

## Announcement of the 2020 annual profit distribution plan

- Cash dividends of RMB3.66 per 10 shares
- The share capital of this profit distribution is based on the total share capital registered on the record date for the implementation of the profit distribution after deducting the repurchased shares on the special account for repurchase. The payment date will be specified in the announcement on implementation of profit distribution
- If the total share capital of the Company changes before the record date for the implementation of the profit distribution, the Company intends to maintain the unchanged distribution amount per share and adjust the total amount of distribution accordingly, and the specific adjustment will be announced separately.

Qingdao / Shanghai / Frankfurt, 30 March 2021 - Haier Smart Home Co., Ltd. (hereinafter referred to as the "Company") -Haier Smart Home Co., Ltd. (D-Share 690D.DE, A-Share 600690.SH, H-Share 06690.HK) published today an announcement with regard to the 2020 annual profit distribution plan.

### **I. Description on profit distribution plan**

Upon the audit by Hexin Certified Public Accountants LLP, as of 31 December 2020, the profit of the parent company available for distribution at the end of the period amounted to RMB4,349,961,964.23. Upon the consideration by the Board of Directors, the Company intends to distribute the profit based on the total share capital after deducting the repurchased shares on the special account for repurchase registered on record date for the implementation of the distribution for 2020. This profit distribution plan is described as follows:

Apart from the repurchased shares on the special account for repurchase, the company intends to distribute cash dividends of RMB3.66 per 10 shares (tax inclusive). As of 28 February 2021, the total share capital of the Company was 9,284,895,068 shares, the repurchased shares on the special account for repurchase was 2,715,800 shares, Based on this, the total share capital for cash dividend distribution is 9,282,179,268 shares, total amount is RMB3,397,277,612.09 (tax inclusive), corresponding a payout ratio 38.27% of the net profit attributable to shareholders of the parent company for the year. 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.

Note: For dividends paid to foreign shareholders of D-shares or H-shares in foreign currencies, the exchange rate with this regard shall be calculated in accordance with the subsequent provisions of the Articles of Association of Haier Smart Home Co., Ltd..

"Article 281 ..... For stock dividends, cash dividends or other payments paid in foreign currencies, the applicable exchange rate shall be the mid-price of the relevant foreign exchange trading announced by the People's Bank of China one week prior to the declaration of dividends and the decision on the payment."

During the period commencing from the date of disclosure of this announcement to the record date for the implementation of the equity distribution, if the total share capital of the Company changes due to share repurchase and 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 distribution amount per share and adjust the total amount of distribution accordingly. If the total share capital changes subsequently, the specific adjustments will be announced separately.

The proposed profit distribution plan has to be submitted to the general meeting for consideration and approval.

## **II. Decision-making procedures performed by the Company**

### **(I) Convening, considering and voting at the meeting of the Board of Directors**

On 30 March 2021, the Company held the 17th Meeting of Tenth Session of the Board of Directors. Upon its consideration, the Board of Directors of the Company unanimously adopted the 2020 Annual Profit Distribution Plan of Haier Smart Home Co., Ltd. and agreed to submit it to the 2020 Annual General Meeting for consideration. For details of the board meeting, please refer to the Announcement on 17th Meeting of Tenth Session of the Board of Directors of Haier Smart Home Co., Ltd. (No. L 2021-016) disclosed on the same date as this announcement.

### **(II) Opinion of the independent directors**

The independent directors are of the view that the 2020 annual profit distribution plan of the Company is in line with the requirements of the Company Law, Guidance of Cash Dividends of Listed Companies of Shanghai Stock Exchange and the Articles of Association and other relevant requirements. It has reflected that the Company pays close attention to the reasonable returns to investors and maintains the continuity and stability of the profit distribution policy. It is agreed to submit this profit distribution plan to the 2020 Annual General Meeting of the Company for consideration.

### **(III) Opinions of the Supervisory Board**

The 13th meeting of the Tenth Session of the Supervisory Board of the Company considered and adopted the 2020 profit distribution plan of Haier Smart Home Co., Ltd., and is of the view that it complied with the relevant laws, regulations and the requirements of the Articles of Association. The decision-making procedures of which were in compliance with the laws and regulations, in line with the strategic plan of the Company and is beneficial to establish the stable mechanism for returns on investment and there is no situation that is detrimental to the interests of the shareholders of the Company, especially the small and medium-sized shareholders.

### **III. Relevant risk warning**

The profit distribution plan still has to be submitted to the 2020 Annual General Meeting of the Company for consideration and approval before implementation. Investors are urged to make rational judgments and pay attention to investment risks.

The Board of Directors  
Haier Smart Home Co., Ltd.  
30 March 2021

Note: This Announcement has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

#### **IR contact:**

Yao Sun (Sophie) - Haier Smart Home Germany  
T: +49 89 380 334 235  
M: +49 160 9469 3601  
Email: [y.sun@haier.de](mailto:y.sun@haier.de)