

Haier Smart Home Co., Ltd.

Announcement on Vesting of Interests in A-share and H-share Core Employee Stock Ownership Plans (2021)

The Board of Directors of the Company and all members of the Board warrant that there are no false representations, misleading statements or material omissions in this announcement, and are severally and jointly responsible for the authenticity, accuracy and completeness of the content herein.

Haier Smart Home Co., Ltd. (hereinafter referred to as the “Company” or “Haier Smart Home”) has completed relevant matters recently in relation to vesting of interests in the Company’s A-share Core Employee Stock Ownership Plan (2021) and H-share Core Employee Stock Ownership Plan (2021) (collectively referred to as the “Core Employee Stock Ownership Plans”). The details are as follows:

I. Introduction to the Core Employee Stock Ownership Plans

The Company convened the 19th Meeting of the 10th Session of the Board of Directors and 15th Meeting of the 10th Session of the Board of Supervisors on 25 May 2021, and the 2020 Annual General Meeting on 25 June 2021, considering and approving the relevant proposals, such as the *A-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (2021-2025) (Draft) and its Summary*, and the *H-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (2021-2025) (Draft) and its Summary*. It was agreed to implement the Company's A-share Core Employee Stock Ownership Plan (2021) and H-share Core Employee Stock Ownership Plan (2021). For details, please refer to the Company's announcements published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 26 May 2021 and 26 June 2021. The First Holders’ Meeting of the A-share Core Employee Stock Ownership Plan (2021) and the First Holders’ Meeting of the H-share Core Employee Stock Ownership Plan (2021) were convened on 7 July 2021, considering and approving the relevant proposals, such as the *Management Measures of A-share Core Employee Stock Ownership Plan (2021) of Haier Smart Home Co., Ltd.*, and the *Management Measures of H-share Core Employee Stock Ownership Plan (2021) of Haier Smart Home Co., Ltd.*. For details, please refer to the Company’s announcement published on the website of Shanghai Stock Exchange

(www.sse.com.cn) on 8 July 2021.

Pursuant to relevant requirements of the *A-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (2021-2025)*, the *H-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (2021-2025)*, the *Management Measures of A-share Core Employee Stock Ownership Plan (2021) of Haier Smart Home Co., Ltd.*, and the *Management Measures of H-share Core Employee Stock Ownership Plan (2021) of Haier Smart Home Co., Ltd.*, there are no more than 1,599 employees participating in the A-share Core Employee Stock Ownership Plan (2021), holding 708,000,000 unit shares (RMB) in total, and 35 employees participating in the H-share Core Employee Stock Ownership Plan (2021), holding 90,000,000 unit shares (RMB) in total. According to the *Announcement on the Completion of the Non-trading Transfer of Shares for the A-share Employee Stock Ownership Plan of Haier Smart Home Co., Ltd.* published by the Company on 24 July 2021, a total of 25,440,807 shares have been transferred under the A-share Core Employee Stock Ownership Plan (2021) from the “Special Securities Account for Share Repurchase of Haier Smart Home Co., Ltd.” to the special account of “Haier Smart Home Co., Ltd. - A-share Core Employee Stock Ownership Plan (2021-2025)” in a non-trading manner on 22 July 2021 at a price of RMB27.79 per share. The above-mentioned purchased stocks are required to be locked and the lock-up period of which shall be from 24 July 2021 to 23 July 2022. According to the *Announcement on Completion of Share Purchase Under the H-share Core Employee Stock Ownership Plan (2021) of Haier Smart Home Co., Ltd.* published by the Company on 27 July 2021, an accumulative total of 3,757,000 H shares of the Company were purchased under the “ISAM Xinzhong Haier Smart Home No. 6 Employee Stock Ownership Single Asset Management Plan” established by Industrial Securities Asset Management Co., Ltd, which H-share Core Employee Stock Ownership Plan (2021) was entrusted, from the secondary market through Southbound Trading, with an average trading price of HK\$28.268 per share and the trading amount of approximately HK\$106,202,910.00. The above-mentioned purchased stocks are required to be locked and the lock-up period of which shall be from 27 July 2021 to 26 July 2022.

According to the *A-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (2021-2025)* and the *H-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (2021-2025)*, both the interests in the Target Shares under A-share Core Employee Stock Ownership Plan (2021) and H-share Core Employee Stock Ownership Plan (2021) will be vested to the participants in two phases in the proportion of 40% and 60% after the expiry of the lock-up period. The specific vesting schedule will be determined by the Management Committee after the expiry of the lock-up period.

The appraisal indicators and vesting arrangements of A-share Core Employee Stock Ownership Plan (2021) and H-share Core Employee Stock Ownership Plan (2021) are as follows: where the Participants are the chairman, president, supervisors and platform personnel of the Company, the appraisal indicators and vesting shall be as follows: if the Management Committee assesses that such participants have achieved the target results for 2021 and the growth of the Company's audited net profit attributable to the shareholders for 2021 exceeds 26% (inclusive) over the pro forma net profit attributable to the shareholders for 2020 (excluding the one-off gain on disposal of 54.40% equity interest in Haier COSMO IOT Ecosystem Technology Co., Ltd. (海尔卡奥斯物联生态科技有限公司) (referred to as "COSMOPlat")), 40% of their interests in the Shares under the Stock Ownership Plan for 2021 shall be vested to the participants in full; if the growth rate is between 20.8% (inclusive) and 26%, the Management Committee will determine the percentage of vesting and report to the Company's Remuneration and Assessment Committee of the Board for approval before vesting; if the growth is less than 20.8% (excluding 20.8%), the corresponding portion of the 2021 assessment will not vest. If the Management Committee assesses that such participants have achieved the target results for 2022 and the compound annual growth rate of the Company's audited net profit attributable to the shareholders for 2022 exceeds 18% (inclusive) over the pro forma net profit attributable to the shareholders for 2020 (excluding the one-off gain on disposal of 54.40% equity interest in COSMOPlat), 60% of their interests in the Target Shares under the Stock Ownership Plan for such period shall vest to the participants in full; if the compound annual growth rate is between 14.4% (inclusive) and 18%, the Management Committee will determine the percentage of vesting and report to the Company's Remuneration and Assessment Committee of the Board for approval before vesting; if the growth is less than 14.4% (excluding 14.4%), the corresponding portion of the 2022 assessment will not vest. As assessed by the Management Committee, if participates (other than the aforementioned participants) meet the criteria in 2021 and 2022, 40% and 60% of the equity interests will be vested respectively.

The net profit attributable to the shareholders in 2021/2022 described above represents net profit attributable to the shareholders after excluding the one-off impact on profit or loss arising from any material asset disposal/acquisition (if any) for the year. In this regard, with reference to relevant requirements in the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, material asset disposals and acquisitions are defined as: (1) material asset disposals and acquisitions with a transaction amount representing over 5% (inclusive) of the latest audited net asset attributable to the shareholders of the listed company, or (2) asset with a net profit arising from transaction

or net profit of target acquisition representing over 5% of the latest audited net profit attributable to the shareholders of the listed company.

2020 pro forma net profit attributable to the shareholders (excluding the one-off gain from the disposal of 54.40% equity interests in COSMOPlat) refers to: the Company completed a material asset restructuring in the privatization of Haier Electronics Group Co., Ltd. on 23 December 2020; according to the “Report on Review of Pro Forma Combined Financial Statement of Haier Smart Home Co., Ltd.” issued by Hexin Certified Public Accountants LLP (He Xin Zhuan Zi (2021) No. 000116), assuming this material asset restructuring had been completed on 1 January 2019 and Haier Electronics had become a wholly-owned subsidiary of the Company and had then delisted from the Hong Kong Stock Exchange, the Company’s 2020 net profit attributable to the shareholders amounted to RMB11.16 billion. The one-off net gain from the disposal of 54.40% equity interests in COSMOPlat in 2020 amounted to RMB1.64 billion (after tax); excluding the effect of the disposal of equity interests in COSMOPlat, 2020 pro forma net profit amounted to RMB9.52 billion.

II. Details of the Current Vesting

According to the “Audit Report of Haier Smart Home Co., Ltd.” issued by Hexin Certified Public Accountants LLP (He Xin Shen Zi (2022) No. 000358), the growth rate of the Company’s audited net profit attributable to the shareholders for 2021 over the 2020 pro forma net profit attributable to the shareholders (excluding the one-off gain from the disposal of 54.40% equity interests in COSMOPlat) is 37.3%, which exceeds 26% (inclusive).

The Management Committee of the A-share Core Employee Stock Ownership Plan (2021) convened a meeting and resolved that 1,500 participants under the A-share Core Employee Stock Ownership Plan (2021) shall vest 7,617,080 shares (and the dividends received in respect of corresponding Shares) in accordance with the 2021 annual results and the results of their individual appraisals; no shares will be vested to the other remaining participants for the time being or their entitlements may be taken back due to reasons such as substandard performance assessment or departure.

There are 14 directors, supervisors and senior managements of the Company participating in the current vesting of A-share Core Employee Stock Ownership Plan (2021). A total of 337,910 shares are vested this time (see the table below for details). Any changes to their shareholdings in the Company shall be subject to the *Rules Governing the Holding of Shares in the Company by Directors, Supervisors and Senior Managements of Listed Companies and Changes thereof* and other relevant provisions.

| No. | Name | Position | Total numbers of A shares vested (Share) |
|--------------|----------------|---|--|
| 1 | Li Huagang | Chairman, President | 50,100 |
| 2 | Gong Wei | Director, Vice President, Chief Financial Officer | 31,528 |
| 3 | Liu Dalin | Chairman of the Board of Supervisors | 11,470 |
| 4 | Ma Yingjie | Supervisor | 3,141 |
| 5 | Yu Miao | Employee Supervisor | 2,479 |
| 6 | Xie Juzhi | Vice President | 32,695 |
| 7 | Li Pan | Vice President | 34,007 |
| 8 | Zhao Yanfeng | Vice President | 27,729 |
| 9 | Li Yang | Vice President | 23,020 |
| 10 | Song Yujun | Vice President | 30,345 |
| 11 | Guan Jiangyong | Vice President | 31,391 |
| 12 | Wu Yong | Vice President | 29,465 |
| 13 | Huang Xiaowu | Vice President | 26,234 |
| 14 | Liu Xiaomei | Board Secretary | 4,306 |
| Total | | | 337,910 |

The Company has completed the transfer of relevant shares at Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on 25 July 2022 in accordance with the aforementioned resolutions. The transfer of shares has been completed with a total number of 7,617,080 shares being transferred.

The Management Committee of the H-share Core Employee Stock Ownership Plan (2021) convened a meeting and resolved that 32 participants under the H-share Core Employee Stock Ownership Plan (2021) shall vest 1,292,349 shares in accordance with the 2021 annual results and the results of their individual appraisals. Industrial Securities Asset Management Co., Ltd will dispose of H shares held under ISAM Xinzhong Haier Smart Home No. 6 Employee Stock Ownership Single Asset Management Plan according to the abovementioned resolution of Management Committee in due course, and allocate cash to the aforementioned participants after taking into account the dividends received in respect of H-share Stock Ownership Plan. No shares will be vested to the other remaining participants for the time being or their entitlements may be taken back due to reasons such as substandard performance assessment or departure.

III. The Current Status of the Stock Ownership Plan and Follow-up Arrangements

1. After this vesting, 17,823,727 shares of the Company are held under the A-share Core Employee Stock Ownership Plan (2021) and 2,464,651 shares of the Company are held under the H-share Core Employee Stock Ownership Plan (2021).

2. The duration of the Core Employee Stock Ownership Plans shall not exceed 5 years, commencing from the date when the Company announces that the last batch of Target Shares are registered to the Core Employee Stock Ownership Plan (A-share Core Employee Stock Ownership Plan (2021) commenced from 24 July 2021, and H-share Core Employee Stock Ownership Plan (2021) commenced from 27 July 2021). After the expiration of the duration, the Core Employee Stock Ownership Plans shall be terminated, or may be extended after consideration and approval from the Board authorized by General Meeting.

3. According to the *A-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (2021-2025)* and the *H-share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd. (2021-2025)*, the Core Employee Stock Ownership Plans could be early terminated provided that the assets under the Core Employee Stock Ownership Plans are all monetary funds after the expiry of the lock-up period.

It is hereby notified the above.

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

26 July 2022