

## **Haier Smart Home Co., Ltd.**

# **Announcement on Proposal of 2023 Profit Distribution**

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

Reminder of important information:

- A cash dividend of RMB8.04 will be distributed for every 10 shares
- The share capital of this profit distribution is based on the total share capital registered on the registration date for implementation of the equity distribution after deducting the repurchased shares from the repurchase account, and the specific date will be specified in the announcement of the implementation of the equity distribution
- 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

### **I. Contents of Profit Distribution Plan**

As audited by Hexin Certified Public Accountants LLP, the consolidated financial statements of a net profit attributable to the owner of the parent company for the year 2023 of Haier Smart Home Co., Ltd. (referred to as the “Company”) was RMB16,596,615,045.87; a net profit of the parent company for the year of 2023 was

RMB8,281,479,205.57, and the accumulated undistributed profits of the parent company as of the end of 2023 was RMB7,484,026,291.62. Resolved by the Board of Directors, the Company plans to distribute profits on the basis of the total share capital registered on the registration date for implementation of the equity distribution after deducting the repurchased shares from the repurchase account in 2023. The profit distribution plan is as follows:

In addition to the repurchased shares on the repurchase account, the Company intends to pay a cash dividend of RMB8.04 per 10 shares (tax included) to all shareholders. As of now, the total share capital of the Company is 9,438,114,893 shares, and the number of shares repurchased on the Company's repurchase account is 145,238,037 shares. The total share capital to be paid as cash dividends is calculated as 9,292,876,856 shares, and the amount of dividends is RMB7,471,472,992.22 (tax included), which corresponds to the ratio of cash dividends to the net profit attributable to shareholders of the parent company for the current year of 45.02% (in 2023, the Company repurchased A shares and H shares for RMB1,430 million and HK\$200 million, respectively. If this is included in the cash dividends, the ratio of cash dividends to net profit attributable to shareholders of the parent company for the year will be 54.7%). The undistributed profits retained by the Company will be mainly used for project construction, external investment, R&D investment and daily operations related to the Company's principal business, to maintain sustainable and stable development of the Company and better return to investors.

Note: For stock dividends paid to shareholders of D shares, H shares and other foreign shares in foreign currencies, the exchange rate involved shall be cashed in

accordance with the annexed provisions of the *Articles of Association of Haier Smart Home Co., Ltd.*:

Article 276: .....For stock dividends, cash dividends or other payments paid in foreign currency, the applicable exchange rate shall be the mid-price for foreign exchange announced by the People's Bank of China one week before the announcement of dividends and the decision to pay other payables.

During the period from the date disclosed in this announcement to the registration date for the implementation of the equity distribution, if the total share capital of the Company changes as a result of share repurchases, share repurchase and cancellation granted by share incentives and share repurchase and cancellation of significant asset reorganization, etc., the Company intends to maintain the total distribution unchanged and adjust the distribution ratio per share accordingly. This year, the Company will not increase its share capital by transferring its public reserves and will not send any bonus shares. The equity distribution will constitute a differentiated dividend.

The profit distribution plan shall be submitted to the general meeting for consideration.

## **II. The Decision-making Procedures Performed by the Company**

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

On 27 March 2024, the Company convened the 9th Meeting of the 11th Session of the Board of Directors. After consideration, the Board of Directors of the Company unanimously approved the *Proposal of 2023 Profit Distribution of Haier Smart Home Co., Ltd.*, and agreed to submit the proposal to 2023 Annual General Meeting of the Company for consideration. For details of the meeting, please refer to the

*Announcement on Resolutions of the 9th Meeting of the 11th Session of the Board of Directors of Haier Smart Home Co., Ltd.* (No.: L2024-003) disclosed on the same date as this announcement.

(II) Opinions from the Board of Supervisors

On 27 March 2024, the Company convened the 9th Meeting of the 11th Session of the Board of Supervisors. After consideration, the Board of Supervisors of the Company unanimously approved the *Proposal of 2023 Profit Distribution of Haier Smart Home Co., Ltd.*, considering that the proposal of profit distribution in 2023 complies with the relevant laws and regulations and the *Articles of Association*, the decision-making process is legal, compliant and in line with the Company's strategic planning, which is conducive to the establishment of a stable return on investment mechanism and there is no situation that damages the interests of Company's shareholders, especially small and medium shareholders.

**III. Reminder of Relevant Risks**

The profit distribution plan is subject to the consideration and approval of the Company's 2023 Annual General Meeting. Investors are advised to make rational judgment and pay attention to investment risks.

It is hereby notified the above.

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

27 March 2024