreement signed.

The Management Committee or Asset Management Institution shall manage the ESOP in accordance with relevant laws, regulations and the agreement of the ESOP to ensure that the ESOP purchases and holds the Underlying Shares in a manner permitted by laws and regulations.

The shares and funds held by the ESOP shall be the entrusted property, and the Asset Management Institution of the ESOP shall not include the entrusted property as its self-owned assets. Where the Asset Management Institution of the ESOP is liquidated for reasons such as dissolution, cancellation or bankruptcy according to law, the entrusted property shall not belong to the liquidating property.

(II) The main terms of the management agreement (if any) must contain the following:

1. Name of the Asset Management ESOP
2. Type
3. Entrustment of assets
4. Investment of entrusted assets
5. Rights and obligations of the client
6. Special risk warning
7. Management fee, custodian fee and other related expenses
8. Liquidation and termination of the Asset Management ESOP
9. Others

XI. MAIN PROVISIONS OF THE MANAGEMENT RULES

(I) The ESOP can be self-managed, or it can be entrusted to a professional institution with asset management qualifications (hereinafter referred to as "Asset Management Institution") to manage. If the ESOP is self-managed, the Management Committee, as the management party, is responsible for the daily management of the ESOP (including but not limited to reducing shares of the Company held under the ESOP after the end of the lock-up period, and allocating income and cash assets to Participants); If the ESOP entrusts an Asset Management Institution to carry out investment operations and daily management, the Participants' meeting of the ESOP or Management Committee will select an appropriate Asset Management Institution to manage the ESOP, and the management fee, custody fee and other related expenses will be paid by the Company, subject to the relevant final agreement signed.

(II) The Management Committee or Asset Management Institution shall manage the ESOP in accordance with relevant laws, regulations and the agreement of the ESOP to ensure that the ESOP purchases and holds the Underlying Shares in a manner permitted by laws and regulations.

In case of any change of the members of the Management Committee, they shall be re-elected by the Participants' meeting.

(III) Composition of the ESOP assets

1. Underlying Shares;

2. Cash deposits and accrued interest;

3. Income from fund management or other assets without vesting objects for various reasons such as employee turnover and assessment.

Assets under the ESOP shall be independent of other ESOPs and the assets of the Company and the Asset Management Institution. The Company, the Asset Management Institution and their creditors shall have no right to freeze, detain, pledge or otherwise dispose of the assets under the ESOP.

(IV) Measures for disposing of the ESOP assets

1. Within the duration of the ESOP, unless otherwise stipulated by laws, regulations, rules and management rules, or approved by the Participants' meeting after deliberation, the ESOP shares held by the Participants shall not be transferred, pledged, or otherwise disposed of in similar manner. The Participants shall not require distribution of the ESOP assets.

2. Upon the expiration of the lock-up period of the ESOP and prior to the expiration of the duration of the ESOP, the Asset Management Institution shall sell the Underlying Shares held in the ESOP or determine the vesting of relevant shares according to the written authorization of the Management Committee.

3. When all the assets of the ESOP are monetary funds after the end of the lock-up period of the ESOP, the Management Committee shall decide whether to allocate the assets. If it is decided to allocate the assets, the Management Committee shall authorize the Asset Management Institution to allocate according to the shares held by the Participants.

   If all the Underlying Shares held by the ESOP are sold and the ESOP assets are liquidated and allocated completely according to the provisions of the preceding paragraph, the ESOP shall be terminated after approved by the Management Committee and reported to the board of directors for record.

4. If the duration of the ESOP expires and is not extended, the Management Committee shall or shall authorize the Asset Management Institution to liquidate the ESOP assets and make cash or share allocations according to the shares held by the Participants.

XII. PROCEDURES FOR IMPLEMENTING THE ESOP

(I) The Remuneration and Appraisal Committee under the board of directors shall be responsible for the preparation of the ESOP and the list of the ESOP personnel.

(II) The congress of workers and staff shall solicit opinions from the staff.

(III) The board of directors shall review the ESOP and relevant proposals.

(IV) The board of supervisors shall give independent opinions on whether the ESOP is conducive to the sustainable development of the Company, whether it damages the interests of the Company and all shareholders, and whether the employees are forced to participate in the ESOP by ways of apportion or forced allocation.

(V) The Company shall engage a law firm to issue legal opinions on the legality and compliance of the ESOP.

(VI) The board of directors shall, after reviewing and approving the ESOP, promptly publish relevant documents concerning the ESOP.

(VII) The general meeting shall review and approve the ESOP.

(VIII) A Participants' meeting shall be held to elect the Management Committee and define the specific matters concerning the implementation of the ESOP.

(IX) Other procedures to be fulfilled as stipulated by the CSRC, the stock exchange in the place where the Company's securities are listed and the relevant competent authorities.

XIII. DISPOSAL MEASURES WHEN THE CIRCUMSTANCES OF THE COMPANY AND THE PARTICIPANTS CHANGE

(I) Change of control, merger or split of the Company

In the event of change of control, merger or split of the Company for any reason, the ESOP shall not be changed.

(II) Failure of the Participants to pass the assessment

During the vesting period, the Participants shall be assessed for each vesting period. The Management Committee shall dispose of the ESOP shares held by the Participants who fail to pass the assessment (including but not limited to granting to other Participants, the same below).

(III) Position change, departure or death of the Participants

1. Position change

(1) If a Participant is still a director (other than independent director), supervisor, senior officers or core technical (business) personnel of the Company when his position is changed, or is assigned by the Company to a subsidiary of the Company, the relevant ESOP shares can be adjusted accordingly, and in principle, the ESOP shares granted but not vested shall not be increased.

(2) If a Participant's position is changed due to his incompetence, failure to pass the assessment, violation of law, violation of professional ethics, disclosure of company secrets, dereliction of duty or malpractice and other behaviors that damage the interests or reputation of the Company, the Management Committee shall dispose of the ESOP shares granted but not vested.

2. Departure

Except in the case of departure due to reaching the retirement age, regardless of the reasons for departure, the Management Committee shall dispose of the ESOP shares granted to but not vested in the Participants from the date of departure, including but not limited to vesting the shares in the Participants based on their actual contributions, or taking back the ESOP shares granted but not vested for disposal by the Management Committee.

3. Retirement

If a Participant has reached the retirement age prescribed by the state and the Company and has retired from his job,

(1) his ESOP shares granted but not vested shall not be affected provided that he passed the performance assessment in the year of his departure and accepted the Company's restrictions on non-competition; his shares

granted but not vested shall be fully vested in the first vesting period provided that the time of his retirement is within the lock-up period or the first vesting period.

(2) the Management Committee shall dispose of his ESOP shares granted but not vested provided that he failed to pass the performance assessment in the year of his departure.

4. Loss of ability to work

Where a Participant loses the ability to work due to an injury sustained in the performance of his duties, his ESOP shares granted but not vested shall not be affected. Otherwise, the Management Committee shall dispose of the ESOP shares granted but not vested.

5. Death

In the event of the death of a Participant on the job, his ESOP shares granted but not vested shall not be affected, and the relevant interests shall be enjoyed by his legal successors. If it occurs during the lock-up period or the first vesting period, the shares granted but not vested shall be fully vested in his legal successors during the first vesting period. Otherwise, the Management Committee shall dispose of the ESOP shares granted but not vested.

(IV) Special Circumstances

1. Unless the Company decides otherwise, the ESOP shares held by the Participants will be disposed of by the Management Committee in the event of any of the following circumstances:

(1) the Participants are guilty of gross negligence, any fraud or dishonesty or misconduct, whether or not in connection with the Participants' employment, engagement or service with the Company and its subsidiaries, and whether or not it has resulted in the termination of the Company's and its subsidiaries' labour contractual relationship or employment relationship with the Participants; or

(2) the Participants have been convicted of any criminal offense; or

(3) the Participants have been sentenced to a criminal penalty for violating applicable laws or regulations in force from time to time in China or other jurisdictions; or

(4) the Participants commit a material breach of a contract between the Company and its subsidiaries and them, including, but not limited to, a breach of an obligation of confidentiality or non-competition, or the disclosure of trade secrets, intellectual property rights or specific information; or

(5) material misstatements or omissions in the financial reports of the Company or any subsidiary of the Company involving the Participants, including, but not limited to, circumstances that may indicate that any required performance goals have been evaluated or calculated in an incorrect or inaccurate manner (as determined by the Company in its discretion) or that the vesting of any ESOP share may have resulted in any inequitable or unfavourable outcome; or

(6) any conduct of the Participants which has a material adverse effect on the reputation or interests of the Company or any relevant member of the Company (as determined by the Company in its sole discretion).

2. The board of directors or the Management Committee shall have the right to decide in the event of the circumstances referred to in paragraph 1 of this article:

(1) any rights of the Participants to acquire the ESOP shares will immediately lapse and be cancelled (including, without limitation, any rights granted to or vested in all or any part of any ESOP shares); and

(2) Instruct the Participants to return, repay or otherwise deal with any vested ESOP share (including vested portions) or any interests therein (including but not limited to other rights derived therefrom (such as dividends) or any related assets generated therefrom), including but not limited to, returning and paying to the Company (or the Company's designated person) all proceeds from the sale or disposal of A shares corresponding to the vested ESOP shares and/or transferring to the Company (or the Company's designated person) free of charge all A shares corresponding to the vested ESOP shares, with the relevant taxes and fees for arriving at the above results to be borne by the holders.

The aforesaid determination of the Company shall be conclusive and binding on the Participants.

The Company shall not be liable for any lapse of the Participants' awards as a result of the foregoing provisions, and the Participants shall have no claim against the Company, the board of directors, the Management Committee or the Company and its subsidiaries in respect of the above provisions and the relevant awards or any rights or interests therein.

XIV. SUPPLEMENTARY PROVISIONS

1. The financial and accounting treatment and taxation with respect to the Company's implementation of the ESOP shall be carried out in accordance with the relevant financial system, accounting standards and taxation system. Relevant personal income tax to be paid by the Participants due to the implementation of the ESOP shall be borne by the Participants themselves;

2. The ESOP shall take effect from the date of deliberation and approval by the general meeting of the Company;

3. The board of directors of the Company reserves the right to interpret the ESOP.

Haier Smart Home Co., Ltd.
Board of Directors

April 29, 2024

2024 H Share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (Draft) (Revised[1])

May 2024

[1] This revision only amends and supplements the names of the regulations of references in the 2024 H Share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (Draft), and there are no other amendments.

2024 H Share Core Employee Stock Ownership Plan Of Haier Smart Home Co., Ltd. (Draft) (Revised)

Salient Points

The terms used in this part shall have the same meaning set forth in the "Interpretation".

1. The ESOP is formulated by the Company in accordance with the Company Law, the Securities Law, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, administrative regulations, rules, normative documents of China, as well as the Articles of Association of the Company and H Share Core Employee Stock Ownership Plan (2021–2025) of Haier Smart Home Co., Ltd., etc.

2. The ESOP follows the principle of the Company's independent decision and employees' voluntary participation, and in no event will employee be forced to participate in the ESOP through the ways such as apportionment and forced distribution.

3. Participants of the ESOP shall include the directors (except for independent directors, the same hereinafter) and senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries. The total number of the Participants of the ESOP shall not exceed 30. The board of directors of the Company may authorize the Management Committee to adjust the list of employees participating in the ESOP and the distribution proportion according to the changes and assessment results of employees.

4. The source of funds of the ESOP shall be the incentive funds withdrawn by the Company in the amount of RMB68.50 million.

5. The source of shares of the ESOP shall be H shares of the Company purchased from the secondary market through the Shanghai-Hong Kong Stock Connect.

6. Duration, lock-up period and vesting period of the ESOP

   The duration of the ESOP shall not exceed 60 months, calculated from the date when the Company announces that the last of Underlying Shares obtained are recorded to the ESOP. After the expiration of the duration, the ESOP shall be terminated, or may be extended after being approved by the board of directors.

   The total number of shares held under those established and existing ESOPs (including A share ESOP etc.) shall not exceed 10% of the total amount of the Company's share capital, and the total number of shares corresponding to a single employee's share in the ESOPs (including each of the existing ESOPs) shall not exceed 1% of the total amount of the Company's share capital.

   Where the lock-up period of the Underlying Shares acquired under the ESOP is the Underlying Shares purchased through the secondary market or by means of allotment of shares, the lock-up period is 12 months, calculated from the date when the Company announces that the last of Underlying Shares purchased are recorded in the ESOP.

   After the end of the lock-up period, the Participants of the ESOP shall be assessed according to the performance assessment system of the Company. The assessment period is for two years, and upon the expiration of the lock-up period of the ESOP, 40% and 60% of the corresponding Underlying Shares shall be vested to the Participants in two phases. The specific vesting time shall be determined by the Management Committee upon the expiration of the lock-up period.

7. If the Underlying Shares are purchased from the secondary market, the purchase shall be completed within 6 months after it is approved by the general meeting.

8. After the establishment of the ESOP, it shall be managed by the Company itself or entrusted to a third-party organization or managed by other methods permitted by laws and administrative regulations.

9. Shareholders holding more than 5% of the shares and the actual controller shall not participate in the ESOP.

10. The Company's directors, senior officers and other Participants of the ESOP hereby voluntarily waive the voting rights and other rights on the shares they indirectly hold in the Company due to participation in the ESOP, and only reserve the dividend rights, investment income rights and other similar rights. Therefore, there is no concerted action arrangement, nor is there any concerted action plan, between the ESOP and the Company's directors, senior officers and other Participants of the ESOP.

11. The financial and accounting treatment and taxation with respect to the Company's implementation of the ESOP shall be carried out in accordance with the relevant financial system, accounting standards and taxation system. Relevant personal income tax to be paid by the Participants due to the implementation of the ESOP shall be borne by the Participants themselves.

12. Participants of the ESOP voluntarily waive their voting rights to indirectly hold the Company's shares as a result of their participation in the ESOP.

13. The implementation of the ESOP will not bring about a consequence that the equity structure of the Company does not meet the conditions for listing.

14. The ESOP shall be implemented after it is approved by the general meeting upon deliberation.

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I. INTERPRETATION

Unless otherwise specified herein, the following terms or abbreviations shall have the following meanings when used herein:

Company	refer(s) to	Haier Smart Home Co., Ltd.
ESOP	refer(s) to	2024 H Share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (Draft)
Participants	refer(s) to	participators of the ESOP
Senior Officer	refer(s) to	the president, vice president, secretary of the board of directors, chief financial officer and other personnel specified in the Articles of Association of the Company
Remuneration and Assessment Committee	refer(s) to	the Remuneration and Assessment Committee under the board of directors of the Company
Underlying Shares	refer(s) to	H share of the Company obtained for the ESOP by various ways
Management Committee	refer(s) to	the Employee Stock Ownership Plan Management Committee of the ESOP
Asset Management Institution	refer(s) to	a third-party institution with asset management qualification required by laws and regulations and entrusted to provide asset management services under the ESOP
Asset Management ESOP	refer(s) to	the asset management plan which is set up by the Asset Management Institution under the ESOP and which is specially used for core employee share vesting
Company's Shares	refer(s) to	H shares of the Company
CSRC	refer(s) to	China Securities Regulatory Commission
SFC	refer(s) to	Securities and Futures Commission of Hong Kong
SSE	refer(s) to	Shanghai Stock Exchange
SEHK	refer(s) to	The Stock Exchange of Hong Kong Limited

CSDC	refer(s) to	Shanghai Branch, China Securities Depository and Clearing Co., Ltd.
Company Law	refer(s) to	the Company Law of the People's Republic of China
Securities Law	refer(s) to	the Securities Law of the People's Republic of China
Articles of Association	refer(s) to	the Articles of Association of Haier Smart Home Co., Ltd.
RMB	refer(s) to	RMB yuan

II. PURPOSE OF THE ESOP

1. To drive employees' entrepreneurship and innovation with "Rendanheyi", and promote the full implementation of the Company's IoT smart home ecological brand strategy

The implementation of the ESOP can give full play to and mobilize the enthusiasm of employees, encourage employees to create value for users, and enhance the competitiveness of the Company. Meanwhile, the short-term or medium and long-term ESOP is conducive to drive employees to undertake the Company's development strategic objectives, and promote the Company to achieve industry leadership.

2. To enhance corporate governance mechanism and create shareholders' value

Core management team and core employees' holding of shares or relevant interests of the Company through the ESOP is conducive to the improvement of the corporate governance structure of the Company, the realization of the linking of the interests of management, core employees and the Company with the interests of shareholders, and the establishment of benefit sharing and risk sharing mechanism between shareholders and employees, and thus helpful to enhance the value of the Company and shareholders.

3. To attract talents and innovate the remuneration management system of the Company

The implementation of the ESOP is conducive to further improve the Company's remuneration incentive system and incentive and restraint mechanism. An open platform supporting first-class human resources can better attract entrepreneurial teams, motivate the operation and management backbone, core technology (business) talents and other key talents needed by the Company, so as to better advance the development of the Company.

III. BASIS FOR DETERMINING THE PARTICIPANTS AND SCOPE OF THE ESOP

Participants of the ESOP shall be determined based on the Company Law, the Securities Law, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, regulations, rules, normative documents of China, as well as the Articles of Association of the Company and H Share Core Employee Stock Ownership Plan (2021–2025) of Haier Smart Home Co., Ltd..

Participants of the ESOP shall be the directors (except for independent directors) and senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries. In addition, the ESOP implemented by the Company follows the principle of employees' voluntary participation, and in no event will employee be forced to participate in the ESOP through the ways such as apportionment and forced distribution. The Participants of the ESOP shall be responsible for their own profits and losses, bear their own risks, and have equal rights and interests with other investors.

The ESOP covers the Company and its subsidiaries, and the Participants should be the key personnel who play an important role in the overall performance and long-term development of the Company.

IV. SOURCE OF FUNDS

Considering the continuity of the Company's remuneration assessment mechanism, the source of funds of the ESOP shall be the incentive fund withdrawn by the Company in the amount of RMB68.5 million. These incentive funds are part of the Company's employee compensation structure.

V. SOURCE AND NUMBER OF SHARES

(I) Source of the ESOP shares

The source of shares of the ESOP shall be H shares of the Company purchased from the secondary market through the Shanghai-Hong Kong Stock Connect. The ESOP shall complete the purchase of the Underlying Shares within 6 months after the approval of the general meeting.

(II) Number of Underlying Shares involved in ESOP

The total amount of funds to be used to participate in the ESOP shall be RMB68.5 million. In view of the uncertainty of the date and price of the shares actually purchased under the ESOP, the number of shares held by the ESOP is still uncertain.

The ESOP shall be independent of other ESOPs, but the total number of shares held by established and existing ESOP (including A share ESOP etc.) shall not exceed 10% of the total share capital of the Company, and the total number of shares corresponding to a single employee's share in the ESOPs (including each of the existing ESOPs) shall not exceed 1% of the total amount of the Company's share capital. The total number of shares held by the ESOP shall not include the shares acquired by the Participants before the IPO of the Company, and the shares purchased by the Participants from the secondary market and the shares acquired through equity incentive.

VI. STATUS OF THE PARTICIPANTS AND SHARES ALLOCATION

Participants of the ESOP shall include the directors (except for independent directors) and senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries, totaling 30. The total amount of funds to be used to participate in the ESOP shall be RMB68.5 million (inclusive), with "shares" as the subscription unit, and each share is RMB1. There are 11 directors and senior officers, including LI Huagang, SHAO Xinzhi, GONG Wei, XIE Juzhi, LI Pan, ZHAO Yanfeng, LI Yang, SONG Yujun, GUAN Jiangyong, WU Yong, HUANG Xiao Wu, with a total share of RMB36.57 million, accounting for 53.4% of the ESOP. There are 19 other core management personnel of the Company, with a total share of RMB31.93 million, accounting for 46.6% of the ESOP.

VII. DURATION, LOCK-UP PERIOD, VESTING PERIOD AND CHANGE AND TERMINATION OF THE ESOP

(I) Duration of the ESOP

The duration of the ESOP shall not exceed 60 months, calculated from the date when the Company announces that the Underlying Shares obtained in the last time are recorded to the ESOP. After the expiration of the duration, the ESOP shall be terminated, or may be extended after being approved by the board of directors.

(II) Lock-up period of the Underlying Shares under the ESOP

1. The lock-up period of the Underlying Shares under the ESOP shall be 12 months, calculated from the date when the Company announces that the Underlying Shares purchased in the last time are recorded in the ESOP.

2. In case the Company changes capital reserve to increase its share capital, distributes share dividends and refinances during the lock-up period, any and all shares newly acquired by the ESOP due to holding the Company's shares shall be locked as well, and cannot be sold or otherwise disposed in the secondary market. The lock-up period of such new shares shall be the same as that of the corresponding shares.

(III) Vesting of the ESOP

After the end of the lock-up period, the Management Committee shall appraise the Participants according to the performance assessment system of the Company. The assessment period is for two years. During the duration of the ESOP, the Management Committee shall have the right to extend or shorten the assessment period and adjust the corresponding proportion of vesting.

The Underlying Shares of the ESOP will be vested to the Participants in two phases. After the end of the lock-up period of the ESOP, the corresponding Underlying Shares shall be vested to the Participants in two phases (40% and 60% respectively). The specific vesting time shall be determined by the Management Committee after the end of the locking-in period. In order to encourage all the appraisees to focus on their objectives, create business value-added and promote the implementation of the Company's IoT smart home strategy, the assessment indicators under the ESOP are as follows:

1. Where the Participants under the ESOP are the directors, president and platform personnel of the Company, the appraisal rules for 2024 and 2025 are based on a weighted average of the completion rate of the compound growth rate of net profit attributable to the parent company after non-recurring items and the completion rate of return on equity (hereinafter "Comprehensive Completion Rate"). The specific appraisal objectives and rules are as follows:

	Net profit attributable to the parent company after non-recurring items	**Return on equity *(Note)***
Performance appraisal indicators for 2024	Growth rate of audited net profit attributable to the parent company after non-recurring items for 2024 over net profit attributable to the parent company after non-recurring items for 2023 not less than 15% (inclusive)	Audited return on equity (ROE) for 2024 not less than 16.8% (inclusive)
Performance appraisal indicators for 2025	Compound growth rate of audited net profit attributable to the parent company after non-recurring items for 2025 over net profit attributable to the parent company after non-recurring items for 2023 not less than 15% (inclusive)	Audited return on equity (ROE) for 2025 not less than 16.8% (inclusive)
Appraisal weighting	50%	50%

Note: Return on equity (ROE) refers to the weighted average return on equity. If the Company raises fund through capital market such as a public offering or issuance of shares to specific targets during the term of the ESOP that may have an impact on the Company's net assets and ROE, the impact of such actions shall be excluded from the calculation of ROE attributable to shareholders of the listed company for each appraisal year, and the appraisal indicators in relation to ROE in each year's appraisal criteria shall be adjusted accordingly. The details of the adjustment plan will be considered by the Remuneration and Appraisal Committee and submitted to the board of directors for approval before implementation.

Comprehensive Completion Rate = 50%*completion rate of compound growth rate of net profit attributable to the parent company after non-recurring items + 50%*completion rate of return on equity

Of which:

Completion rate of compound growth rate of net profit attributable to the parent company after non-recurring items = compound growth rate of audited net profit attributable to the parent company after non-recurring items for the year over net profit attributable to the parent company after non-recurring items for 2023/15%

Completion rate of return on equity = audited return on equity for the year/16.8%

(1) Appraisal indicators and vesting for 2024

If the results of the Management Committee's appraisal of such Participants in 2024 are up to the standard, and the Comprehensive Completion Rate in 2024 is more than 1 (inclusive), 40% of the interests of the Underlying Shares under the ESOP shall be vested to the Participants.

If the Comprehensive Completion Rate is between 0.8 (inclusive) to 1: ① for the completion rates of compound growth rate of net profit attributable to the parent company after non-recurring items and return on equity exceeding 0.8 (inclusive), vesting shall be made after the proportion of vesting is determined by the Management Committee and submitted to the Remuneration and Appraisal Committee for approval; ② for any of the completion rate of compound growth rate of net profit attributable to the parent company after non-recurring items and return on equity below 0.8 (exclusive), vesting shall be made after the proportion of vesting is determined by the Remuneration and Appraisal Committee and submitted to the board of directors for approval.

If the Comprehensive Completion Rate is less than 0.8 (exclusive), 40% of the Underlying Shares under the ESOP will not be vested.

(2) Appraisal indicators and vesting for 2025

If the results of the Management Committee's appraisal of such Participants in 2025 are up to the standard, and the Comprehensive Completion Rate in 2025 is more than 1 (inclusive), 60% of the interests of the Underlying Shares under the ESOP shall be vested to the Participants.

If the Comprehensive Completion Rate is between 0.8 (inclusive) to 1: ① for the completion rates of compound growth rate of net profit attributable to the parent company after non-recurring items and return on equity exceeding 0.8 (inclusive), vesting shall be made after the proportion of vesting is determined by the Management Committee and submitted to the Remuneration and Appraisal Committee for approval; ② for any of the completion rate of compound growth rate of net profit attributable to the parent company after non-recurring items and return on equity below 0.8 (exclusive), vesting shall be made after the proportion of vesting is determined by the Remuneration and Appraisal Committee and submitted to the board of directors for approval.

If the Comprehensive Completion Rate is less than 0.8 (exclusive), 60% of the Underlying Shares under the ESOP will not be vested.

2. Where the Participants under the ESOP are the persons other than the Company's directors, president, and personnel of the Company's platform mentioned in item 1 above, 40% and 60% of the interests of the Underlying Shares under the ESOP shall be vested respectively if the results of the Management Committee's appraisal conducted according to its results in 2024 and 2025 are up to the standard.

(IV) Change of the ESOP

During the duration, changes to the ESOP must be approved by more than two-thirds (inclusive) of the shares held by the Participants attending the Participants' meeting, and submitted to the Company's board of directors for review and approval.

(V) Termination of the ESOP

1. The ESOP shall automatically terminate at the expiration of the duration, unless such duration is extended by the resolution of the board of directors;

2. When all the assets of the ESOP are monetary funds after the end of the lock-up period of the ESOP, the ESOP can be early terminated;

3. In case of serious business difficulties or other major matters of the Company, the ESOP may be terminated by resolution of the board of directors.

(VI) During the duration of the ESOP, when the Company finances by means of allotment, issuance and convertible bonds, the Management Committee shall decide the funding solutions and whether to participate in the same, and submit it to the meeting of the Participants for deliberation.

VIII. VESTING AND DISPOSAL OF THE INTERESTS OF THE SHARES UNDER THE ESOP

(I) After the end of the lock-up period of the ESOP, the Participants shall be appraised according to the Company's performance assessment mechanism during the vesting period. If the assessment is qualified and the conditions for vesting are met, one of the following treatment methods can be selected after an application is submitted by the Management Committee:

1. To entrust the Management Committee to sell the Underlying Shares purchased for the ESOP during the duration of the ESOP;

2. To entrust the Management Committee to continue to hold the Underlying Shares during the duration of the ESOP;

   The vesting period under the ESOP is two years, and the proportion of the interest of the Underlying Shares corresponding to each vesting period shall be determined by the Management Committee.

(II) Vesting of the interests of the shares under the ESOP

During the duration, the dividend of the shares under the ESOP shall be owned by the ESOP, and shall be firstly used to pay relevant management fees (if any) charged by the Asset Management Institution and the custodian bank. For the shares without objects to be vested due to the unqualified performance assessment and employee's dismission, the Management Committee shall decide to vest the interests of the Underlying Shares to the Company or use it to encourage other employees with greater contribution.

(III) Before the Management Committee makes a decision on vesting, the shares or interests of the ESOP granted to but not vested to the Participants shall not be transferred, withdrawn or used for mortgage, pledge, guarantee and repayment of debts; otherwise, the corresponding act shall be invalid.

(IV) After the Management Committee makes a decision on vesting, if the Management Committee is obliged to withhold relevant taxes and fees according to laws and regulations, the shares or interests of the ESOP granted to but not vested to the Participants shall be distributed after the Management Committee withholds the said taxes and fees according to law.

(V) The ESOP shall strictly abide by the market trading rules, and the regulations on non-trading of shares during the information sensitive period. No party shall use the ESOP to conduct insider trading, market manipulation and other securities fraud. Unless otherwise provided by the CSRC, the SFC, the stock exchange in the place where the Company's shares are listed and other regulatory bodies, the ESOP shall not trade the Company's shares during the following periods:

1. the period from the 60th day before the meeting of the board of directors of the Company where the annual report is deliberated to the date of disclosure of annual report (including the first and last two days);

2. the period from the 30th day before the meeting of the board of directors of the Company where the quarterly report or semi-annual report is deliberated to the date of disclosure of quarterly report or semi-annual report (including the first and last two days);

3. Within 10 days before the announcement of the Company's earnings preannouncement and preliminary earnings estimate (including the first and last two days);

The period mentioned in the items 1–3 above shall include the period during which the Company delays the announcement of its earnings;

4. the period from the date of occurrence of major events that may have a major impact on the trading price of the Company's shares and their derivatives or the date of entry into decision-making procedures to the date of disclosure in accordance with law;

5. Other periods prescribed by the relevant laws, regulations and rules applicable to the Company, as well as those stipulated by the CSRC, and the stock exchange where the Company's shares are listed and other regulatory bodies.

IX. PARTICIPANTS' MEETING, RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE, CONVENING AND VOTING PROCEDURES

The highest internal management authority of the ESOP is the Participants' meeting. The Management Committee shall be responsible for the daily management of the ESOP and exercise shareholders' rights on behalf of the ESOP Participants or authorize the Asset Management Institution to exercise shareholders' rights.

(I) Participants' meeting

1. A Participants' meeting shall be held for deliberation on the following:

   (1) Election, removal or replacement of members of the Management Committee;

   (2) Major material adjustments to the ESOP;

   (3) Decision on whether to participate in the refinancing of the Company by rights offering, additional issuance, convertible bonds and other relevant matters;

   (4) Other functions and powers that may be exercised by the ESOP Participants' meeting as stipulated by laws and regulations or the CSRC, the SFC and the stock exchange in the place where the Company's securities are listed and other regulatory authorities.

2. The first Participants' meeting of the ESOP shall be convened and presided over by the chairman of the board of directors or his authorized person of the Company. After the directors of the Management Committee of the ESOP is elected and appointed, Participants' meetings shall be convened by the Management Committee and presided over by the director of the Management Committee. If the director of the Management Committee is unable to perform his duties, he shall designate a member of the Management Committee to preside over the meetings.

3. To hold a Participants' meeting, the Management Committee shall submit a written notice of the meeting to all Participants by direct service, mail, fax, e-mail or other means 3 days in advance. In case of emergency, the meeting can be held at any time after the notice is given. The written notice of the meeting shall contain at least the following:

   (1) Time and place of the meeting;

   (2) Way to hold the meeting;

   (3) Matters to be deliberated;

   (4) Convener and chairman of the meeting;

   (5) Materials necessary for voting at the meeting;

   (6) The Participants shall attend the meeting in person or entrust other Participants to attend the meeting on their behalf;

   (7) Contact person and contact information;

   (8) Date on which the notice is given.

4. Voting procedure

   (1) The Participants shall exercise their voting rights with their current plan shares, and each share shall have one vote. The Participants shall vote by open ballot at the meeting;

   (2) A Participants' meeting may be an on-site meeting or a communication meeting;

   (3) The Participants may cast approving or opposing votes or abstain from voting. The Participants attending the meeting shall choose one of such voting intentions. Not making a choice or choosing two or more intentions at the same time shall be regarded as abstention. An unfilled, inaccurately filled, illegible or uncast vote shall be regarded as abstention vote. If the Participants vote after the result of voting is announced by the chairman of the meeting or after the expiry of the prescribed time limit for voting, the votes shall not be counted;

   (4) The chairman of the meeting shall announce the result of voting on the spot. Unless otherwise stipulated by the Participants' meeting and the ESOP, each proposal shall be valid only if approved by more than half of the valid voting rights held by the Participants (or agents) present at the Participants' meeting.

5. If the matters to be deliberated at the Participants' meeting shall be submitted to the board of directors and the general meeting of shareholders of the Company for deliberation, they shall be submitted to the board of directors and the general meeting of shareholders for deliberation in accordance with the Articles of Association of the Company.

6. Participants who individually or collectively hold 10% (inclusive) or more of the ESOP shares may submit to the Participants' meeting an interim proposal, which must be submitted to the Management Committee 5 days prior to the holding of the Participants' meeting.

7. Participants who individually or collectively hold 30% (inclusive) or more of the ESOP shares may propose to hold a Participants' meeting.

(II) Management Committee

1. The Management Committee shall be elected by the Participants' meeting. The Management Committee consists of three to five members. In case of any change of the members of the Management Committee, they shall be re-elected by the Participants' meeting and approved by more than half of the valid voting rights held by the Participants (or agents) present at the Participants' meeting.

2. The Management Committee shall have a director who shall be elected by more than half of the members of the Management Committee.

3. The Management Committee shall perform the following duties:

   (1) Convene a Participants' meeting;

   (2) Supervise the daily management of the ESOP on behalf of all Participants;

   (3) Exercise shareholders' rights on behalf of all Participants or authorize the Asset Management Institution to exercise shareholder' rights;

   (4) Examine and determine the qualifications, scope, number and limit of participants according to the ESOP;

   (5) Formulate and revise management measures for the ESOP;

   (6) Determine the interests (shares) of the Participants according to the assessment results of the Company;

   (7) Cooperate with the Asset Management Institution of the ESOP for their selection and handover work (if any);

(8) Handle all matters concerning the locking, release and vesting of the shares purchased under the ESOP;

(9) Be responsible for the ESOP financing method, amount and other matters related to the ESOP financing;

(10) Perform the duty of the ESOP asset management, if the ESOP is self-managed, the Management Committee, as the management party, is responsible for the daily management of the ESOP (including but not limited to reducing shares of the Company held under the ESOP after the end of the lock-up period, and allocating income and cash assets to Participants).The Management Committee can entrust its duty of the asset management to a third party for management (such as the selection of the Asset Management Institution), including but not limited to selling the Company's Shares to cash in upon expiration of the lock-up period, and investing cash assets of the ESOP in fixed income securities, financial products, money market funds and other cash management tools;

(11) Formulate and implement plans for refinancing by additional issuance, rights offering or issuance of convertible bonds within the duration of the ESOP;

(12) Authorize the director of the Management Committee to exercise the shareholder' rights of the shares held in the ESOP before the liquidation and distribution of the ESOP are completed;

(13) Determine the allocation of the ESOP assets;

(14) Perform such other duties as may be authorized by the Participants' meeting.

4. The director of the Management Committee shall exercise the following functions and powers:

(1) Preside over the Participants' meetings and convene and preside over meetings of the Management Committee;

(2) Supervise and inspect the implementation of the resolutions of the Participants' meetings and the Management Committee;

(3) Exercise shareholders' rights on behalf of all Participants with authorization by the Management Committee;

(4) Sign relevant agreements and contracts on behalf of the ESOP;

(5) Exercise other functions and powers granted by the Management Committee.

5. The meetings of the Management Committee shall be held from time to time according to the need, and shall be convened by the director of the Management Committee, unless otherwise provided for in the ESOP. Notice of the meeting shall be given to all members of the Management Committee 2 days prior to the meeting. In case of emergency, the members may be notified of a meeting of the Management Committee orally. Such notice may be given by mail, telephone, fax, etc.

6. The meetings of the Management Committee shall be held only when more than half of the members are present. The system of one person one vote shall be adopted at the meetings of the Management Committee. The resolutions of the meetings shall be valid only if approved by more than half of the members of the Management Committee. Subject to the full expression of views by the members of the Management Committee, E-mail or other means may be used, and a resolution shall be made and signed by members present.

7. The meetings of the Management Committee shall be attended by the members in person. If a member of the Management Committee cannot attend for some reason, he may entrust another member in writing to attend on his behalf. Failure to attend a meeting of the Management Committee and authorize a representative to attend shall be deemed to a waiver of the right to vote at the meeting.

8. The Management Committee shall make resolutions on the matters discussed at the meetings, and the resolutions shall be signed by members of the Management Committee.

X. MANAGEMENT MODE, SELECTION OF ASSET MANAGEMENT INSTITUTION, AND MANAGEMENT AGREEMENT

(I) Management mode of the ESOP

The ESOP can be self-managed, or it can be entrusted to a professional institution with asset management qualifications (hereinafter referred to as "Asset Management Institution") to manage. If the ESOP is self-managed, the Management Committee, as the management party, is responsible for the daily management of the ESOP (including but not limited to reducing shares of the Company held under the ESOP after the end of the lock-up period, and allocating income and cash assets to Participants); if the ESOP entrusts an Asset Management Institution to carry out investment operations and daily management, the Participants' meeting of the ESOP or Management Committee

will select an appropriate Asset Management Institution to manage the ESOP, and the management fee, custody fee and other related expenses will be paid by the Company, subject to the relevant final agreement signed.

The Management Committee or Asset Management Institution shall manage the ESOP in accordance with relevant laws, regulations and the agreement of the ESOP to ensure that the ESOP purchases and holds the Underlying Shares in a manner permitted by laws and regulations.

The shares and funds held by the ESOP shall be the entrusted property, and the Asset Management Institution of the ESOP shall not include the entrusted property as its self-owned assets. Where the Asset Management Institution of the ESOP is liquidated for reasons such as dissolution, cancellation or bankruptcy according to law, the entrusted property shall not belong to the liquidating property.

(II) The main terms of the asset management agreement must contain the following:

1. Name of the Asset Management ESOP
2. Type
3. Entrustment of assets
4. Investment of entrusted assets
5. Rights and obligations of the client
6. Special risk warning
7. Management fee, custodian fee and other related expenses
8. Liquidation and termination of the Asset Management ESOP
9. Others

XI. MAIN PROVISIONS OF THE MANAGEMENT RULES

(I) The ESOP can be self-managed, or it can be entrusted to a professional institution with asset management qualifications (hereinafter referred to as "Asset Management Institution") to manage. If the ESOP is self-managed, the Management Committee, as the management party, is responsible for the daily management of the ESOP (including but not limited to reducing shares of the Company held under the ESOP after the end of the lock-up period, and allocating income and cash assets to Participants); If the ESOP entrusts an Asset Management Institution to carry out investment operations and daily management, the Participants' meeting of the ESOP or Management Committee

will select an appropriate Asset Management Institution to manage the ESOP, and the management fee, custody fee and other related expenses will be paid by the Company, subject to the relevant final agreement signed.

(II) The Management Committee or Asset Management Institution shall manage the ESOP in accordance with relevant laws, regulations and the agreement of the ESOP to ensure that the ESOP purchases and holds the Underlying Shares in a manner permitted by laws and regulations.

In case of any change of the members of the Management Committee, they shall be re-elected by the Participants' meeting.

(III) Composition of the ESOP assets

1. Underlying Shares;

2. Cash deposits and accrued interest;

3. Income from fund management or other assets without vesting objects for various reasons such as employee turnover and assessment.

Assets under the ESOP shall be independent of other ESOPs and the assets of the Company and the Asset Management Institution. The Company, the Asset Management Institution and their creditors shall have no right to freeze, detain, pledge or otherwise dispose of the assets under the ESOP.

(IV) Measures for disposing of the ESOP assets

1. Within the duration of the ESOP, unless otherwise stipulated by laws, regulations, rules and management rules, or approved by the Participants' meeting after deliberation, the ESOP shares held by the Participants shall not be transferred, pledged, or otherwise disposed of in similar manner. The Participants shall not require distribution of the ESOP assets.

2. Upon the expiration of the lock-up period of the ESOP and prior to the expiration of the duration of the ESOP, the Asset Management Institution shall sell the Underlying Shares held in the ESOP or determine the vesting of the relevant shares according to the written authorization of the Management Committee.

3. When all the assets of the ESOP are monetary funds after the end of the lock-up period of the ESOP, the Management Committee shall decide whether to allocate the assets. If it is decided to allocate the assets, the Management Committee shall authorize the Asset Management Institution to allocate according to the shares held by the Participants.

If all the Underlying Shares held by the ESOP are sold and the ESOP assets are liquidated and allocated completely according to the provisions of the preceding paragraph, the ESOP shall be terminated after approved by the Management Committee and reported to the board of directors for record.

4. If the duration of the ESOP expires and is not extended, the Management Committee shall or shall authorize the Asset Management Institution to liquidate the ESOP assets and make cash or share allocations according to the shares held by the Participants.

XII. PROCEDURES FOR IMPLEMENTING THE ESOP

(I) The Remuneration and Assessment Committee under the board of directors shall be responsible for the preparation of the ESOP and list of the ESOP personnel.

(II) The congress of workers and staff shall solicit opinions from the staff.

(III) The board of directors shall review the ESOP and relevant proposals.

(IV) The board of supervisors shall give independent opinions on whether the ESOP is conducive to the sustainable development of the Company, whether it damages the interests of the Company and all shareholders, and whether the employees are forced to participate in the ESOP by ways of apportion or forced allocation.

(V) The Company shall engage a law firm to issue legal opinions on the legality and compliance of the ESOP.

(VI) The board of directors shall, after reviewing and approving the ESOP, promptly publish relevant documents concerning the ESOP.

(VII) The general meeting shall review and approve the ESOP and relevant proposals.

(VIII) A Participants' meeting shall be held to elect the Management Committee and define the specific matters concerning the implementation of the ESOP.

(IX) Other procedures to be fulfilled as stipulated by the CSRC, the stock exchange in the place where the Company's securities are listed and the relevant competent authorities.

XIII. DISPOSAL MEASURES WHEN THE CIRCUMSTANCES OF THE COMPANY AND THE PARTICIPANTS CHANGE

(I) Change of control, merger or split of the Company

In the event of change of control, merger or split of the Company for any reason, the ESOP shall not be changed.

(II) Failure of the Participants to pass the assessment

During the vesting period, the Participants shall be assessed for each vesting period. The Management Committee shall dispose of the ESOP shares held by the Participants who fail to pass the assessment (including but not limited to granting to other Participants, the same below).

(III) Position change, termination of labour contract/employment agreement or death of the Participants

1. Position change

(1) If a Participant is still a director (other than independent director), supervisor, senior officers or core technical (business) personnel of the Company when his position is changed, or is assigned by the Company to a subsidiary of the Company, the relevant ESOP shares can be adjusted accordingly, and in principle, the ESOP shares granted but not vested shall not be increased.

(2) If a Participant's position is changed due to his incompetence, failure to pass the assessment, violation of law, violation of professional ethics, disclosure of company secrets, dereliction of duty or malpractice and other behaviors that damage the interests or reputation of the Company, the Management Committee shall dispose of the ESOP shares granted but not vested.

2. Termination of labour contract/employment agreement

Except in the case of departure due to reaching the retirement age, regardless of the reasons for termination of labour contract/employment agreement, the Management Committee shall dispose of the ESOP shares granted to but not vested in the Participants from the date of departure, including but not limited to vesting the shares in the Participants based on their actual contributions, or taking back the ESOP shares granted but not vested for disposal by the Management Committee.

3. Retirement

If a Participant has reached the retirement age prescribed by the state and the Company and has retired from his job,

(1) his ESOP shares granted but not vested shall not be affected provided that he passed the performance assessment in the year of his departure and accepted the Company's restrictions on non-competition; his shares granted but not vested shall be fully vested in the first vesting period provided that the time of his retirement is within the lock-up period or the first vesting period.

(2) the Management Committee shall dispose of his ESOP shares granted but not vested provided that he failed to pass the performance assessment in the year of his departure.

4. Loss of ability to work

Where a Participant loses the ability to work due to an injury sustained in the performance of his duties, his ESOP shares granted but not vested shall not be affected. Otherwise, the Management Committee shall dispose of the ESOP shares granted but not vested.

5. Death

In the event of the death of a Participant on the job, his ESOP shares granted but not vested shall not be affected, and the relevant interests shall be enjoyed by his legal successors. If it occurs during the lock-up period or the first vesting period, the shares granted but not vested shall be fully vested in his legal successors during the first vesting period. Otherwise, the Management Committee shall dispose of the ESOP shares granted but not vested.

(IV) Special Circumstances

1. Unless the Company decides otherwise, the ESOP shares held by the Participants will be disposed of by the Management Committee in the event of any of the following circumstances:

(1) the Participants are guilty of gross negligence, any fraud or dishonesty or misconduct, whether or not in connection with the Participants' employment, engagement or service with the Company and its subsidiaries, and whether or not it has resulted in the termination of the Company's and its subsidiaries' labour contractual relationship or employment relationship with the Participants; or

(2) the Participants have been convicted of any criminal offense; or

(3) the Participants have been sentenced to a criminal penalty for violating applicable laws or regulations in force from time to time in China or other jurisdictions; or

(4) the Participants commit a material breach of a contract between the Company and its subsidiaries and them, including, but not limited to, a breach of an obligation of confidentiality or non-competition, or the disclosure of trade secrets, intellectual property rights or specific information; or

(5) material misstatements or omissions in the financial reports of the Company or any subsidiary of the Company involving the Participants, including, but not limited to, circumstances that may indicate that any required performance goals have been evaluated or calculated in an incorrect or inaccurate manner (as determined by the Company in its discretion) or that the vesting of any ESOP share may have resulted in any inequitable or unfavourable outcome; or

(6) any conduct of the Participants which has a material adverse effect on the reputation or interests of the Company or any relevant member of the Company (as determined by the Company in its sole discretion).

2. The board of directors or the Management Committee shall have the right to decide in the event of the circumstances referred to in paragraph 1 of this article:

(1) any rights of the Participants to acquire the ESOP shares will immediately lapse and be cancelled (including, without limitation, any rights granted to or vested in all or any part of any ESOP shares); and

(2) Instruct the Participants to return, repay or otherwise deal with any vested ESOP share (including vested portions) or any interests therein (including but not limited to other rights derived therefrom (such as dividends) or any related assets generated therefrom), including but not limited to, returning and paying to the Company (or the Company's designated person) all proceeds from the sale or disposal of A shares corresponding to the vested ESOP shares and/or transferring to the Company (or the Company's designated person) free of charge all A shares corresponding to the vested ESOP shares, with the relevant taxes and fees for arriving at the above results to be borne by the holders.

The aforesaid determination of the Company shall be conclusive and binding on the Participants.

The Company shall not be liable for any lapse of the Participants' awards as a result of the foregoing provisions, and the Participants shall have no claim against the Company, the board of directors, the Management Committee or the Company and its subsidiaries in respect of the above provisions and the relevant awards or any rights or interests therein.

XIV. SUPPLEMENTARY PROVISIONS

1. The financial and accounting treatment and taxation with respect to the Company's implementation of the ESOP shall be carried out in accordance with the relevant financial system, accounting standards and taxation system. Relevant personal income tax to be paid by the Participants due to the implementation of the ESOP shall be borne by the Participants themselves;

2. The ESOP shall take effect from the date of deliberation and approval by the general meeting of the Company;

3. The board of directors of the Company reserves the right to interpret the ESOP.

Haier Smart Home Co., Ltd.
Board of Directors

May 27, 2024

Haier Smart Home Co., Ltd.*
海 爾 智 家 股 份 有 限 公 司

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 6690

REVISED NOTICE OF THE ANNUAL GENERAL MEETING OF 2023

REVISED NOTICE IS HEREBY GIVEN that the annual general meeting of 2023 (the "**AGM**") of Haier Smart Home Co., Ltd. (the "**Company**") will be held at 2:00 p.m. on 20 June 2024 (Thursday) at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC for the purpose of considering and, if thought fit, approving the resolutions (of which, resolutions No.26 to No.29 were added according to the provisional proposals by Haier Group Corporation, which individually or in aggregate holds 34.27% of the shares of the Company, special resolutions are marked with#) by the shareholders of the Company set out below:

1. To Consider and Approve 2023 Financial Statements
2. To Consider and Approve 2023 Report on the Work of the Board of Directors
3. To Consider and Approve 2023 Report on the Work of the Board of Supervisors
4. To Consider and Approve 2023 Annual Report and Annual Report Summary
5. To Consider and Approve 2023 Audit Report on Internal Control
6. To Consider and Approve 2023 Profit Distribution Plan
7. To Consider and Approve the Resolution on Formulation of the Shareholder Return Plan for the Next Three Years (2024–2026)
8. To Consider and Approve the Resolution on the Re-appointment of PRC Accounting Standards Auditor
9. To Consider and Approve the Resolution on the Re-appointment of International Accounting Standards Auditor
10. To Consider and Approve the Resolution on the Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2024
11. To Consider and Approve the Resolution on the Conduct of Foreign Exchange Fund Derivatives Business

12. #To Consider and Approve the Resolution on the Change of Use and Cancellation of Partial Repurchased Shares

13. #To Consider and Approve the Resolution on the General Meeting to Grant a General Mandate to the Board of Directors to Decide to Issue Domestic and Overseas Debt Financing Instruments

14. #To Consider and Approve the Resolution on the General Meeting to Grant a General Mandate to the Board of Directors on Additional Issuance of A Shares of the Company

15. #To Consider and Approve the Resolution on the General Meeting to Grant a General Mandate to the Board of Directors on Additional Issuance of H Shares of the Company

16. #To Consider and Approve the Resolution on the General Meeting to Grant a General Mandate to the Board of Directors on Additional Issuance of D Shares of the Company

17. #To Consider and Approve the 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

18. #To Consider and Approve the 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 D Shares of the Company in Issue

19. #To Consider and Approve the Resolution on Amendments to the Articles of Association of the Company

20. To Consider and Approve the Resolution on Amendments to the Rules of Procedure for the General Meeting

21. To Consider and Approve the Resolution on Amendments to the Rules of Procedure for the Board of Directors

22. To Consider and Approve the Resolution on Amendments to the Rules of Procedure for the Board of Supervisors

23. To Consider and Approve the Resolution on Amendments to Regulations on the Management of Fund Raising

24. To Consider and Approve the Resolution on Amendments to Independent Directors System

25. To Consider and Approve the Resolution on Amendments to Management System of Entrusted Wealth Management

26. #To Consider and Approve the 2024 A Share Core Employee Stock Ownership Plan (Draft) and its Summary

27. #To Consider and Approve the 2024 H Share Core Employee Stock Ownership Plan (Draft) and its Summary

28. To Consider and Approve the Resolution on the Adjustment of Directors' Remuneration

29. To Consider and Approve the Resolution on the Re-election of Supervisors

In addition, the AGM will listen to independent directors' report on their work in 2023.

By Order of the Board
Haier Smart Home Co., Ltd.*
LI Huagang
Chairman

Qingdao, the PRC
29 April 2024

As at the date of this notice, the executive directors of the Company are Mr. LI Huagang and Mr. GONG Wei; the non-executive directors are Mr. YU Hon To, David, Ms. Eva LI Kam Fun and Ms. SHAO Xinzhi; and the independent non-executive directors are Mr. CHIEN Da-Chun, Mr. WONG Hak Kun, Mr. LI Shipeng and Mr. WU Qi.

* *For identification purpose only*

Notes:

1. CLOSURE OF REGISTER OF MEMBERS, ELIGIBILITY FOR ATTENDING THE AGM

In order to determine the shareholders who are eligible to attend and vote at the AGM, the register of members for H Shares will be closed from 13 June 2024 (Thursday) to 20 June 2024 (Thursday) (both days inclusive). Shareholders whose names appear on the register of members of the Company on 20 June 2024 (Thursday) are entitled to attend and vote at the AGM. Holders of H Shares who wish to attend the AGM but have not registered the transfer documents are required to lodge the transfer documents together with relevant share certificates and other appropriate documents with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on 12 June 2024 (Wednesday).

2. ARRANGEMENT ON DIVIDEND DISTRIBUTION

The board of directors of the Company has recommended the distribution of a cash dividend for the year ended 31 December 2023 of RMB8.04 (inclusive of tax) per 10 shares, totaling approximately RMB7.47 billion based on the current total issued capital, net of repurchased shares but not yet cancelled. Where the total share capital of the Company changes before the registration date for the implementation of the equity distribution, it is expected to maintain the total distribution unchanged and adjust the distribution ratio per share accordingly. Subject to approval of the proposal at the AGM, the dividend will be paid to A Shareholders, D Shareholders and H Shareholders whose names appear on the register of members of the Company at the close of business on the respective record dates. The proposed dividends payable are denominated in Renminbi, and will be paid to H Shareholders in Hong Kong dollars. Calculation of the exchange rate for dividends payable in Hong Kong dollars shall be average exchange rate (medium rates) for converting Renminbi into foreign currencies as quoted by the People's Bank of China for a week immediately prior to the announcement of dividend.

3. CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY FOR FINAL DIVIDEND DISTRIBUTION

The Company will further announce the arrangement of book closure of H share register for the final dividend after the AGM.

4. PROXY

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies by writing to attend and vote in their stand. A proxy need not be a shareholder of the Company.

The instrument appointing a proxy must be in writing under the hand of a shareholder or his/her attorney duly authorized in writing. If the shareholder is a corporate body, the proxy form must be under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the Proxy Form is entered into by an attorney, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.

To be valid, the revised form of proxy must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for the H Shareholders) not less than 24 hours prior to the holding of the AGM (i.e. no later than 2:00 p.m. on 19 June 2024 (Wednesday)) or not less than 24 hours before any adjournment thereof (as the case may be). Completion and return of the revised form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof. In this case, the form of proxy will be deemed to have been revoked.

In case of joint holders of a share of the Company, any one of such holders is entitled to vote at the AGM, by himself/herself or by proxy, as if he/she is the only one entitled to do so among the joint holders. However, only the vote of the person by himself/herself or by proxy whose name stands first on the register of members in respect of such share shall be accepted if more than one joint holder attend the AGM personally or by proxy.

If a shareholder has not yet returned the proxy form (the "**Original Proxy Form**") dated 27 March 2024 published by the Company in accordance with the instructions thereon, and wishes to appoint a proxy to attend the AGM on his/her behalf, he/she is required to submit the revised proxy form. In this case, the shareholder shall not submit the Original Proxy Form. If a shareholder has already returned the Original Proxy Form to the Company in accordance with the instructions printed thereon, he/she should note that:

(1) If no revised proxy form is returned by the shareholder in accordance with the instructions thereon, the Original Proxy Form will be treated as a valid proxy form lodged by the shareholder if duly completed. The proxy appointed under the Original Proxy Form will also be entitled to vote in accordance with the instructions previously given by the shareholder or at his/her discretion (if no such instructions are given) on any resolutions (including the additional resolutions set out in this revised notice) properly put to the AGM.

(2) If the revised proxy form is returned by the shareholder in accordance with the instructions thereon at or before 2:00 p.m. on 19 June 2024, the revised proxy form will be treated as a valid proxy form lodged by the shareholder if duly completed.

(3) If the revised proxy form is returned by the shareholder after the closing time (being at 2:00 p.m. on 19 June 2024) set out in this revised notice, the revised proxy form will be deemed invalid. It will not revoke the Original Proxy Form previously lodged by the shareholder. The Original Proxy Form will be treated as a valid proxy form lodged by the shareholder if duly completed. The proxy appointed under the Original Proxy Form will also be entitled to vote in accordance with the instructions previously given by the shareholder or at his/her discretion (if no such instructions are given) on any resolutions (including the additional resolutions set out in this revised notice) properly put to the AGM.

5. OTHER MATTERS

(i) A shareholder or his/her proxy should produce proof of identity when attending the AGM (or any adjournment thereof). If a corporate shareholder's legal representative or any other person duly authorized by such corporate shareholder attends the AGM (or any adjournment thereof), such legal representative or other person shall produce his/her proof of identity, and proof of designation as legal representative or the valid authorization document (as the case may be).

(ii) The AGM is expected to take less than half a day. Shareholders and proxy who attend the AGM shall be responsible for their own travel and accommodation expenses.

(iii) Please refer to the Company's announcement dated 29 April 2024 for the full text of the 2024 A Share Core Employee Stock Ownership Plan and the 2024 H Share Core Employee Stock Ownership Plan. There is no change to such particulars as at the date of this notice. The AGM circular will published on the Company's website (http://smart-home.haier.com) and the HKEXnews website of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) in due course.

Haier Smart Home Co., Ltd.*
海 爾 智 家 股 份 有 限 公 司

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 6690

NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2024

NOTICE IS HEREBY GIVEN that the First H Share Class Meeting of 2024 (the "**H Share Class Meeting**") of Haier Smart Home Co., Ltd. (the "**Company**") will be held on 20 June 2024 (Thursday) at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC immediately after the AGM of 2023, the First A Share Class Meeting of 2024 and the First D Share Class Meeting of 2024 for the purpose of considering and, if thought fit, approving the resolutions by the shareholders of the Company set out below:

SPECIAL RESOLUTIONS

1. To Consider and Approve the Resolution on the Change of Use and Cancellation of Partial Repurchased Shares

2. To Consider and Approve the 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

3. To Consider and Approve the 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 D Shares of the Company in Issue

By Order of the Board
Haier Smart Home Co., Ltd.*
LI Huagang
Chairman

Qingdao, the PRC
27 March 2024

As at the date of this notice, the executive directors of the Company are Mr. LI Huagang and Mr. GONG Wei; the non-executive directors are Mr. YU Hon To, David, Ms. Eva LI Kam Fun and Ms. SHAO Xinzhi; and the independent non-executive directors are Mr. CHIEN Da-Chun, Mr. WONG Hak Kun, Mr. LI Shipeng and Mr. WU Qi.

* *For identification purpose only*

Notes:

1. CLOSURE OF REGISTER OF MEMBERS, ELIGIBILITY FOR ATTENDING THE H SHARE CLASS MEETING

In order to determine the shareholders who are eligible to attend and vote at the H Share Class Meeting, the register of members for H Shares will be closed from 13 June 2024 (Thursday) to 20 June 2024 (Thursday) (both days inclusive). For shareholders whose names appear on the register of members of the Company on 20 June 2024 (Thursday) are entitled to attend and vote at the H Share Class Meeting. Holders of H Shares of the Company who wish to attend the H Share Class Meeting but have not registered the transfer documents are required to lodge the transfer documents together with relevant share certificates and other appropriate documents with the H Share Registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on 12 June 2024 (Wednesday).

2. PROXY

Shareholders entitled to attend and vote at the H Share Class Meeting may appoint one or more proxies by writing to attend and vote in their stand. A proxy need not be a shareholder of the Company.

The instrument appointing a proxy must be in writing under the hand of a shareholder or his/her attorney duly authorized in writing. If the shareholder is a corporate body, the proxy form must be under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the Proxy Form is entered into by an attorney, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.

To be valid, the form of proxy must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for the H Shareholders) not less than 24 hours prior to the holding of the H Share Class Meeting (i.e. no later than 2:00 p.m. on 19 June 2024 (Wednesday)) or not less than 24 hours before any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the H Share Class Meeting or any adjournment thereof. In this case, the power of attorney will be deemed to have been revoked.

In case of joint holders of a share of the Company, any one of such holders is entitled to vote at the H Share Class Meeting, by himself/herself or by proxy, as if he/she is the only one entitled to do so among the joint holders. However, only the vote of the person by himself/herself or by proxy whose name stands first on the register of members in respect of such share shall be accepted if more than one joint holder attend the H Share Class Meeting personally or by proxy.

3. OTHER MATTERS

(i) A shareholder or his/her proxy should produce proof of identity when attending the H Share Class Meeting (or any adjournment thereof). If a corporate shareholder 's legal representative or any other person duly authorized by such corporate shareholder attends the H Share Class Meeting (or any adjournment thereof), such legal representative or other person shall produce his/her proof of identity, and proof of designation as legal representative or the valid authorization document (as the case may be).

(ii) The H Share Class Meeting is expected to take less than half a day. Shareholders and proxy who attend the meeting shall be responsible for their own travel and accommodation expenses.