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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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) 2025 FINANCIAL STATEMENTS;
- (2) 2025 REPORT ON THE WORK OF THE BOARD OF DIRECTORS;
- (3) 2025 ANNUAL REPORT AND ANNUAL REPORT SUMMARY;
- (4) 2025 AUDIT REPORT ON INTERNAL CONTROL;
- (5) 2025 PROFIT DISTRIBUTION PLAN;
- (6) AUTHORIZATION TO THE BOARD OF DIRECTORS TO FORMULATE 2026 INTERIM DIVIDEND PLAN;
- (7) RENEWAL OF THE FINANCIAL SERVICES FRAMEWORK AGREEMENT AND ITS PROPOSED ANNUAL CAPS;
- (8) CONDUCT OF FOREIGN EXCHANGE FUND DERIVATIVES BUSINESS;
- (9) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF A SHARES;
- (10) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF H SHARES;
- (11) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF D SHARES;
- (12) GENERAL MANDATE TO REPURCHASE D SHARES;
- (13) GENERAL MANDATE TO REPURCHASE H SHARES;
- (14) RE-APPOINTMENT OF PRC ACCOUNTING STANDARDS AUDITOR FOR 2026;
- (15) RE-APPOINTMENT OF INTERNATIONAL ACCOUNTING STANDARDS AUDITOR FOR 2026;
- (16) ANTICIPATED GUARANTEES' AMOUNTS FOR THE COMPANY AND ITS SUBSIDIARIES IN 2026;
- (17) ESTABLISHMENT OF REMUNERATION MANAGEMENT SYSTEM;
- (18) 2026 A SHARE CORE EMPLOYEE STOCK OWNERSHIP PLAN (DRAFT) AND ITS SUMMARY;
- (19) AUTHORIZATION TO THE BOARD AND ITS AUTHORIZED PERSONS FOR HANDLING ALL MATTERS RELATING TO THE A SHARE CORE EMPLOYEE STOCK OWNERSHIP PLAN;
- (20) RESTATEMENT AND AMENDMENT OF THE H SHARE RESTRICTED SHARE UNIT SCHEME;
- (21) ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS;
- (22) CHANGE OF USE AND CANCELLATION OF REPURCHASED SHARES;
- (23) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
- (24) SPECIFIC MANDATE TO REPURCHASE D SHARES;
- (25) REVISED NOTICE OF THE 2025 AGM; AND
- (26) REVISED NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2026

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The Letter from the Board is set out on pages 5 to 54 of this circular.

The Company will convene the AGM and Class Meetings by way of on-site meeting at 2:00 p.m. on Wednesday, 24 June 2026 at Qian Yuan, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC. The revised notice of the AGM and the revised notice of H Share Class Meeting are set out on pages 189 to 196 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

3 June 2026

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## DEFINITIONS

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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 2025 of the Company to be held by way of on-site meeting at Qian Yuan, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC at 2:00 p.m. on Wednesday, 24 June 2026
“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
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“Chairman”	the chairman of the Board
“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 Meeting(s)”	the first A Share/D Share/H Share Class Meetings of 2026 of the Company to be held by way of on-site meeting at Qian Yuan, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC immediately after the AGM of the Company on Wednesday, 24 June 2026
“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)

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## DEFINITIONS

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“Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》)
“Connected Person(s)”	has the meaning as ascribed under the Hong Kong Listing Rules
“Continuing Connected Transactions”	has the meaning as ascribed under the Hong Kong Listing Rules
“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 2026 of the Company to be held by way of on-site meeting at Qian Yuan, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC immediately after the AGM of 2025, the first A Share Class Meeting of 2026 and the first D Share Class Meeting of 2026 of the Company on Wednesday, 24 June 2026
“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)
“Haier Finance Company”	Haier Group Finance Co., Ltd.
“Haier Group”	Haier Group Corporation, a company incorporated under the laws of the PRC and a controlling Shareholder of the Company
“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” or “Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Independent Board Committee”	the independent committee under the Board comprising Mr. WONG Hak Kun, Mr. LI Shipeng, Mr. WU Qi and Mr. WANG Hua. The Committee has been established to advise the Independent Shareholders on the New Financial Services Framework Agreement and its proposed annual caps
“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 Hong Kong Listing Rules
“Independent Financial Advisor” or “Somerley”	Somerley Capital Limited, a corporation licensed to carry on Type 1 (Dealing in securities) and Type 6 (Advising on corporate finance) regulated activities under the SFO (Chapter 571 of the Laws of Hong Kong), being the independent financial advisor to advise the Independent Board Committee and the Independent Shareholders on the New Financial Services Framework Agreement and its proposed annual caps
“Independent Shareholders”	the Shareholders of the Company other than Haier Group and its associates
“Independent Third Party(ies)”	party(ies) not connected with the Group within the meaning of the Hong Kong Listing Rules as far as the Directors are aware after having made all reasonable enquiries
“Latest Practicable Date”	29 May 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its printing
“New Financial Services Framework Agreement”	the financial services framework agreement entered into by the Company, Haier Group and Haier Finance Company on 26 March 2026
“NFRA”	the National Financial Regulatory Administration or other organizations adjusted in accordance with the regulations of relevant Chinese government agencies
“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

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## DEFINITIONS

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“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
“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*)  
Kevin Nolan

*Non-executive Directors:*

GONG Wei  
YU Hon To, David  
CHIEN Da-Chun  
LI Shaohua

*Independent Non-executive Directors:*

WONG Hak Kun  
LI Shipeng  
WU Qi  
WANG Hua

*Employee Representative Director:*

SUN Danfeng

*To the Shareholders,*

Dear Sir or Madam,

- (1) 2025 FINANCIAL STATEMENTS;
- (2) 2025 REPORT ON THE WORK OF THE BOARD OF DIRECTORS;
- (3) 2025 ANNUAL REPORT AND ANNUAL REPORT SUMMARY;
- (4) 2025 AUDIT REPORT ON INTERNAL CONTROL;
- (5) 2025 PROFIT DISTRIBUTION PLAN;
- (6) AUTHORIZATION TO THE BOARD OF DIRECTORS TO FORMULATE 2026 INTERIM DIVIDEND PLAN;
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- (8) CONDUCT OF FOREIGN EXCHANGE FUND DERIVATIVES BUSINESS;
- (9) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF A SHARES;
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- (17) ESTABLISHMENT OF REMUNERATION MANAGEMENT SYSTEM;
- (18) 2026 A SHARE CORE EMPLOYEE STOCK OWNERSHIP PLAN (DRAFT) AND ITS SUMMARY;
- (19) AUTHORIZATION TO THE BOARD AND ITS AUTHORIZED PERSONS FOR HANDLING ALL MATTERS RELATING TO THE A SHARE CORE EMPLOYEE STOCK OWNERSHIP PLAN;
- (20) RESTATEMENT AND AMENDMENT OF THE H SHARE RESTRICTED SHARE UNIT SCHEME;
- (21) ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS;
- (22) CHANGE OF USE AND CANCELLATION OF REPURCHASED SHARES;
- (23) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
- (24) SPECIFIC MANDATE TO REPURCHASE D SHARES BY WAY OF A PARTIAL OFFER;
- (25) REVISED NOTICE OF THE 2025 AGM; AND
- (26) REVISED NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2026

\* For identification purpose only

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

The Company will convene the AGM at 2:00 p.m. on Wednesday, 24 June 2026, 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 2025 Financial Statements
2. To Consider and Approve 2025 Report on the Work of the Board of Directors
3. To Consider and Approve 2025 Annual Report and Annual Report Summary
4. To Consider and Approve 2025 Audit Report on Internal Control
5. To Consider and Approve 2025 Profit Distribution Plan
6. To Consider and Approve the Resolution on the General Meeting to Authorize the Board of Directors to Formulate 2026 Interim Dividend Plan
7. To Consider and Approve the Resolution on the Renewal of the Financial Services Framework Agreement and its Expected Related-Party Transaction Limit with Haier Group Corporation and Haier Group Finance Co., Ltd.
8. To Consider and Approve the Resolution on the Conduct of Foreign Exchange Fund Derivatives Business
9. #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
10. #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
11. #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
12. #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 5% of the Total Number of D Shares of the Company in Issue
13. #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

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## LETTER FROM THE BOARD

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14. To Consider and Approve the Resolution on the Re-appointment of PRC Accounting Standards Auditor
15. To Consider and Approve the Resolution on the Re-appointment of International Accounting Standards Auditor
16. To Consider and Approve the Resolution on the Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2026
17. To Consider and Approve the Resolution on the Establishment of the "Haier Smart Home Co., Ltd. Remuneration Management System"
18. #To Consider and Approve the 2026 A Share Core Employee Stock Ownership Plan (Draft) and its Summary
19. To Consider and Approve the Resolution on the Proposal to the General Meeting to Authorize the Board and its Authorized Persons to Handle All Matters Relating to the A Share Core Employee Stock Ownership Plan
20. #To Consider and Approve the Resolution on Restatement and Amendment of The H Share Restricted Share Unit Scheme
21. To Consider and Approve the Resolution on Election of Independent Directors
22. #To Consider and Approve the Resolution on Change of Use and Cancellation of Repurchased Shares
23. #To Consider and Approve the Resolution on Amendments to the Articles of Association of the Company
24. #To Consider and Approve the Resolution on the General Meeting to Grant a Specific Mandate to Repurchase Not More Than 30% of the Total Number of D Shares in Issue

In addition, the AGM will listen to Independent Directors' report on their work in 2025.

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 Wednesday, 24 June 2026. At each of the Class Meetings, four 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 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

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## LETTER FROM THE BOARD

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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 5% of the Total Number of D Shares of the Company in Issue
3. To Consider and Approve the Resolution on Change of Use and Cancellation of Repurchased Shares
4. To Consider and Approve the Resolution on the General Meeting to Grant a Specific Mandate to Repurchase Not More Than 30% of the Total Number of D Shares 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 the revised notice of the H Share Class Meeting are set out on pages 189 to 196 of this circular.

## II. RESOLUTIONS TO BE CONSIDERED AND APPROVED AT THE AGM

### 1. 2025 Financial Statements

Please refer to the financial report section in the 2025 annual report (A Shares) and 2025 annual report (H Shares) respectively published by the Company.

This resolution has been reviewed and approved by the Board meeting on 26 March 2026, and is now proposed at the AGM for review and approval by an ordinary resolution.

### 2. 2025 Report on the Work of the Board of Directors

For the main content of the 2025 report on the work of the Board of Directors, please refer to the relevant part of the 2025 annual report published by the Company.

This resolution has been reviewed and approved by the Board meeting on 26 March 2026, and is now proposed at the AGM for review and approval by an ordinary resolution.

### 3. 2025 Annual Report and Annual Report Summary

Please refer to the 2025 annual report published by the Company.

This resolution has been reviewed and approved by the Board meeting on 26 March 2026, and is now proposed at the AGM for review and approval by an ordinary resolution.

### 4. 2025 Audit Report on Internal Control

An ordinary resolution is to be proposed at the AGM to consider and approve the 2025 Audit Report on Internal Control.

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## LETTER FROM THE BOARD

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According to the relevant guidelines of Notice on Disclosure of 2025 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 2025 in accordance with the Basic Standards for Internal Control of Companies and relevant regulations.

The 2025 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 26 March 2026, and is now proposed at the AGM for review and approval by an ordinary resolution.

### **5. 2025 Profit Distribution Plan**

An ordinary resolution is to be proposed at the AGM to consider and approve the 2025 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 2025 as indicated in the consolidated statement of the Company amounted to RMB19,552,798,222.85; the net profit of the parent company achieved in 2025 was RMB13,446,048,247.84, and the accumulated undistributed profits of the parent company in 2025 was RMB11,632,101,669.43.

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 (2024–2026) of the Company, the Articles of Association and relevant laws and regulations, we currently recommend the Company's 2025 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 RMB8.867 per 10 Shares (tax inclusive) to all Shareholders, with a total distributed profit of RMB8,248,280,749.27. The amount of this distribution, combined with the interim dividend already paid for the 2025, represents 55.0% of the net profit attributable to the owners of the parent company. At the same time, the Company has advanced its share repurchase to further enhance shareholder returns: In 2025, the Company spent RMB1.2 billion on the repurchase of A Shares and HK\$100 million on the repurchase of H Shares. The undistributed profits retained by the Company will be primarily used for project construction, foreign investment, R&D investment and daily

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## LETTER FROM THE BOARD

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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 26 March 2026, and is now proposed at the AGM for review and approval by an ordinary resolution.

### **6. Authorization to the Board of Directors to Formulate 2026 Interim Dividend Plan**

An ordinary resolution is to be proposed at the AGM to consider and approve the authorization by the general meeting to the Board of Directors to formulate 2026 interim dividend plan, the details are as follows:

In accordance with relevant provisions of the Company Law, Listed Companies Regulatory Guidance No. 3- Cash Dividends Distribution of Listed Companies and the Articles of Association, and in order to better reward investors, the Company will decide whether to distribute an interim dividend for 2026 (including the first half of the year and third quarter of the year) based on the actual operating performance and the Company's fund usage plan during the current period. The details are as follows:

#### ***2026 Interim Cash Dividend Arrangements***

##### ***(I) Prerequisites for interim dividend***

1. The Company's net profit attributable to shareholders of the listed company for the current period is positive, and the distributable profit for the current period (i.e., the after-tax profit remaining after the Company has made up for losses and made appropriations to reserve funds) is positive;
2. The Company's cash flow meets the requirements for normal operations and sustainable development, and there are no major investment plans or significant cash expenditure arrangements within the next 12 months.

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## LETTER FROM THE BOARD

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*(II) The upper limit of the dividend amount*

The amount of the Company's cash dividend for the current period shall not exceed the net profit attributable to shareholders of the listed company for the current period.

*(III) Authorization for interim dividend*

The Board of Directors proposes to request the general meeting to authorize the Board of Directors to formulate 2026 interim dividend plan, subject to compliance with the prerequisites and the upper limit, including but not limited to deciding whether to distribute profits, formulating the profit distribution plan, and determining the specific amount and timing of the profit distribution. 2026 interim dividend plan shall be implemented after being reviewed and approved by the Board of Directors. The term of this authorization shall commence from the date of approval by the 2025 AGM and terminate on the date when the aforesaid authorized matters are fully completed.

This resolution has been reviewed and approved by the Board meeting on 26 March 2026, and is now proposed at the AGM for review and approval as an ordinary resolution.

**7. Renewal of the Financial Services Framework Agreement and its Proposed Annual Caps**

An ordinary resolution is to be proposed at the AGM to consider and approve the resolution on the renewal of the financial services framework agreement with Haier Group and Haier Finance Company, and the estimated amount of related-party transactions thereunder.

**1. Background**

Reference is made to the announcement of the Company dated 30 March 2023, the circular of the Company dated 6 June 2023 and the poll results announcement of the Company dated 26 June 2023 in relation to, among other things, the financial services framework agreement entered into between the Company and Haier Group as well as its annual caps for 2024, 2025 and 2026 which were set in respect of the financial services framework agreement.

Given that the financial services framework agreement and its proposed annual caps will expire on 31 December 2026 and the Company will continue to conduct such transactions subsequent to 31 December 2026, therefore the Company, Haier Group and Haier Finance Company entered into the New Financial Services Framework Agreement on 26 March 2026 for a term of three years commencing from 1 January 2027 to 31 December 2029, pursuant to which Haier Group and its associates, mainly Haier Finance Company, agreed to provide financial services to the Group from time to time on a non-exclusive basis.

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## LETTER FROM THE BOARD

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### 2. *New Financial Services Framework Agreement*

Date: 26 March 2026

Parties: the Group (as service recipient);  
Haier Group (as service provider and guarantor); and  
Haier Finance Company (as service provider)

#### *Principal terms:*

Pursuant to the New Financial Services Framework Agreement, the services intended to be provided by Haier Group and its associates to the Group include:

- Deposit services (“**Deposit Services**”);
- Loan services and entrusted loan services (collectively “**Loan Services**”);
  - Haier Group and its associates shall, according to their own funding capabilities, give priority to satisfying the loan needs of the Group, and the loan services it provides to the Group include loans and other credit services; and
  - In the event that the Group applies for a loan from Haier Group and its associates, the Group and Haier Group and its associates shall sign a loan contract, specifying the loan amount, loan usage, loan period and other matters.
- Other financial services including:
  - (1) spot foreign exchange sale and purchase services and hedging financial derivatives business, international settlement, trade financing and non-financing letter of guarantee services, etc.;
  - (2) financial consulting and consulting agency services;
  - (3) cross-border foreign exchange funds and cross-border RMB funds business;
  - (4) credit verification and provision of entrusted loans services;
  - (5) bill issuance, acceptance and discount;
  - (6) providing collection and automatic liquidation management of physical and electronic commercial bills;

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## LETTER FROM THE BOARD

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- (7) the internal transfer and settlement service of the Group and the corresponding settlement;
- (8) underwriting the corporate bonds of the Group;
- (9) services related to account management, receipt and payment of fund, payment settlement and associated settlement instruments provided to the Group;
- (10) consumer credit, buyer credit services for the Group's products; and
- (11) other services as approved by the NFRA (collectively "**Other Financial Services**").

The New Financial Services Framework Agreement will become effective on 1 January 2027 subject to approval by the general meeting and will expire on 31 December 2029. Subject to the Company's compliance with the relevant requirements under Chapter 14A of the Hong Kong Listing Rules (if applicable), the Group has an option, in its entire discretion, to renew the New Financial Services Framework Agreement upon its expiry for another term of three years. Haier Group and its associates do not have reciprocal rights under the New Financial Services Framework Agreement. Each party and their respective subsidiaries or associates will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the New Financial Services Framework Agreement. In respect of the deposits placed by the Group with Haier Group and its associates and in the event that Haier Finance Company misuses or uses such deposits in breach of regulations, or in any other circumstances which causes Haier Finance Company to be unable to repay the Group's deposits (including accrued interests), Haier Finance Company shall then immediately repay the relevant deposits (including accrued interests) to the Group, and the Group is entitled to appropriate such deposits to set off against the outstanding loans (including accrued interests) extended by Haier Finance Company to the Group. However, in the event that the Group fails to repay its loans extended by Haier Finance Company on time, Haier Finance Company will not be entitled to set off the outstanding loans owed by the Group to Haier Finance Company against the deposits (including accrued interests) placed by the Group with Haier Finance Company, except as otherwise provided by the laws and regulations of the PRC.

In terms of the deposits placed by the Group with other associates of Haier Group except Haier Finance Company and in the event that the associates of Haier Group misuses or uses such deposits in breach of regulations, or in any other circumstances which causes it to be unable to repay the Group's deposits (including accrued interests), such other associates of Haier Group except Haier Finance Company shall then

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immediately repay the relevant deposits (including accrued interests) to the Group, and the Group is entitled to appropriate such deposits to set off against the outstanding loans (including accrued interests) extended by the associates of Haier Group to the Group. However, in the event that the Group fails to repay its loans extended by the associates of Haier Group to the Group on time, the associates of Haier Group will not get the right of set-off, and will not be entitled to set off the outstanding loans owed by the Group to it against the deposits (including accrued interests) placed by the Group with it, except as otherwise provided by the laws and regulations of the PRC.

Haier Finance Company is currently the sole provider of Deposit Services. Haier Finance Company (and any other associates of Haier Group that may in the future obtain the relevant qualifications and thereby be able to provide such services) shall make every effort and take all reasonable measures to ensure that the deposits held by the Group in Haier Finance Company or other associates of Haier Group are mainly used to provide services such as loans to the Group. If the Group purchases Deposit Services from other associates of Haier Group other than Haier Finance Company in the future, Haier Group will procure such associates to fulfill the obligations under the terms above, as if they signed the New Financial Services Framework Agreement.

### *Undertakings by Haier Group*

As a part of the New Financial Services Framework Agreement, Haier Group unconditionally and irrevocably undertakes and guarantees joint and several liability to the Company that, during the term of the New Financial Services Framework Agreement, Haier Group will:

- (i) provide the joint and several liability guarantee to the Group in respect of the deposits placed by the Group with Haier Group and its associates;
- (ii) jointly bear all the financial losses incurred by the Group due to the failure in performing the obligations or breach of any obligations or terms under the New Financial Services Framework Agreement by Haier Group and its associates or Haier Group and its associates' breaches or potential breaches of PRC laws and regulations, or by it having or potentially having any major operational problems or difficulties with liquidity, including but not limited to, the Group's deposits, interests and the relevant expenses incurred, within ten business days since such failure or problems occur; and

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- (iii) use its best endeavours and take all reasonable steps to provide the joint and several liability guarantee to ensure fulfilment of obligations by Haier Finance Company under the New Financial Services Framework Agreement.

In respect of the Financial Services Framework Agreement, Haier Group further undertakes to replenish the capital of Haier Finance Company when necessary; if there is no capital replenishment capacity, it will agree to the other shareholders or qualified investors taking reasonable measures to increase the capital of Haier Finance Company; and it will not withdraw its investment and will provide liquidity support when Haier Finance Company encounters liquidity problems.

*Reasons for and benefits of the transaction:*

Under the New Financial Services Framework Agreement, the Group intends to purchase deposit services, loan services and foreign exchange derivatives investment services from Haier Finance Company in the future. The reasons for and the benefits to the Group in using the financial services of Haier Group and its associates (mainly Haier Finance Company), include but are not limited to:

*From the perspective of capital security:*

- (i) Haier Finance Company is a non-banking financial institution among the first batch of companies being approved to carry out all kinds of domestic and foreign currencies businesses, and the first enterprise group finance company to carry out the pilot program of centralized management of foreign exchange funds for current account items. It is the first enterprise group finance company in China to pass the ISO27001 certification of the International Information Security Management System and the third-level certification of national standard protection;
- (ii) as a non-banking financial institution specialising in providing financial services to enterprise group member entities, Haier Finance Company is regulated by the PBOC and the NFRA and it provides financial services in accordance with and in compliance of the rules and operational requirements of these regulatory authorities including capital risk guidelines and requisite capital adequacy ratios. The regulation of finance companies by the NFRA is more stringent than the regulation of commercial banks in the PRC in certain aspects;
- (iii) historically, all terms of the financial services agreement signed between Haier Group and its associates and the Group have been fulfilled, and Haier Group provided joint liability guarantee for the deposits in Haier Group and its associates placed by the Group; and

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- (iv) the Group currently holds 42% direct and indirect interests in the Haier Finance Company, and appoints the Directors to participate in the governance decision-making of the Haier Finance Company, inspect and control the operation risk of the Haier Finance Company, so as to improve the fund security. The Group has conducted risk monitoring and assessment of Haier Finance Company in the past years and has not identified any risky items in respect of deposits with Haier Finance Company.

*From the perspective of efficiency of capital use:*

- (i) the Group's deposit partly placed in Haier Group and its associates can save financial costs and improve capital efficiency. The interest rate of domestic RMB deposits provided by Haier Group and its associates is not less favourable than that of commercial banks obtained by the Group, for deposits of similar nature and term. As at the end of 2025, the yield on the deposits in Haier Finance Company placed by the Company was 1.6% higher than the average yield on the deposits in other banks placed by the Company. Overseas deposits in RMB and foreign currencies are implemented in accordance with market principles, and the interest rate of similar deposits is no less favourable than the highest interest rate of commercial banks available to the Group;
- (ii) Haier Finance Company has been continuously approved for various foreign exchange business since 2004, possesses the qualifications of performing the fund pool business home and abroad, and can provide the Group with customized comprehensive management services for the fund pool and establish onshore and offshore fund pools, so as to realize the cross-legal representative, cross-regional and cross-border capital allocation and centralized management among the Group's hundreds of subsidiaries, which will save financial costs, strengthen fund management and improve the efficiency of capital use and gains;
- (iii) Haier Finance Company is an important partner of the customers of the Group along the industry chain, many of which have opened accounts with Haier Finance Company, allowing the Group's ecosystem partners to use the settlement platform of Haier Finance Company to process most of the transactions with the Group at their convenience, so as to enhance the security, speed, and convenience of settlements, while improving operational efficiency. In addition, Haier Finance Company provides customized comprehensive supply chain financial services to the Group, such as purchaser credit granted to downstream customers as per regulatory requirements;

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- (iv) by leveraging the unique cross-bank aggregation function of the finance company, Haier Finance Company can shorten the Group's capital transfer and turnover time in several bank channels, and improve the efficiency of capital operations and the convenience of fund management. Meanwhile, Haier Finance Company has continuously upgraded its digitization system and established a professional team to provide more considerate services with higher quality;
- (v) Haier Finance Company provides the Group with a stable, long-term issuance volume, as well as full-process and centralized bill pool management services including bill identification, inquiry, custody, collection, billing, and acceptance. The scale of bill issuance is much higher than that of independent third party commercial banks. Centralized bill pool management can effectively avoid the mismatch of bill maturity, bill size and bill amount. It maximizes the vitalization of deposited assets, improve the efficiency of capital operations and reduces financial costs while meeting the liquidity demand of bill holders. Meanwhile, Haier Finance Company exempts account management fees, online banking opening fees, inquiry letter fees, deposit certificates, internal settlements and other fees, which can effectively save financial costs of the Group;
- (vi) Haier Group and its associates have an in-depth understanding of the Group's development strategy, development goals and business model with an adequate professional financial services team, which can accurately predict and quickly meet the Group's needs for financial services;
- (vii) Haier Finance Company reserves sufficient loan facilities for the Group and can give priority to meeting the Group's liquidity needs under competitive terms to address risks arising from geopolitics and unforeseen events; and
- (viii) the Group directly and indirectly holds 42% equity interest in Haier Finance Company. The Group's deposit in Haier Finance Company will bring interest income and are expected to maintain the Group's investment gains in Haier Finance Company.

The Group is independent from its Shareholders (including Haier Group) in financial aspects, while the above fund pools management services to be provided by Haier Finance Company represent the internal fund management of the Group only. Based on our previous experience in business dealings with Haier Group and its associates, the Group believes that Haier Group and its associates are capable of effectively satisfying our demands for financial services and can provide customized financial service solutions for the Group according to the Group's strategic plan, which is in the interests of the Group and the Shareholders as a whole.

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*Pricing policy:*

In terms of Deposit Services, pursuant to the New Financial Services Framework Agreement, in respect of domestic RMB deposits, Haier Group and its associates provide deposit services to the Group by referencing to the relevant requirements of the market interest rate self-discipline mechanism, at an interest rate not less favourable than the highest interest rate for the same type of deposits as quoted by Industrial and Commercial Bank of China, Agricultural Bank of China, China Construction Bank, Bank of China and all the listed national joint stock banks in the PRC (the “**Comparable Banks**”), overseas deposits in RMB and foreign currencies are implemented in accordance with market principles, and the interest rate of similar deposits is no less favourable than the highest interest rate of commercial banks available to the Group.

Before placing domestic RMB deposits with Haier Group and its associates, the Group will compare the interest rate provided by Haier Group and its associates with those published by the Comparable Banks and provided by the three major banks or financial institutions with which the Group has established business relationships in each quarter. Before placing overseas RMB and foreign currency deposits with Haier Group and its associates, the Group will compare the interest rate provided by Haier Group and its associates with those provided by the three major banks or financial institutions with which the Group has established business relationships in each quarter.

In terms of Loan Services, Haier Group and its associates will provide loans to the Group at a price no less favourable than the market prices determined at an arm’s length basis with reference to the borrowing rate for the same type of loans charged by other three major financial institutions/commercial banks. After the fund lending arrangement is reached between the subsidiaries of the Group, Haier Group and its associates can act as financial service intermediaries to provide entrusted loan services and preferential treatment on a free-of-charge basis. All subsidiaries of the Group can use the online banking system of Haier Finance Company for settlement services for free.

In terms of Other Financial Services, the fees charged by Haier Group and its associates will be determined based on corresponding market prices with reference to the charge standard published by the PBOC on its official website from time to time. If there is no such benchmark rates published by the PBOC for that kind of financial services, the fee will be determined with reference to, amongst other factors, the rates charged by other major financial institutions/commercial banks for the same types of services and their conditions. The terms and conditions should not be less favourable than those terms and conditions offered by independent financial institutions/commercial banks in the PRC to the Group. As at the Latest

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Practicable Date, there are currently no benchmark rates/charge standards published by the PBOC that are applicable to any of the financial services falling within the definition of “Other Financial Services”. Before using Other Financial Services provided by Haier Group and its associates, the Group will compare the fees charged by Haier Group and its associates with those charged by three major commercial banks or financial institutions with which the Group has established business relationships. Haier Finance Company will pool their resource advantages to obtain the lowest service fees and the best-quality services from external financial institutions, and agree that Haier Group and its associates will not charge any intermediate fees except those charged by external banks. In addition, Haier Group and its associates agrees to waive all the service fees charged to the Group by it, including but not limited to, account management fees, online banking activation fees, inquiry fees, deposit certificate fees, credit certificate fees, and internal settlement fees.

*Historical amount:*

The maximum daily balance of deposits placed by the Group with Haier Group and its associates for each of the three years ended 31 December 2025 were approximately RMB33,987 million, RMB33,993 million and RMB33,988 million, respectively. The corresponding interest income received by the Group from Haier Finance Company for each of the three years ended 31 December 2025 were approximately RMB766 million, RMB874 million and RMB795 million, respectively.

The maximum daily outstanding balance of loans granted by Haier Group and its associates to the Group for each of the three years ended 31 December 2025 were approximately RMB60 million, RMB196 million and RMB3,790 million, respectively. The corresponding interest expenses paid by the Group to Haier Group and its associates for each of the three years ended 31 December 2025 were RMB0 million, RMB2 million and RMB57 million, respectively.

The maximum daily trading balance of foreign exchange derivative products by Haier Group and its associates for the Group for each of the three years ended 31 December 2025 were approximately RMB3,054 million, RMB400 million and RMB2,508 million, respectively.

The service fee for Other Financial Services paid by the Group for each of the three years ended 31 December 2025 were approximately RMB24 million, RMB8 million and RMB9 million.

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### 3. *Proposed Annual Caps and Basis of Determination*

The transaction annual caps under the New Financial Services Framework Agreement for the three years ending 31 December 2029 shall not exceed the following caps:

<i>(in RMB million)</i>	<b>Proposed Annual Caps</b>		
	<b>For the period ending 31 December 2027</b>	<b>For the period ending 31 December 2028</b>	<b>For the period ending 31 December 2029</b>
<b>Deposit Services</b>			
(a) Maximum daily outstanding balance of deposits placed by the Group	34,000	34,000	34,000
(b) Interest income	1,020	1,020	1,020
<b>Loan Services</b>			
(a) Maximum daily outstanding balance of loans granted to the Group	18,000	18,000	18,000
(b) Interest expense	720	720	720
<b>Other Financial Services</b>			
(a) Maximum daily trading balance of foreign exchange derivative products	6,500	6,500	6,500
(b) Service fee	50	50	50

When determining the above proposed annual caps, the Directors have taken into consideration the following factors:

In terms of Deposit Services:

- (i) the Group's historical transaction amounts of and underlying interest income from the above deposits of Haier Group and its associates are arrived at after taking into account the maximum daily outstanding balance of deposits of RMB33,988 million and the interest income of RMB795 million that incurred for the year ended 31 December 2025;
- (ii) Based on the Group's medium- to long-term cash flow planning, and building on the sustained growth of its operating cash flow, the Group has prudently reserved sufficient funds for capital expenditures, strategic equity investments and shareholder returns. The Group expects its overall cash reserves to remain stable over the next three years. From the perspective of cash flow and cash reserves, the demand for deposit service limits for Haier Group and its associates remains unchanged. The maximum daily deposit balance cap for the three years ending 31 December 2029 is intended to remain the same as the cap of RMB34.0 billion in 2026;

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- (iii) the Group will scientifically and dynamically manage the proportion of deposits in Haier Finance Company based on management requirements. At the same time, taking into account the Group can obtain the highest price in Haier Finance Company that is no less favourable than the market deposit pricing and the most efficient capital operation support to maintain a stable consolidated return for the Group in Haier Finance Company;
- (iv) the estimated cash amounts as well as daily cash inflows of the Group available for deposit at Haier Group and its associates. As part of the finance management measures, the Company sets the maximum daily outstanding balance amount for the Group's deposits placed at Haier Group and its associates every year, which remains generally stable for recent years so as to allow sufficient financial allocation flexibility for the Group;
- (v) in 2025, amid growing demand for high-end products, IoT (internet of things)-enabled smart home development, and the Group's revenue growth in both of domestic and overseas markets, the Group's revenue and total profit increased by 5.71% and 3.33% year-on-year respectively. The growth of the Group's business in 2025 and its expected upward momentum in the next three years will maintain the Group's demand for deposits and fund settlements at a stable level;
- (vi) the Group is expanding rapidly in overseas market, the synergy between domestic and foreign business is increasingly strong, and cross-border demand is rising. According to the scale of overseas credit and actual business needs, the Group plans to set aside certain amount of capital to guarantee overseas liquidity in response to international emergencies such as geopolitical conflict. Leveraging on Haier Finance Company's cross-border fund pool channel service, subject to the fulfilment of the conditions of the foreign exchange regulatory legislation, the Group can remit domestic capital to overseas quickly, which meets the capital needs of the Group's overseas subsidiaries and improves the Group's efficiency in the use of capital.

### In terms of Loan Services:

- (i) the Group's historical transaction amounts of and underlying interest expense to the loans from Haier Group and its associates are arrived at after taking into account the maximum daily outstanding balance of loans of RMB3,790 million that incurred and the interest expense of RMB57 million that incurred for the year ended 31 December 2025; and
- (ii) it is expected that the Group's demands on loans will maintain a steady growth. Based on current financing arrangements being progressed, it is expected that the maximum amount of the Group's domestic loans in 2026 will reach approximately RMB3,500 million, while the maximum

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amount of foreign currency loans will reach approximately RMB7,000 million. These estimates indicate that the existing annual cap of RMB10,000 million for loan services in 2026 under the current financial services framework agreement will be substantially utilised. The business development plans and the growth profile of the Group have also been taken into account, especially the needs of the Group for short-term funds to meet the capital expenditure requirements such as construction to expand production lines and investment and mergers and acquisition plans. The development pace of the Group's domestic and overseas projects will pick up in next three years, and the Group has begun to explore diversified expansion plans that require capital resources, therefore it is expected that the Group's demands on loans for its business and projects will maintain a steady growth. The Group may consider borrowing from a finance company if the loan package offered by Haier Finance Company is competitive. Accordingly, the limit for the local currency loan is approximately RMB6,000 million. In addition, taking into account the complex changes in the international environment and exchange rate fluctuations, combined with the increase in borrowing cost, possible need for loan replacement or additional financing for the merger and acquisition segment, as well as the future capital expenditure and working capital requirements of the Group overseas, the limit for foreign currency loans is approximately RMB12,000 million. Consequently, the proposed cap for Loan Services is set at RMB18,000 million as a prudent credit resource reserve to provide sufficient headroom and operational flexibility for the next three years.

In terms of Other Financial Services:

- (i) the historical transaction amounts of Other Financial Services and the underlying services fees the Group paid to Haier Group and its associates are arrived at after taking into account the maximum daily trading balance of foreign exchange derivative products of RMB3,054 million, RMB400 million and RMB2,508 million that incurred for each of the three years ended 31 December 2025, respectively.
- (ii) the anticipated increase in the Group's demand for global financial services. As part of the finance management measures, in accordance with the Management Policy on Foreign Exchange Risks and the Management System on Foreign Exchange Derivatives Transactions of Haier Smart Home Co., Ltd., to minimise the exposure of the Group towards foreign exchange risks and based on actual business needs, the Group sets the maximum daily trading balance of foreign exchange derivative products purchased from Haier Finance Company every year, which remains generally stable in recent years and satisfies the hedging needs of the Group from time to time for its overseas business segments. In the past three years, the aggregate size of the Group's foreign

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exchange business handled through Haier Finance Company averaged around approximately RMB13,000 million per year, which comprised spot foreign exchange sale and purchase services and foreign exchange derivative transactions. Spot foreign exchange sale and purchase services are currency conversion and settlement services provided by Haier Finance Company to the Group based on the prevailing exchange rates published as authorised by the PBOC, without charging separate service fees. The foreign exchange derivative transactions accounted for approximately 25% of the above aggregate foreign exchange-related business size, and the maximum daily trading balance of foreign exchange derivative products reached approximately RMB3,054 million during the past three years. Considering the Group's revenue from overseas operations has exceeded 50% of the overall business revenue and the scale of revenue is expected to keep growing, the Group's demand for global financial services, especially the foreign exchange derivatives, to satisfy its hedging needs increases accordingly. As the Group expects to continue strengthening its global business performance and presence, it may result in further exposure to foreign exchange risks which requires hedging. In addition, continued instability in the global markets, including geopolitical events and instability in the global political environment, have contributed to the increasing phasal economic uncertainty in recent years and may lead to fluctuations in the foreign exchange market, which in turn increases the Group's hedging needs. Therefore, the proposed annual cap for foreign exchange derivative products is approximately RMB6,500 million for the next three years to provide prudent headroom for the Group's hedging needs.

- (iii) The service fees of Other Financial Services primary consist of handling fees for promissory notes and non-financing letter of guarantee. Due to the surge in commodity prices of steel and non-ferrous metals in recent years, the Company's demand for raw material purchases has increased in order to cut raw material costs, leading to an increase in the handling fee accordingly. In addition, with the development of business, as the Company continues to innovate its products and upgrade its service experience and consumer scenarios in this era of Internet of Things, it is expected that the Company will strengthen its industrial integration with Haier Finance Company in the next three years and start cooperation in more financial service areas, which will lead to a corresponding increase in the service fees.

#### **4. Internal Control Measures**

Pursuant to the Hong Kong Listing Rules, the Group will comply at all times with the applicable provisions under Rules 14A.34, 14A.51 to 14A.59 of the Hong Kong Listing Rules in respect of the transactions contemplated under the New Financial Services Framework Agreement. In addition, in order to safeguard the interests of the Company and the Shareholders as a whole, the Company has

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adopted the following guidelines and principles in monitoring the financial services connected transactions between the Group and Haier Group and its associates.

- the Company will report the transactions under the New Financial Services Framework Agreement with Haier Group and its associates to the independent non-executive Directors during each of the Audit Committee meetings at least twice a year;
- Pursuant to the Hong Kong Listing Rules, the Deposit Services and Other Financial Services under the New Financial Services Framework Agreement will be reviewed by the auditors and the independent non-executive Directors of the Company every year and reported in the annual report of the Company; and
- the Company will review the transactions with Haier Group and its associates to identify any transactions that may be at risk of exceeding the caps, and any measures to be taken in respect of such transactions. The Group has established a series of measures and policies to ensure that the transactions will be conducted in accordance with the terms of the New Financial Services Framework Agreement. Examples of the aforementioned measures and policies include:
  - i) Haier Group and its associates shall as far as practicable and on a best effort basis provide such assistance as necessary to the Group so as to allow the Group to comply with its internal control procedures and the requirements under the listing rules, including but not limited to providing financial and other data and/or documents within seven business days, giving written or verbal explanations to queries raised by the Group and issue explanatory notes for certain facts or circumstances.
  - ii) the Finance Department and Securities Department of the Company are responsible for comparing the quotations/rates/interest rates of financial services provided by Haier Group and its associates with those obtained from third parties from the perspective of financial and listing compliance in accordance with the relevant governing regime of the Company, and judging and approving related transactions, specifically:
    - (a) the Finance Department and Securities Department of the Company will obtain quarterly (i) deposit interest rates announced by the Comparable Banks; and/or (ii) the interest rates offered by three major commercial banks or financial institutions with which the Group has established business relationships, and compare those with the interest rate offered by Haier Group and its associates. If the interest rate is not the highest offered by the Comparable Banks for similar deposits

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with approximate maturity, the Group will negotiate with Haier Group and its associates to adjust the recommended interest rate in compliance with the above-mentioned pricing principles. If the interest rate is consistent with the pricing principle, the Securities Department of the Company will carry out the review process and final approval of the transaction following the approval of the Finance Department of the Company and its supervisor;

- (b) Generally speaking, a member of the Group will not utilise the Loan Services if it has sufficient working capital/deposits to satisfy its business and operational needs. In cases where a member of the Group does not have adequate working capital/deposits, the Group will, as a priority, consider leveraging the fund pool management services to facilitate internal fund allocation among Group members. The Group will only utilise the Loan Services provided by Haier Group and its associates when such arrangement is deemed necessary and in the best interests of the Group as a whole, and in compliance with the relevant laws, rules and regulations applicable to the respective members of the Group, as well as to the extent commercially practicable;
- (c) before obtaining a loan from Haier Group and its associates or using Other Financial Services provided by Haier Group and its associates, the Company will compare the standard of interest rate offered or fee charged by Haier Group and its associates with those offered or fee charged by three major commercial banks or financial institutions with which the Group has established business relationships and the deposit interest rates concurrently charged by the Company to the Haier Group and its associates; if the interest rate and fee are not the prime interest rate/fee offered by the three major commercial banks or financial institutions with which the Group has established business relationships for similar loans/services, or are higher than the deposit interest rates concurrently charged by the Company to the Haier Group and its associates, the Group will negotiate with Haier Group and its associates to adjust the recommended interest rate/fee in compliance with the above-mentioned pricing principles. The Finance Department of the Company and its supervisor will review the necessity of the Loan Services/Other Financial Services, and approval for such Loan Services/Other Financial Services shall be granted only if the interest rate/fee is consistent with the pricing principle, after which the Securities Department of the Company shall carry out the review process and final approval of the transaction.

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- iii) the Finance Department of the Company will monitor the daily deposit level to ensure that the daily deposit amount does not exceed the upper limit. Haier Group and its associates shall provide necessary cooperation.
- iv) the Internal Audit Department of the Company is responsible for supervising and ensuring the effective implementation of internal control procedures and conducts a compliance inspection quarterly, and reports to the Audit Committee. The Internal Audit Department of the Company will conduct internal sampling inspections to ensure internal control measures of transactions remain intact and effective.
- v) the arrangement between the Company and Haier Group and its associates under the New Financial Services Framework Agreement is non-exclusive and the Group is at liberty to choose other financial services providers.
- vi) the Group currently holds 42% direct and indirect interests in the Haier Finance Company, and appoints the directors to participate in the governance decision-making of the Haier Finance Company, In accordance with the internal governance procedures of Haier Finance Company, the approval of at least two-thirds of the directors is required for the consideration of material matters, and the directors appointed by the Group have a certain degree of influence on its corporate governance decisions. Meanwhile, one of the directors appointed by the Group serves as a member of the risk management committee and audit committee of Haier Finance Company. Through the directors appointed by the Group, the Group can perceive, review and control the operational risks of Haier Finance Company, so as to improve the fund security. The Group has conducted risk monitoring and assessment of Haier Finance Company in the past years and has not identified any risky items in respect of deposits with Haier Finance Company.
- vii) the Company has formulated the Contingency Plan on the Risk of Deposits with Haier Group Finance Co., Ltd., and the risk assessment report against Haier Finance Company is issued annually in accordance with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, mainly covering the internal control, operational management and risk management of Haier Finance Company.
- viii) the Company may terminate the New Financial Services Framework Agreement if Haier Group and its associates fail to satisfy certain financial performance criteria from time to time. The

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Group shall be entitled to terminate the New Financial Services Framework Agreement by serving Haier Group and its associates not less than one month's written notice upon:

- (a) the occurrence of any of the following which exposes or potentially exposes the Group to substantial risks or losses: breaches or potential breaches of PRC laws and regulations by Haier Group and its associates; or by its non-performance or breach of any terms of the New Financial Services Framework Agreement; Haier Group and its associates experience or foresee to experience any major operational problems or difficulties with liquidity; or
  - (b) breaches or potential breaches of laws and regulations (including the listing rules of the stock exchange where the Company's shares are listed, including but not limited to the Shanghai Stock Exchange Listing Rules, Frankfurt Stock Exchange Listing Rules and Hong Kong Listing Rules, as the case may be) by the Company as a result of compliance with the New Financial Services Framework Agreement.
- ix) the Group will assess Haier Finance Company and the services it provides on a semi-annual basis and review the transactions with Haier Finance Company, summarise the experiences and supplement any inadequacies on an annual basis. Such assessment and review are submitted to the Board for reference at the relevant time. time. Based on the past experience in conducting business with the Haier Group and its associates, the Company and the Independent Board Committee are of the view that the Haier Group and its associates can effectively meet the Company's needs for financial services and provide customized financial services solutions to the Company in accordance with the Company's strategic plan, which is in the interest of the Company and its shareholders as a whole.

Pursuant to the New Financial Services Framework Agreement, the risks monitoring measures to be implemented by Haier Finance Company shall include but not limited to:

- i) Haier Finance Company shall as far as practicable and on a best effort basis provide such assistance as necessary to the Group so as to allow the Group to comply with its internal control procedures and the requirements under the Listing Rules, including but not limited to providing financial and other data and/or documents within a reasonable timeframe, giving written or verbal explanations to queries raised by the Group and issuing explanatory notes for certain facts or circumstances;

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- ii) Haier Finance Company shall make every effort and take all reasonable measures to ensure that the deposits held by the Group in Haier Finance Company are mainly used to provide services such as loans to the Group; the remaining unused deposits shall be mainly invested in low-risk financial products, such as deposits (including interbank certificates of deposit) with large state-owned commercial banks, listed national joint-stock commercial banks and other institutions, as well as investments in government bonds, policy-based financial bonds and bond repurchase transactions, etc.;
- iii) Haier Finance Company will ensure the safe and stable operation of the fund management information system, which has passed the security test in respect of online commercial banking interface and has reached the national security standard for commercial banks. Haier Group and its associates will protect the safety of the funds of the Group and control the assets and liabilities risks;
- iv) Haier Finance Company shall at all times monitor its credit risks. If (a) Haier Finance Company breaches or may breach the laws, regulations, or the terms of the New Financial Services Framework Agreement, or (b) on the occurrence of any other circumstances that may cause serious concern to the security of the Group's deposits with Haier Finance Company (such as default on any payments due, operational risks or regulatory violations), Haier Finance Company shall give written notice to the Group within three business days after having knowledge of the occurrence of such situations or circumstances, and to take measures to avoid or contain any loss that may be sustained by the Group. Upon such notice, the Group has the right to immediately withdraw its deposits together with accrued interests forthwith, if it is unable to do so, it may set off its deposits (including accrued interests) against the loans extended by Haier Finance Company, except otherwise as provided in the relevant PRC laws and regulations;
- v) Haier Finance Company will provide annual statutory audit reports issued by independent auditors to the Group to enable the management of the Group to have a comprehensive knowledge about the financial situation of Haier Finance Company;
- vi) Haier Finance Company will appoint an independent accounting firm to review the completeness and impartiality of its internal control, risk management and operation system under the New Financial Services Framework Agreement, give assessment on the completeness and effectiveness of internal control measures, and provide an evaluation report on the effectiveness of implementation of the internal control measures to the Group on an annual basis;

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## LETTER FROM THE BOARD

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- vii) After Haier Finance Company submits reports to the National Financial Regulatory Administration, it will provide to the Group within three business days a copy of all compliance reports submitted to the NFRA so that the Group would be informed of the compliance status of Haier Finance Company;
- viii) Haier Finance Company undertakes to strictly comply with the risk monitoring indicators for finance companies as stipulated by the NFRA in its operations. The major risk monitoring indicators include the capital adequacy ratio and current ratio. Based on the management accounts quarterly provided by Haier Finance Company, the Group will monitor the compliance with key risk monitoring indicators of Haier Finance Company on a quarterly basis;
- ix) Haier Finance Company will provide to the Group a copy of the external reports on its credit rating when they are available, and notify the Group immediately when there are changes in credit rating so that the Group will be informed of the credit rating status of Haier Finance Company;
- x) Following Haier Finance Company having prepared its quarterly financial statements the same will be made available to the Group in a timely manner.

There will be a proper and complete separation of duties, and no representative of Haier Group or any of its associates will be involved in the Group's internal control and risk management procedures.

The Directors are of the view that the above internal control and risk management procedures adopted by the Group are appropriate and sufficient, and that the procedures and measures give assurance to the Independent Shareholders that the provision of Deposit Services provided by Haier Finance Company will be appropriately monitored. In addition, the internal control measures and procedures would be carried out during the term of the New Financial Services Framework Agreement.

### ***5. Implications of the Hong Kong Listing Rules***

As at the Latest Practicable Date, as Haier Group holds, directly and indirectly, approximately 34% of the voting rights in the Company, therefore, Haier Group is the Controlling Shareholder of the Company and becomes a Connected Person of the Company. Consequently, the transactions contemplated under the New Financial Services Framework Agreement constitute Continuing Connected Transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

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## LETTER FROM THE BOARD

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Pursuant to the Hong Kong Listing Rules, in respect of the proposed annual caps of the New Financial Services Framework Agreement, as the applicable percentage ratio of the highest annual cap for the Deposit Services is higher than 5% but less than 25%, the provision of Deposit Services under the New Financial Services Framework Agreement constitutes a discloseable transaction of the Company and is subject to the requirements of reporting and announcement but is not subject to the Shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

Pursuant to the Hong Kong Listing Rules, as the highest applicable percentage ratio (except for the profits ratio which is not applicable) for the Deposit Services is higher than 5%, the provision of Deposit Services under the New Financial Services Framework Agreement constitutes a Connected Transaction of the Company and is subject to the requirements of reporting, announcement, Independent Financial Advisor's opinions, annual review and Independent Shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to the Hong Kong Listing Rules, the receipt of Loan Services under the New Financial Services Framework Agreement represents financial assistance provided by a Connected Person for the benefit of the Group, which is on normal commercial terms similar to or more favourable than those offered by independent commercial banks for comparable services in the PRC with no security over the assets of the Group be granted and is fully exempt under Rule 14A.90 of the Hong Kong Listing Rules from all requirements of reporting, announcement, Independent Financial Advisor's opinions, annual review and Independent Shareholders' approval.

Pursuant to the Hong Kong Listing Rules, as the highest applicable percentage ratio for the Other Financial Services is higher than 0.1% but less than 5%, they will be subject to the requirements of reporting, annual review and announcement but will be exempt from the requirements of Independent Financial Advisor's opinions and Independent Shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

Although under the Hong Kong Listing Rules, Loan Services and Other Financial Services under the New Financial Services Framework Agreement are exempt from compliance with Independent Financial Advisors' opinions and Independent Shareholders' approval requirements, according to the Rules Governing the Listing of Shares on the Shanghai Stock Exchange, the New Financial Services Framework Agreement as a whole shall be submitted to the general meeting for consideration. To provide Shareholders with more comprehensive information, the Company has appointed the Independent Financial Advisor to advise Independent Shareholders on Deposit Services, Loan Services and Other Financial Services under the New Financial Services Framework Agreement and their proposed annual caps.

**6. *Information of Parties to the Transactions***

*Information of the Company*

The Company is a joint stock company incorporated in the PRC with limited liability, whose A Shares are listed on the Shanghai Stock Exchange, whose D Shares are listed on the Frankfurt Stock Exchange and whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange. The Company is the leading provider of home appliances and smart home solutions in the world. The Company's main businesses include the R&D, production and sales of smart home appliances such as refrigerators/freezers, washing machines, air conditioners, water heaters, kitchen appliances, small home appliances, and smart home scenario solutions. It creates whole scenario smart life experience with its rich product, brand and solution package to meet the needs of users for a better life.

*Information of Haier Group*

Haier Group, a company incorporated under the laws of the PRC, was established in 1984 and is the Controlling Shareholder of the Company. Its scope of operation is: technology development, technology consultancy, technology transfer, technology services, including industrial internet, etc.; data processing; engaged in digital technology, intelligent technology, software technology; research and development, sales and after-sales services of robots and automation equipment products; logistics information services; the research and development and sales of intelligent household equipment and solution system software technology (方案系統軟件技); the production of household appliances, electronic products, communication equipment, electronic computers and accessories, general machinery, kitchen appliances and robots for industrial purpose; domestic commercial (excluding national restricted, licensed and controlled commodities) wholesale and retail; export and import business (refer to foreign enterprise confirmation certificate for details); economic technology consultancy; research, development and transfer of technological achievements; and lease of self-owned properties. Haier Group is an urban collective ownership enterprise. According to the Regulations on Urban Collective Ownership Enterprises of the People's Republic of China promulgated by the State Council, which was revised in February 2016, all property under the urban collective ownership belongs to the working people collectively and the worker representative organization is its governing body.

*Information of Haier Finance Company*

Haier Finance Company, a company incorporated under the laws of the PRC, was established in 2002 and is directly and indirectly held 58% and 42% of the shares by Haier Group and its subsidiaries and the Group respectively. The principal business is taking deposits from group members; handling loans for group members; handling bill discount for group

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## LETTER FROM THE BOARD

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members; handling fund settlement and receipt and payment for group members; providing entrusted loans to group members, bond underwriting, non-financing letter of guarantee, financial consulting, credit verification and consulting agency services; conducting interbank lending; handling bill acceptance for group members; handling product buyer credit and consumer credit for group member; engaging in fixed-income securities investment; engaging in hedging derivatives transactions; other businesses approved by the NFRA. Haier Group is the ultimate beneficial owner of Haier Finance Company, the principal business of which is investment holding.

### **7. *Opinions of the Board***

After taking into consideration the above pricing policy, basis of determining the proposed annual caps, reasons and benefits as well as internal control measures, the Directors (including the independent non-executive Directors) believed the terms of the transactions contemplated under the New Financial Services Framework Agreement and the proposed annual cap thereunder were determined on normal commercial terms in the ordinary and usual business course of the Company, and are fair, reasonable and in the interests of the Company and the shareholders of the Company as a whole. Meanwhile, the Directors (including the independent non-executive Directors) were of the opinion that sufficient mechanism, internal control measures and external regulatory measures have been put in place to ensure the Continuing Connected Transactions are in compliance with and in strict accordance with relevant regulatory guidance and the terms of the New Financial Services Framework Agreement.

As Directors of the Company, namely Mr. LI Huagang, Mr. GONG Wei, Mr. Kevin Nolan and Mr. LI Shaohua, have relevant interests in Haier Group, therefore, they are deemed to have material interests in the New Financial Services Framework Agreement and the transactions contemplated thereunder, consequently, they have abstained from voting on the resolution of the Board for approving the New Financial Services Framework Agreement and its proposed annual caps. Save as disclosed above, other Directors did not have any material interests in such transactions and they were not required to abstain from voting on the resolutions of the Board for considering and approving the New Financial Services Framework Agreement and its proposed annual caps.

The above resolution has been reviewed and approved by the Board on 26 March 2026, and is now proposed at the AGM for review and approval by an ordinary resolution.

### **8. *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 II to this circular.

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## LETTER FROM THE BOARD

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This resolution has been reviewed and approved by the Board meeting on 26 March 2026, and is now proposed at the AGM for review and approval by an ordinary resolution.

### 9. 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.

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## LETTER FROM THE BOARD

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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 benchmarked 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 conclusion of the 2026 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.

This resolution has been reviewed and approved by the Board meeting on 26 March 2026, and is now proposed at the AGM for review and approval by a special resolution.

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## LETTER FROM THE BOARD

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### 10. 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 benchmarked price (has the meaning as ascribed under Rule 13.36(5) of the Hong Kong Listing Rules) of the securities (rather than the 20% as limited under the Hong Kong Listing Rules).

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## LETTER FROM THE BOARD

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- (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 conclusion of the 2026 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.

Any reference in this resolution to “allot, issue and deal with” shall be deemed to include the sale or transfer of treasury shares, subject to compliance with the Hong Kong Listing Rules, the Articles of Association and applicable PRC laws and regulations.

This resolution has been reviewed and approved by the Board meeting on 26 March 2026, and is now proposed at the AGM for review and approval by a special resolution.

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## LETTER FROM THE BOARD

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### 11. 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 the Frankfurt Stock Exchange, the Market Abuse Regulation of the European Union (the "EU")<sup>1</sup>, 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 (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.

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1. Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (as amended)

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## LETTER FROM THE BOARD

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- (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 conclusion of the 2026 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.

This resolution has been reviewed and approved by the Board meeting on 26 March 2026, and is now proposed at the AGM for review and approval by a special resolution.

## **12. 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 5% 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 EU Market Abuse Regulation, the relevant EU regulations on the issuance, trading and buy-back of securities and the German laws and regulations on the trading of and acquisition 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 admitted to trading and listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard), subject to and in accordance with the Relevant Listing Requirements applicable to such D Shares or relevant requirements of the 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 5% 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 authorization may be used once in full or in several instalments, including by way of a combination of different buy-back methods; 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 2026 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.

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## LETTER FROM THE BOARD

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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 but not limited to repurchase of D Shares on a trading venue where the D Shares are admitted to trading or traded, repurchase in the form of a time-scheduled buy-back program or a buy-back program lead-managed by an investment firm or credit institution or carried out by any other third party for the account of the Company, repurchases making use of derivative financial instruments, or any combination of the above), and other parameters including but not limited to the purpose of the buy-back program, the maximum pecuniary amount allocated to the buy-back program, repurchase price, maximum number of repurchased D Shares, and the time and duration of the repurchase program; If the repurchase is effected on a trading venue, the consideration paid per share may not be more than 5% higher or lower than the price determined by the opening auction in Xetra trading on the trading day.
2. Notify creditors, report to the competent authorities and issue announcements and public disclosures (and keep them publicly available) in accordance with the requirements of the relevant laws and regulations such as the Relevant Listing Requirements and the Company Law of the People's Republic of China, normative documents and the Articles, if necessary;
3. Open overseas share and related accounts, engage investment firms, credit institutions (including to act as brokers) or advisers 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 Relevant Listing Requirements, regulatory authorities and the competent bodies of the trading venues where the D Shares are admitted to trading or traded, 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 D Shares in accordance with the requirements of relevant laws and regulations and the listing rules of the trading venues where the D Shares are admitted to trading or traded;
6. Carry out the cancellation procedures for repurchased D 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;

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## LETTER FROM THE BOARD

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

Appendix III 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 26 March 2026, 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 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 2026 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.

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## LETTER FROM THE BOARD

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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 IV 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 26 March 2026, and is now proposed at the AGM and the H Share Class Meeting for review and approval by a special resolution.

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## LETTER FROM THE BOARD

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### **14. Proposed Re-appointment of PRC Accounting Standards Auditor for 2026**

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 2026, 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 2026 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 2026. The audit service fee for 2026 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 26 March 2026, and is now proposed at the AGM for review and approval as an ordinary resolution.

### **15. Proposed Re-appointment of International Accounting Standards Auditor for 2026**

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 2026, 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 2026 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 2026. 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 26 March 2026, and is now proposed at the AGM for review and approval by an ordinary resolution.

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## LETTER FROM THE BOARD

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### **16. Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2026**

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 2026.

The resolution on the anticipated guarantees' amounts for the Company and its subsidiaries in 2026 is set out in Appendix V to this circular.

This resolution has been reviewed and approved by the Board meeting on 26 March 2026, and is now proposed at the AGM for review and approval by an ordinary resolution.

### **17. Establishment of Remuneration Management System**

An ordinary resolution is to be proposed at the AGM to consider and approve the resolution on the formulation of the Remuneration Management System of Haier Smart Home Co., Ltd.

In order to further standardize the remuneration management of the Directors, the Company's senior management and other key personnel who play a significant role in the Company's overall performance and the realization of its long-term strategy, to establish a scientific and effective incentive and accountability mechanism, to enhance the efficiency of the Company's operations and management, and to further promote the Company's stable and sustainable development, it is proposed to formulate the Remuneration Management System of Haier Smart Home Co., Ltd.

Details of the Remuneration Management System are set out in Appendix VI to this circular.

### **18. 2026 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 2026 A Share Core Employee Stock Ownership Plan (the "2026 A Share ESOP") (Draft) and its Summary.

References are made to the announcement dated 29 April 2025 and the circular dated 7 May 2025 of the Company, in relation to, amongst other things, the 2025 A Share Core Employee Stock Ownership Plan.

Considering the continuity of the Company's remuneration appraisal mechanism, the Company has introduced the 2026 A Share ESOP in accordance with its actual operation and future expectation. An amount of RMB870.40 million is intended to be withdrawn for the 2026 A Share ESOP as the incentive funds of the Plan, representing 4.5% of the Company's net profit attributable to the parent company in 2025. The source of shares for the 2026 A Share ESOP shall be the repurchased shares transferred from the Company's repurchase special account.

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## LETTER FROM THE BOARD

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The full text of the 2026 A Share ESOP is set out in Appendix VII to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 April 2026, and is now proposed at the AGM for review and approval by a special resolution.

### **19. Authorization to The Board and its Authorized Persons for Handling All Matters Relating to the A Share Core Employee Stock Ownership Plan**

To ensure the smooth implementation of the Company's 2026 A Share ESOP, the Board will propose at the general meeting to authorize the Board and its authorized persons to, within the scope of relevant laws and regulations and the authorization granted by the general meeting, handle matters relating to the 2026 A Share ESOP. The specific matters authorized include, but are not limited to:

1. to establish and implement the 2026 A Share ESOP, including but not limited to nominating candidates for the management committee;
2. to handle amendments to and the termination of the 2026 A Share ESOP, including but not limited to deciding on the extension of the plan's term, revoking the eligibility of plan participants in accordance with the terms of the 2026 A Share ESOP, and terminating the 2026 A Share ESOP early;
3. to handle all matters relating to the lock-up, release, repurchase, cancellation and allocation of shares held under the 2026 A Share ESOP;
4. to amend the management arrangements of the 2026 A Share ESOP, to appoint or change the asset management institution (if any) for the 2026 A Share ESOP, and to sign the relevant agreements;
5. to interpret the 2026 A Share ESOP;
6. to authorize the Board to make corresponding adjustments to the price/number of the underlying shares should the Company carry out, among others, capitalization of capital reserves, distribution of share or cash dividends, share sub-division or share consolidation prior to the completion of the non-trading transfer of shares under the 2026 A Share ESOP;
7. to make decisions regarding the participation of the 2026 A Share ESOP in the Company's rights issues and other refinancing matters during the term of the plan;
8. to amend the eligible participants and their eligibility criteria for the 2026 A Share ESOP;
9. to draft and sign contracts and agreements relating to the 2026 A Share ESOP;

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## LETTER FROM THE BOARD

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10. to authorize the Board to make corresponding adjustments to the 2026 A Share ESOP in accordance with the provisions of any new laws, regulations and policies should there be any amendments to the relevant laws, regulations or policies during the implementation period and upon the 2026 A Share ESOP being approved by the general meeting;
11. to handle other necessary matters required for the implementation of the 2026 A Share ESOP, except for those stipulated in the relevant laws, regulations, normative documents and the Articles of Association expressly that must be decided by the general meeting.

### **20. Restatement and Amendment of the H Share Restricted Share Unit Scheme**

An ordinary resolution is to be proposed at the AGM to consider and approve the resolution on the restatement and amendment of the H Share restricted share unit scheme.

References are made to the announcement dated 25 May 2021 and the circular dated 4 June 2021 of the Company in relation to, among other things, the H Share Restricted Share Unit Scheme (Draft) of the Haier Smart Home Co., Ltd. (the “**H Share Restricted Share Unit Scheme**”).

To better facilitate the Company’s development, in accordance with relevant laws and regulations, and taking into account the Company’s actual situations, the Company has restated and amended the H Share Restricted Share Unit Scheme. The term of the scheme has been extended from 5 years to 10 years with an addition of a clawback mechanism. For other amendments, please refer to the restated and amended H Share Restricted Share Unit Scheme (the “**H Share Restricted Share Unit Scheme**”) disclosed by the Company in designated media on 27 April 2026.

The scheme limit shall be the maximum number of H Shares that could be granted under this scheme. The Company shall not make further grant which will result in the aggregate number of H Shares granted to exceed five per cent (5%) of the total number of issued H Shares as at the relevant grant date (the “**Scheme Limit**”). It shall be confirmed that the Scheme Limit shall not be utilized in respect of the restricted Share units granted prior to the amendment.

The Company shall not make further grant which will result in the aggregate number of Shares granted and held under all established and existing share award schemes (including A Share ESOP and H Share ESOP etc.) to exceed five per cent (5%) of the total share capital of the Company as at the relevant grant date.

The scheme shares for A Share and H Share employee stock ownership plans and H Share restricted share unit scheme are funded by existing shares of the Company.

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## LETTER FROM THE BOARD

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The H-share restricted share unit scheme appraisal rules for overseas employees shall be based on company performance and assessed by region or country. The performance targets are the revenue, profit, and/or cash flow of the relevant country or region. If, based on cumulative performance over three years, the performance targets are met, U.S. employees' RSUs shall vest after three years. If performance exceeds the target, vesting may be accelerated up to a maximum of 150%. For non-U.S. employees, vesting shall occur over three years starting from the second year, in the proportions of 30%, 30%, and 40%. If cumulative performance over the three years meets the target, any portion not vested in the first and/or second tranches may be compensated through vesting in the third tranche. If cumulative performance over the three years exceeds the target, vesting in the third year may be accelerated up to a maximum of 150%.

In order to ensure the smooth implementation of the Company's H Share restricted share unit scheme, the Board proposes at the general meeting to authorize the Board or the authorized persons, for the period from 2026 to 2030, to handle matters relating to the H Share restricted share unit scheme in accordance with the restated and amended H Share Restricted Share Unit Scheme of the Haier Smart Home Co., Ltd. (Draft), including but not limited to the following:

1. To authorize the Board to consider, appoint and establish the Management Committee, change the members of the Management Committee, and authorize the Management Committee with all powers to handle matters relating to the H Share Restricted Share Unit Scheme.
2. To authorize the Board to determine the basis of eligibility of any Eligible Person for the grant of Awards from time to time on the basis of their contribution to the development and growth of the Company and its subsidiaries or such other factors deemed appropriate, and to determine the amount of funds to be used for the H Share Restricted Share Unit Scheme based on the Company's operating conditions and overall arrangements for each year.
3. To authorize the Board to grant Awards to those Eligible Persons as it shall select from time to time.
4. To authorize the Board to determine the terms and conditions of the Awards and determine whether the vesting conditions are met.
5. To authorize the Board to determine how the H Share Restricted Share Units will be vested in accordance with the restated and amended H Share Restricted Share Unit Scheme (Draft) of the Haier Smart Home Co., Ltd.
6. To authorize the Board to construe and interpret the restated and amended H Share Restricted Share Unit Scheme (Draft) of the Haier Smart Home Co., Ltd. and the terms of the Awards.
7. To authorize the Board to supervise the daily management of the H Share Restricted Share Unit Scheme.

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## LETTER FROM THE BOARD

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8. To authorize the Board, subject to the restated and amended H Share Restricted Share Unit Scheme (Draft) of the Haier Smart Home Co., Ltd., to make or vary such arrangements, guidelines, procedures and regulations for the administration, interpretation, implementation and operation of the H Share Restricted Share Unit Scheme; if the relevant variations require approval from the general meeting and/or the relevant regulatory authorities pursuant to the requirements of relevant laws, regulations or regulatory authorities, the Board or the relevant authorized committee shall obtain the relevant authorisation for the H Share Restricted Share Unit Scheme.
9. To authorize the Board to establish and supervise the performance targets in respect of the H Share Restricted Share Unit Scheme.
10. To authorize the Board to approve the form of the Award Letter, Vesting Notice, Confirmation Letter, Transfer Letter and the like.
11. To authorize the Board to engage bank(s), accountant(s), lawyer(s), consultant(s) and other professionals in connection with the H Share Restricted Share Unit Scheme.
12. To authorize the Board, for the purpose of the H Share Restricted Share Unit Scheme, to execute the relevant documents for the opening of securities accounts in connection with the handling and custody of Restricted Share Units in accordance with the Trust Deed.
13. To authorize the Board to implement, amend and terminate the H Share Restricted Share Unit Scheme.
14. To authorize the Board to sign, affix the common seal (or any one director and authorized person), execute, amend and terminate the documents relating to the H Share Restricted Share Unit Scheme (including the Trust Deed), and to take actions to give effect to the implementation and intent of the terms of the restated and amended H Share Restricted Share Unit Scheme (Draft) of Haier Smart Home Co., Ltd.
15. To authorize the Board to exercise any authority as may be granted by the Shareholders.
16. To authorize the Board to approve, confirm and ratify any actions taken by any director prior to the effective date of these resolutions in respect of the matters contemplated under these resolutions or the transactions contemplated thereunder.
17. To approve the contents of the announcements and circulars, and to approve the publication of announcements and the posting of announcements on the Company's website in accordance with the Hong Kong Listing Rules.

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## LETTER FROM THE BOARD

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The remuneration and assessment committee of the Board shall review the proposal for the grant of awards or transfer of awards to directors and senior management of the Company and formulate their opinions on whether the grant of awards or transfer of awards are beneficial to the continuing development of the Company, or are detrimental to the interests of the Company and the Shareholders.

Any eligible Directors under the H Share restricted share unit scheme shall abstain from voting matters in relation to the scheme and are not involved in the administration of the scheme and the matters with respect to their interest under the scheme.

The full text of H Share Restricted Share Unit Scheme (Restated and Amended) is set out in Appendix VIII to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 April 2026, and is now proposed at the AGM for review and approval by a special resolution.

### **21. Election of Independent Non-executive Directors**

An ordinary resolution is to be proposed at the AGM to consider and approve the Election of Independent Non-executive Director, the details are as follows:

Reference is made to the Company's announcement dated 27 April 2026 in relation to, among other things, proposed election of Independent Non-executive Director.

According to the relevant provisions of the Company Law and the Articles of Association as well as the opinions of the Nomination Committee under the Board, the Board hereby nominates Mr. Siu, Paul Yu Hay (“**Mr. Siu**”) as the independent non-executive director of the 12th session of the Board, whose term of office shall be the same as the 12th session of the Board. The Board also agreed to submit such list of Director candidates at the AGM for approval.

The biographical details of Mr Siu as at the Latest Practicable Date are as follows:

Mr. Siu, Paul Yu Hay, born in October 1960, is a citizen of Hong Kong, China. He holds a Bachelor of Science in Mathematics from the University of Waterloo in Canada, and is a Certified Public Accountant (HK) and a Chartered Professional Accountant (Ontario, Canada). Mr. Siu possesses extensive expertise and experience in accounting. From June 1996 to May 2023, he held various senior management positions at Deloitte China and Deloitte Asia Pacific. He previously served as the corporate development leader at Deloitte Asia Pacific, responsible for driving a large number of acquisition projects across the Asia-Pacific region. At Deloitte China, he served as chief operating officer and deputy chief executive officer, eastern region managing partner and eastern region audit leader, responsible for leading the operations of Deloitte China. He possesses a senior background in auditing and accounting, with over 25 years of experience in professional roles across auditing,

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## LETTER FROM THE BOARD

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accounting and financial management. In 2015, he was awarded the Shanghai Magnolia Award. Mr. Siu has served as an independent non-executive director of Shanghai Jiaoda Onlly Co., Ltd. (上海交大昂立股份有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 600530) since November 2023, and as an independent non-executive director of Tong Ren Tang Technologies Co. Ltd., whose shares are listed on the Stock Exchange (stock code: 1666) since February 2026. Mr. Siu has been nominated as a candidate for the position of independent non-executive director on the sixth board of directors of Hangzhou Tigermed Consulting Co., Ltd., whose shares are listed on the Shenzhen Stock Exchange (stock code: 300347) and the Hong Kong Stock Exchange (stock code: 3347).

If appointed, Mr. Siu will enter into a service contract with the Company. Mr. Siu will receive director's remuneration including fixed remuneration of RMB360,000 per year before tax, service compensation, and floating allowance. The service compensation shall be determined based on the director's position on special committees. The floating allowance shall be determined based on the director's on-site participation in the general meetings, board meetings, special committee meetings, research, and other related engagements.

As of the Latest Practicable Date, save as disclosed in this circular, in the past three years, Mr. Siu has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas, nor served other positions in any subsidiaries of the Company, and does not have any other major appointments or professional qualifications. Mr. Siu does not have other relationship with any directors, senior management or substantial shareholders or controlling shareholders of the Company and does not hold any interest in the shares of the Company or its associated companies within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). There is or was no information in relation to the appointment of Mr. Siu which is required to be disclosed pursuant to the requirements set out in 13.51(2)(h) to (v) of the Hong Kong Listing Rules nor are there any matters which need to be brought to the attention of the shareholders of the Company.

Mr. Siu has confirmed that (i) his independence as regards to each of the factors contained in Rule 3.13(1) to (8) of the Hong Kong Listing Rules; (ii) he has no past or present financial or other interest in the business of the Company or its subsidiaries nor any connection with any core connected persons (has the meaning as defined under the Hong Kong Listing Rules) of the Company; and (iii) there are no other factors that may affect his independence at the time of his nomination.

The nominations of Mr. Siu were made by the Company after considering the diversity of the Board members from various aspects, including, in particular, cultural and educational background, professional experience, skills and knowledge, by the value of the candidates and the contribution they can provide to the Board, taking full account of the benefits of diversity of the Board members on objective terms, and the relevant matters were implemented in accordance with the relevant provisions of laws, regulations and securities regulatory authorities.

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## LETTER FROM THE BOARD

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The Nomination Committee has assessed and reviewed the educational backgrounds, professional knowledge and experience of Mr. Siu, and concluded Mr. Siu is independent in accordance with the independence criteria set out in Rule 3.13 of the Hong Kong Listing Rules.

The Nomination Committee is of the view that Mr. Siu has extensive experience in the fields and professions that are relevant to the Company's business. In addition, Mr. Siu's educational background, experience and knowledge should allow him to provide relevant and constructive insights and contribute to the diversity of the Board. Accordingly, the Nomination Committee has recommended Mr. Siu to the Board for election.

This resolution has been reviewed and approved by the Board on 27 April 2026, and is now proposed at the AGM for review and approval by an ordinary resolution.

### **22. The Change of Use and Cancellation of Repurchased Shares**

Reference is made to the Company's announcement dated 27 April 2026. A special resolution is to be proposed at the AGM and the H Share Class Meeting to consider and approve the resolution on the change of use and cancellation of partial repurchased shares

The Company considered and approved the relevant resolution on the repurchase of the Company's A Shares at the Board meeting convened on 27 April 2023, 27 March 2025 and 26 March 2026, respectively, whereby the Company agreed to use its own funds and/or self-raised funds (including, among others, funds from designated share repurchase loan) to repurchase public shares of A shares through centralized bidding for the purpose of implementing of the Company's employee stock ownership plans or equity incentives. As at the Latest Practicable Date, the Company's designated A share repurchase account held a total of 123,983,986 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 the 74,541,486 shares in its designated A share repurchase account from "for equity incentives/employee stock ownership plans" or "for employee stock ownership plans" to "for cancellation to reduce registered capital", i.e., 74,541,486 shares in the designated A share repurchase account is proposed to be canceled and the registered capital of the Company is proposed to be reduced accordingly.

The change of use and cancellation of repurchased shares are in compliance with relevant regulations of the place where our securities are listed, and there is neither damage to the interests of the Company and all shareholders, nor any material adverse impact on the Company's operation, finance, research and development, debt fulfillment ability and future development, and it will not result in any change in the control of the Company or the Company's listing status, and the distribution of shareholding of the Company will still be in line with the conditions of a listed company.

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## LETTER FROM THE BOARD

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This resolution has been reviewed and approved by the Board meeting on 27 April 2026, and is now proposed at the AGM for review and approval by an ordinary resolution.

### **23. Proposed Amendments to the Articles of Association of the Company**

A special resolution is to be proposed at the AGM to consider and approve the resolution on amendments to the Articles of Association.

Reference is made to the Company's announcement dated 27 April 2026 in relation to the proposed amendments to the Articles of Association. In order to, among others, further improve corporate governance, promote compliant practice and sound operation of the Company, and reduce registered capital following the cancellation of repurchased shares, the Company proposes to amend the existing effective Articles of Association 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 Code of Corporate Governance for Listed Companies, the Guidelines on Articles of Association of Listed Companies, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations, and having regard to the particular circumstance of the Company.

The comparison table for the proposed amendments to the Articles of Association is set out in Appendix IX to this circular.

### **24. Specific 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 specific mandate to repurchase not more than 30% of the total number of D Shares of the Company in issue.

For details, please refer to a separate circular sent to the Shareholders on the date of this circular.

This resolution has been reviewed and approved by the Board meeting on 27 April 2026, and is now proposed at the AGM and the H Share Class Meeting for review and approval by a special 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 Wednesday, 24 June 2026 at Qian Yuan, 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 revised notice of H Share Class Meeting are set out on pages 189 to 196 of this circular.

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## LETTER FROM THE BOARD

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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](http://www.hkexnews.hk)) and the Company (<http://smart-home.haier.com>).

### **IV. VOTING BY POLL**

According to Rule 13.39(4) of the Hong Kong 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 Hong Kong 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 Hong Kong Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

As Haier Group and its associates, who are entitled to exercise control over the voting right in respect of their Shares, hold approximately 34% of the total issued shares of the Company, they shall abstain from voting on the resolution in relation to the New Financial Services Framework Agreement and the proposed annual caps at the AGM. The Directors, namely Mr. LI Huagang, Mr. GONG Wei, Mr. Kevin Nolan and Mr. LI Shaohua are interested in the Company and have relevant interests in Haier Group, consequently, they will abstain from voting on the above resolution for approval. As at the Latest Practicable Date, to the knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed in this circular, 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](http://www.hkexnews.hk)) and the Company (<http://smart-home.haier.com>) in accordance with the Hong Kong 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 Tuesday, 16 June 2026 to Wednesday, 24 June 2026, 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

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## LETTER FROM THE BOARD

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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 Monday, 15 June 2026 for registration.

### VI. RECOMMENDATION

The Board (including the Independent Non-executive Directors) considers that all resolutions to be proposed at the AGM 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 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 X to this circular.

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

Qingdao, the PRC  
3 June 2026

\* *For identification purpose only*



**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**

3 June 2026

*To the Independent Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION — RENEWAL OF  
THE FINANCIAL SERVICES FRAMEWORK AGREEMENT**

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders in respect of the New Financial Services Framework Agreement and the proposed annual caps for 2027, 2028 and 2029 thereunder, details of which are set out in the “**Letter from the Board**” in the circular dated 3 June 2026 (the “**Circular**”) to the Shareholders. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

Your attention is drawn to the advice of Somerley to the Independent Board Committee and the Independent Shareholders in respect of the same matter as set out in the “**Letter from Somerley Capital Limited**” in the Circular. Having taken into account the advise of Somerley, we are of the view that the transactions contemplated under the New Financial Services Framework Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and its Shareholders as a whole. We also consider that the transactions contemplated under the New Financial Services Framework Agreement (including the proposed annual caps) are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the New Financial Services Framework Agreement and the proposed annual caps at the AGM.

Yours faithfully,

**For and on behalf of the Independent Board Committee**

**WONG Hak Kun**  
*Independent  
Non-executive  
Director*

**LI Shipeng**  
*Independent  
Non-executive  
Director*

**WU Qi**  
*Independent  
Non-executive  
Director*

**WANG Hua**  
*Independent  
Non-executive  
Director*

\* *For identification purpose only*

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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*The following is the text of the letter of advice from Somerley Capital Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*



**SOMERLEY CAPITAL LIMITED**

20th Floor  
China Building  
29 Queen's Road Central  
Hong Kong

3 June 2026

*To: the Independent Board Committee and  
the Independent Shareholders*

Dear Sirs,

### **RENEWAL OF THE FINANCIAL SERVICES FRAMEWORK AGREEMENT AND ITS PROPOSED ANNUAL CAPS**

#### **INTRODUCTION**

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in connection with the provision of the financial services by Haier Group and its associates to the Group (the “**Provision of Financial Services**”) under the New Financial Services Framework Agreement (including the proposed annual caps) for the three years commencing from 1 January 2027 to 31 December 2029, for which Independent Shareholders’ approval is being sought. Details of the New Financial Services Framework Agreement and the proposed annual caps are contained in the circular of the Company to its Shareholders dated 3 June 2026 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As at the Latest Practicable Date, Haier Group holds, directly and indirectly, approximately 34% of the voting rights in the Company, and therefore is the Controlling Shareholder and a Connected Person of the Company. Accordingly, the Provision of Financial Services under the New Financial Services Framework Agreement constitutes Continuing Connected Transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

According to the Hong Kong Listing Rules, as the applicable percentage ratio for the provision of Deposit Services is higher than 5% but less than 25%, the provision of Deposit Services is subject to the reporting, announcement, independent financial advisor’s opinion, annual review and Independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules. The provision of Deposit Services also constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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According to the Hong Kong Listing Rules, the receipt of the Loan Services represents financial assistance provided by a Connected Person for the benefit of the Group, which is on normal commercial terms similar to or more favourable than those offered by independent commercial banks for comparable services in the PRC with no security over the assets of the Group being granted, and is fully exempt under Rule 14A.90 of the Hong Kong Listing Rules.

According to the Hong Kong Listing Rules, as the highest applicable percentage ratio for the provision of Other Financial Services is higher than 0.1% but less than 5%, the provision of Other Financial Services is subject to the reporting, announcement and annual review requirements but exempt from the independent financial advisor's opinion and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Although the Loan Services and Other Financial Services under the New Financial Services Framework Agreement are exempt from compliance with the independent financial advisor's opinion and Independent Shareholders' approval requirements under the Hong Kong Listing Rules, the New Financial Services Framework Agreement as a whole shall be submitted to the AGM for consideration, according to the listing rules of the Shanghai Stock Exchange. In view of Haier Group's interests in the New Financial Services Framework Agreement, Haier Group and its associates will, and are required to, abstain from voting on the ordinary resolution to approve the New Financial Services Framework Agreement (including the proposed annual caps) at the AGM.

The Independent Board Committee, comprising all four Independent Non-executive Directors, namely Mr. WONG Hak Kun, Mr. LI Shipeng, Mr. WU Qi and Mr. WANG Hua, has been established to advise the Independent Shareholders on the New Financial Services Framework Agreement and the proposed annual caps. We have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

During the past two years, Somerley has acted as the independent financial advisor to the then independent board committee and independent shareholders of the Company in relation to certain connected transactions and share buy-back offer, details of which are set out in the circulars of the Company dated 27 November 2024, 7 May 2025 and 3 June 2026. The above engagements were/are limited to providing independent advisory services to the then independent board committee and independent shareholders of the Company, for which Somerley received or will receive normal and fixed professional fees based on market rate. Notwithstanding the above engagements, as at the Latest Practicable Date, there were no relationships or interests between (a) Somerley and (b) the Group, Haier Group, Haier Finance Company and their respective subsidiaries and associates that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Hong Kong Listing Rules to act as the Independent Financial Advisor.

In formulating our opinion and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group, and have assumed that they are true, accurate and complete in all material aspects as at the date of the Circular or the Latest Practicable Date (as the case may be) and will

remain so up to the time of the AGM. We have also sought and received confirmation from the Directors that all material relevant information has been supplied to us and that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to doubt the truth, accuracy or completeness of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have, however, not conducted any independent investigation into the business and affairs of the Group, Haier Group, Haier Finance Company, and their respective subsidiaries or associates, nor have we carried out any independent verification of the information supplied.

## **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion and recommendation on the New Financial Services Framework Agreement (including the proposed annual caps), we have taken into account the principal factors and reasons set out below:

### **1. Information on the parties**

#### ***(i) The Group***

The Group is principally engaged in research and development, production and sales of smart home appliances such as refrigerators/freezers, washing machines, air conditioners, water heaters, kitchen appliances, small home appliances, and smart home scenario solutions. In addition to the self-developed brands, namely Haier, Casarte and Leader, the Group has a global portfolio of home appliance brands, including GE Appliances, Candy, Fisher & Paykel and AQUA, through a series of overseas acquisitions.

As set out in the Company's 2025 annual report, in 2025, the Group recorded total revenue of approximately RMB302.3 billion, representing a year-on-year increase of approximately 5.7%, and the total overseas revenue increased by approximately 8.3% to approximately RMB155.8 billion. The profit attributable to owners of the Company was approximately RMB19.6 billion in 2025, representing a year-on-year increase of approximately 4.4%. The Group recorded net cash generated from operating activities of approximately RMB26.0 billion in 2025, similar to the level in 2024. As at 31 December 2025, the Group recorded total assets of approximately RMB295.8 billion, including cash and cash equivalents and time deposits of approximately RMB72.6 billion in aggregate, and interest-bearing borrowings of approximately RMB36.4 billion.

In addition to the Company's H Shares (stock code: 6690) that have been listed on the Main Board of the Hong Kong Stock Exchange since 2020, its A Shares (stock code: 600690) have been listed on the Shanghai Stock Exchange since 1993, and its D Shares (stock code: 690D) have been listed on the Frankfurt Stock Exchange since 2018. The Company had a market capitalisation of

approximately HK\$210 billion, based on the respective closing prices of the H Shares, A Shares and D Shares sourced from Bloomberg as at the Latest Practicable Date.

***(ii) Haier Group and Haier Finance Company***

Haier Group is an urban collective ownership enterprise incorporated under the laws of the PRC in 1984, and is headquartered in Qingdao, Shandong Province, the PRC. The scope of operation of Haier Group includes, among others, (i) technology development, technology consultancy, technology transfer, and technology services; (ii) data processing; (iii) digital technology, intelligent technology, and software technology; (iv) research and development, sales and after-sales services of robots and automation equipment products; (v) logistics information services; (vi) research and development and sales of intelligent household equipment and solution system software technology; (vii) production of household appliances, electronic products, communication equipment, electronic computers and accessories, general machinery, kitchen appliances and robots for industrial purpose; (viii) domestic commercial wholesale and retail; (ix) export and import; (x) economic technology consultancy; (xi) research, development and transfer of technological achievements; and (xii) lease of self-owned properties.

Haier Finance Company is a limited liability company incorporated under the laws of the PRC in 2002, and is headquartered in Qingdao, Shandong Province, the PRC. Haier Finance Company is 58% owned by Haier Group and its subsidiaries and 42% owned by the Group.

Haier Finance Company is a non-banking financial institution approved by the PBOC, and subject to regulations by the PBOC and the NFRA. The principal business activities of Haier Finance Company include, among others, (i) deposits taking from group members; (ii) handling loans for group members; (iii) handling bills acceptance and discounting for group members; (iv) handling funds settlement, receipt and payment for group members; (v) providing entrusted loans to group members, bond underwriting and non-financing letter of guarantee, financial consulting, credit verification and consulting agency businesses; (vi) conducting interbank lending; (vii) handling product buyer credit and consumer credit for group members; (viii) engaging in fixed-income securities investment and hedging derivative transactions and (ix) other businesses as approved by the NFRA.

**2. Background to and reasons for the New Financial Services Framework Agreement**

***Background***

Haier Group and its associates (principally Haier Finance Company) have been providing various financial solutions, including deposit and loan services, to members of the Group for many years. As an enterprise group finance company of Haier Group, Haier Finance Company has a long-term business relationship with

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the Group, which enables it to be more familiar with the Group's business process and needs, and to provide financial services to the Group in a more efficient and flexible manner than independent commercial banks.

According to the letter from the Board, Haier Finance Company is among the first batch of companies to carry out domestic and foreign currencies businesses, as well as the pilot programme for centralised management of foreign exchange funds. Haier Finance Company is regulated by the PBOC and the NFRA, and has complied with the relevant rules and operational requirements as promulgated by these regulatory authorities, such as the "Measures for the Administration of Finance Companies of Enterprise Group".

The Group currently holds a 42% equity interest in Haier Finance Company, and has two out of five representatives at its board of directors, which in turn allows the Group to participate in Haier Finance Company's corporate governance and decision-making, while monitoring and controlling its operation risks. The Group has conducted risk monitoring and assessments of Haier Finance Company in the past years, and has not identified any material risks concerning the safety of the Group's deposits placed with Haier Finance Company.

The financial services provided by Haier Group and its associates to the Group are currently governed by a financial services framework agreement (the "**Existing Financial Services Framework Agreement**") and the existing annual caps, which were approved by the Company's independent shareholders at a shareholders' meeting held on 26 June 2023. The Existing Financial Services Framework Agreement and the existing annual caps will expire on 31 December 2026.

In view of the upcoming expiry and the Group's ongoing business development needs for financial services from Haier Group and its associates, on 26 March 2026, the Company (as service recipient), Haier Group (as service provider and guarantor) and Haier Finance Company (as service provider), entered into the New Financial Services Framework Agreement for a term of three years commencing from 1 January 2027 to 31 December 2029. Pursuant to the agreement, Haier Group and its associates agreed to provide financial services to the Group from time to time on a non-exclusive basis.

### ***Reasons and benefits***

The Directors stated in their letter that historically, Haier Group and its associates have fulfilled all terms of the financial services agreements with the Group, and that Haier Group and its associates are capable of effectively satisfying the Group's demands for financial services and can provide customised financial service solutions to the Group, according to the Group's strategic plan. The key reasons and benefits are summarised below. For further details, please

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refer to the section headed “7. Renewal of the Financial Services Framework Agreement and its Proposed Annual Caps — Reasons for and benefits of the transaction” in the letter from the Board:

*(a) Improved operational and capital efficiencies and cost savings*

Haier Finance Company can provide the Group with customised comprehensive fund pool management services across domestic and overseas capital markets, so as to realise the cross-regional and cross-border capital allocation and centralised management among members of the Group. Haier Group and its associates also agreed to waive fees for a number of services.

Haier Finance Company serves as an important partner of the Group’s customers along the industry chain, many of which maintained accounts with Haier Finance Company, allowing them to process transactions with the Group via the settlement platform of Haier Finance Company. Haier Finance Company also offers customised comprehensive supply chain financial services to the Group, such as purchaser credit services to its industry chain customers, in accordance with the relevant regulatory requirements. The above would result in improved operational efficiency and savings in financial costs.

The Group conducts substantial amounts of settlement of trade receivables and payables with Haier Group through its deposit accounts with Haier Finance Company during its ordinary and usual course of business. We note from the Company’s 2024 and 2025 annual reports that the aggregate amounts of purchase and sale of goods and services between (a) the Group and (b) Haier Group’s associates and subsidiaries and their respective associates were between approximately RMB11.4 billion and RMB13.4 billion between 2023 and 2025.

*(b) Favourable pricing mechanism*

The pricing principles (i.e. the rates or fees to be charged by) of Haier Group and its associates for the similar financial services and terms to the Group will be no less favourable than those charged by the major commercial banks or financial institutions with which the Group has established business relationships, pursuant to the New Financial Services Framework Agreement.

As the agreement is non-exclusive in nature, the Group has the flexibility to choose other financial service providers, and in respect of Deposit Services, the Group may freely determine the amounts and term of the relevant funds to be deposited with Haier Group and its associates, for the purposes of internal and external settlement needs and earning higher interest yields.

*(c) Customised financial services*

Compared to other commercial banks or financial institutions, Haier Group and its associates have an in-depth understanding of the Group's development strategy, development goals and business model. This enables Haier Group and its associates to accurately predict and quickly meet the Group's financial service needs (such as Haier Finance Company's fund pool management services). The Directors further stated in the letter from the Board that the Group is independent from its Shareholders (including Haier Group) in financial aspects, and that the abovementioned fund pool management services represent the Group's internal fund management only.

In addition, by leveraging its cross-bank aggregation function, Haier Finance Company can shorten the Group's capital transfer and turnover time across several bank channels, thereby improving the efficiency of capital operations and the convenience of fund management. Haier Finance Company has continuously upgraded its digitisation system and established a professional team to provide the Group with more considerate financial services with higher quality.

In addition to complying with the applicable Hong Kong Listing Rules relating to the connected transactions, the Company has adopted a number of guidelines and principles in monitoring the transactions contemplated under the New Financial Services Framework Agreement, as more particularly described in the section below headed "6. Overall internal control and risk management procedures", in order to safeguard the interests of the Company and its Shareholders as a whole. As an additional protection, Haier Group agreed to provide a joint and several liability guarantee to the Group in respect of the deposits placed by the Group with Haier Group and its associates (including Haier Finance Company) during the term of the New Financial Services Framework Agreement.

In our opinion, the above arrangements provide an increased level of protection to the Group, and lower the risk associated with the Group's deposits placed with Haier Group and its associates.

**3. Principal terms of the New Financial Services Framework Agreement**

On 26 March 2026, the Company (for and on behalf of the Group, as service recipient) entered into the New Financial Services Framework Agreement with Haier Group (for and on behalf of Haier Group and its associates, as service provider and guarantor) and Haier Finance Company (as service provider), pursuant to which Haier Group and its associates (principally Haier Finance Company) agreed to provide various financial services to the Group from time to time. The relevant parties shall enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the New Financial Services Framework Agreement.

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The New Financial Services Framework Agreement is non-exclusive in nature, meaning that the Group has the flexibility to choose other financial service providers.

Set out below are the principal terms of the financial services to be provided by Haier Group and its associates under the New Financial Services Framework Agreement. For further details, please refer to the section headed “7. Renewal of the Financial Services Framework Agreement and its Proposed Annual Caps” in the letter from the Board.

### *Deposit Services*

We are advised by the management of the Group that the Deposit Services offered by Haier Group and its associates are similar to those offered by independent commercial banks. The Group may freely determine the amounts and term of the relevant funds to be deposited with Haier Group and its associates, and may, by giving instructions, transfer and withdraw the deposits made, depending on the Group’s business development needs at the time. Based on our understanding from the management of the Group, the main purposes for placing deposits with Haier Group and its associates are to save financial costs, improve capital efficiencies, and for the daily cash settlements between members of the Group, members of Haier Group, and their customers and suppliers for the Group’s procurement and sales transactions during the ordinary and usual course of business.

According to the internal measures and policies as confirmed by the management of the Group, in respect of domestic RMB deposits, the interest rate offered by Haier Group and its associates shall be at a rate no less favourable than the highest interest rate for the same type of deposits as (a) quoted by Industrial and Commercial Bank of China, Agricultural Bank of China, China Construction Bank, Bank of China and all the listed national joint stock banks in the PRC (the “**Comparable Banks**”), and (b) obtained from three major commercial banks or financial institutions with which the Group has established business relationships, which are obtained on a quarterly basis.

According to the internal measures and policies as confirmed by the management of the Group, in respect of overseas RMB deposits and foreign currency deposits, the interest rates offered by Haier Group and its associates shall be implemented in accordance with market principles, and no less favourable than the highest interest rate for deposits of similar terms obtained from three major commercial banks or financial institutions with which the Group has established business relationships, which are obtained on a quarterly basis.

### *Loan Services*

Haier Group and its associates agreed, according to their own funding capabilities, to provide the Loan Services to the Group and give priority to satisfy the Group’s loan needs, where no security over assets of the Group will be given. According to the internal measures and policies as confirmed by the management

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of the Group, the interest rate offered by Haier Group and its associates shall be no less favourable than the interest rate for the same type of loans charged by three major commercial banks or financial institutions.

There may be circumstances where one of the members of the Group requires financing while another member of the Group has surplus funding. After the fund lending arrangement between such members of the Group is reached, Haier Group and its associates can act as financial service intermediaries to provide entrusted loan services and offer preferential treatment on a free-of-charge basis.

### *Other Financial Services*

Other Financial Services offered by Haier Group and its associates include, among others, spot foreign exchange sale and purchase services and hedging financial derivatives business, international settlement, trade financing, non-financing letter of guarantee services, cross-border foreign exchange and RMB funds business, the internal transfer and settlement services and other services as approved by the NFRA.

Members of the Group can use the online banking system of Haier Finance Company in relation to the internal transfer and settlement services for free. In addition, Haier Group and its associates agreed to waive all the service fees (including account management fees, online banking activation fees, inquiry fees, deposit certificate fees, credit certificate fees, and internal settlement fees) charged to the Group by them and will not charge any other intermediate fees except those charged by external banks.

According to the internal measures and policies as confirmed by the management of the Group, the fees for other financial services charged by Haier Group and its associates shall be determined based on the corresponding benchmark rates published by the PBOC from time to time, and if there are no such benchmark rates, the fees will be on terms no less favourable than and determined with reference to, among others, those offered to the Group by three major commercial banks or financial institutions with which the Group has established business relationships for the same type of financial services and conditions.

### *Term*

The New Financial Services Framework Agreement will become effective on 1 January 2027, subject to approval by the Independent Shareholders at the AGM, and will expire on 31 December 2029. The Group has an option, at its own discretion, to renew the New Financial Services Framework Agreement upon expiry for another term of three years, subject to the Company's compliance with the relevant requirements under Chapter 14A of the Hong Kong Listing Rules (if applicable). The above option is not available to Haier Group and its associates.

*Set-off right available to the Group*

In respect of the deposits placed by the Group with Haier Finance Company or Haier Group and its associates (as the case may be), in the event that they are unable to repay the Group's deposits (including accrued interests), the Group is entitled to use such deposits to set off against the outstanding loans (including accrued interests) extended by them to the Group. However, in the event that the Group fails to repay its loans extended by them on time, they will not be entitled to set off the outstanding loans owed by the Group to them against the deposits (including accrued interests) placed by the Group with them, except as otherwise provided by the laws and regulations of the PRC.

The management of the Group informed us that the above set-off right will initially apply to the Group's deposits with Haier Finance Company, a signing party to the New Financial Services Framework Agreement. If in future the Group uses Deposit Services from Haier Group and its associates other than Haier Finance Company, Haier Group will procure them to fulfill the set-off right obligations as described above, as if they are the parties to the New Financial Services Framework Agreement.

*Guarantees and undertakings by Haier Group*

As part of the New Financial Services Framework Agreement, Haier Group has unconditionally and irrevocably undertaken and guaranteed joint and several liability to the Company that, during the term of the New Financial Services Framework Agreement, Haier Group will:

- (i) provide the joint and several liability guarantee to the Group in respect of the deposits placed by the Group with Haier Group and its associates;
- (ii) jointly bear all the financial losses incurred by the Group, including the Group's deposits, interests and the relevant expenses incurred, due to (a) the failure in performing the obligations or breach of any obligations or terms under the New Financial Services Framework Agreement by Haier Group and its associates, or (b) the breach or potential breach of the PRC laws and regulations by Haier Group and its associates, or (c) Haier Group or its associates having or potentially having any major operational problems or difficulties with liquidity, within ten business days following the occurrence of such failure or problems; and
- (iii) use its best endeavours and take all reasonable steps to provide the joint and several liability guarantee to ensure fulfilment of obligations by Haier Finance Company under the New Financial Services Framework Agreement.

As set out in the letter from the Board, Haier Group has previously undertaken (the "**Undertaking**") to replenish the capital of Haier Finance Company when necessary; if there is no capital replenishment capacity, it will

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agree to the other shareholders or qualified investors taking reasonable measures to increase the capital of Haier Finance Company; and it will not withdraw its investment and will provide liquidity support when Haier Finance Company encounters liquidity problems.

### *Our comments*

Haier Group and its associates (principally Haier Finance Company) established a long-term business relationship with the Group and they are familiar with the Group's business process and needs, and are able to provide financial services to the Group in a more efficient and flexible manner as compared to independent commercial banks. Haier Finance Company has a professional team to provide the Group with comprehensive financial services. The Group's customers along the industry chain also maintain accounts with Haier Finance Company and process transactions with members of the Group via settlement platforms of Haier Finance Company. The above arrangements improve the operational and capital efficiencies and achieve savings in financial costs.

The New Financial Services Framework Agreement would allow the Group to continue using the relevant financial services from Haier Group and its associates, when and to the extent the management deems appropriate for the Group's financial management purposes. As confirmed with the management of the Group, except for the inclusion of additional financial services (such as account management services), the terms of the New Financial Services Framework Agreement are substantially the same as the Existing Financial Services Framework Agreement. The proposed annual caps for Deposit Services for the years 2027 to 2029 will remain the same as the existing caps for the years 2024 to 2026, despite the Group's expanding business scale and higher total deposit balances, while the proposed annual caps for Loan Services and Other Financial Services for the years 2027 to 2029 will be adjusted upwards to meet the Group's growing business and financial needs, except for the lower Other Financial Services fee cap. Further details and our analysis on the proposed annual caps are set out in the section below headed "5. The proposed annual caps".

Based on our discussions with the management of the Group, the Group maintains accounts with independent commercial banks in the PRC and other jurisdictions where the Group operates in. As the New Financial Services Framework Agreement is non-exclusive in nature, the Group has the flexibility to choose Haier Group and its associates or other independent commercial banks or financial service providers, and it also has the freedom to determine whether to use any Deposit Services, Loan Services or Other Financial Services from Haier Group and its associates. In our view, Haier Group and its associates can be seen as an additional choice of financial service provider, which in turn may encourage other financial service providers to offer more competitive terms to the Group.

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We note from the pricing policies under the New Financial Services Framework Agreement that: (a) in respect of the Deposit Services, the interest rate offered by Haier Group and its associates shall be no less favourable than the highest rate for the same terms of deposits as quoted by the Comparable Banks and/or the major commercial banks or financial institutions with which the Group has established business relationships (where applicable); (b) in respect of the Loan Services, the interest rate offered by Haier Group and its associates shall be no less favourable than the rate for the same type of loans charged by other commercial banks or financial institutions, and no security over the Group's assets will be required; and (c) in respect of the Other Financial Services, the fees charged by Haier Group and its associates shall be no less favourable than those charged by other commercial banks or financial institutions in the PRC. Haier Group and its associates agreed to waive the Group service fees for a number of selected financial services. The Group shall regularly make comparisons of terms between different financial services providers, so as to ensure that the terms offered by Haier Group and its associates adhere to the above principles, details of which are set out in the section below headed "6. Overall internal control and risk management procedures".

We have obtained and reviewed the deposit interest rate quotes obtained by the Group from the Comparable Banks and certain major commercial banks for all four quarters in 2025, and we note that the deposit interest rates offered by Haier Finance Company to the Group were higher than the highest rate for the corresponding terms of deposits offered by aforementioned banks.

Based on our discussions with the management of the Group, with its shareholding interests and board representatives in Haier Finance Company, the Group can exert significant influence on Haier Finance Company to monitor and control the overall risks of Haier Finance Company. This allows the Group to reduce risks associated with its deposits placed with Haier Finance Company. For further details, please refer to the section below headed "4. Information on Haier Group and Haier Finance Company".

In respect of the set-off right available to the Group under the New Financial Services Framework Agreement, we note from the Company's annual reports that the Group had only a relatively small amount of borrowings from Haier Group and its associates, with maximum daily outstanding loans balance of approximately RMB3,790 million, RMB196 million and RMB60 million during the years 2025, 2024, and 2023, respectively, but maintained a relatively large amount of deposits with Haier Group and its associates, with maximum daily outstanding deposits balance of close to RMB34,000 million during the same periods. While it is the case, we do not consider it to be a material factor in our analysis of the New Financial Services Framework Agreement, given that Haier Group has agreed to provide a joint and several liability guarantee to the Group in respect of the deposits placed by the Group with Haier Group and its associates during the term of the agreement, as further explained below.

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As advised by the Company's PRC legal advisor, Zhong Lun Law Firm ("Zhong Lun"), compared to an ordinary guarantee, a joint and several liability guarantee provides a higher level of protection to the lender under the relevant PRC laws and regulations, such that for the purpose of enforcing the guarantee, it is not required to go through the relevant judicial or arbitration procedures to confirm that the relevant borrower is not capable of repaying the amount. Zhong Lun has reviewed the terms of the New Financial Services Framework Agreement and issued a legal opinion letter dated 3 June 2026, stating that:

- (i) the terms of the New Financial Services Framework Agreement are in compliance with the relevant PRC laws and regulations,
- (ii) in the event that Haier Finance Company or associates of Haier Group fail to perform their obligations to repay the Group's deposits under the agreement, the Group has the right to require Haier Group directly to assume the responsibility under the joint and several liability guarantee regarding the contractual liabilities of Haier Finance Company or associates of Haier Group, without being required to go through the relevant judicial or arbitration procedures to confirm that the relevant borrower is not capable of repaying the amount, and
- (iii) the Undertaking is in compliance with the relevant PRC laws and regulations and is legally binding.

Moreover, we note from the latest articles of association of Haier Finance Company that substantial shareholders of Haier Finance Company (including Haier Group and its subsidiaries) should, among others, (i) support Haier Finance Company's board of directors' decision and measures to increase its capital adequacy ratio, if it is lower than the regulatory requirements, and (ii) repay all the borrowings extended to them by Haier Finance Company immediately, in the event that Haier Finance Company has financial and liquidity difficulties.

In our opinion, the joint and several liability guarantee provided by Haier Group, Haier Group and its subsidiaries' obligations to support Haier Finance Company financially as stated in its latest articles of association, and the Group's right to exert significant influence on Haier Finance Company's business decisions and affairs provide favourable conditions to the Group regarding the safeguarding of the Group's deposits under the Deposit Services. The above arrangements, together with internal control measures as more particularly described in the section below headed "6. Overall internal control and risk management procedures", provide an increased level of protection to the Group and lower the risk relating to the Group's deposits placed with Haier Group and its associates.

**4. Information on Haier Group and Haier Finance Company**

*Haier Group*

According to the audited financial statements of Haier Group for the year ended 31 December 2025, Haier Group recorded total revenue of approximately RMB339.6 billion and RMB364.1 billion, while the consolidated profits before tax amounted to approximately RMB25.5 billion and RMB27.8 billion, in 2024 and 2025 respectively. As at 31 December 2025, Haier Group had total assets of approximately RMB530.1 billion (including cash and bank deposit balance of approximately RMB66.2 billion) and total equity of approximately RMB180.9 billion. On the same date, Haier Group had registered capital of approximately RMB311.2 million and consolidated net assets attributable to its owners of approximately RMB41.6 billion.

The above suggests that Haier Group operates a substantial business operation, at a scale larger than that of the Group, and it has been recording stable revenue and profitability. As confirmed by the management of the Group, Haier Group has not defaulted on any of its repayment obligations arising from borrowings, payables and other liabilities in the past three years.

Based on the above, we are of the view that Haier Group has a stable and profitable business, allowing it to honour its obligations to assume the responsibility under the joint and several liability guarantee regarding the contractual liabilities of Haier Finance Company or associates of Haier Group (as the case may be) pursuant to the New Financial Services Framework Agreement.

We are advised by the management of the Group that all the financial services under the Existing Financial Services Framework Agreement (up to the Latest Practicable Date) are currently provided by Haier Finance Company, and the Group intends to primarily use the financial services from Haier Finance Company in the future. Accordingly, our analyses in the section below are centred on Haier Finance Company's business, management and financial capabilities.

*Haier Finance Company*

*(i) Scope of business*

According to its financial licence, Haier Finance Company is authorised to provide certain financial services to members of Haier Group, including the Group. As confirmed by the management of Haier Finance Company, Haier Finance Company is also allowed to provide financial services to entities with which Haier Group has established business relationships, such as the Group's business partners, including its customers along the industry chain.

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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*(ii) Shareholding structure*

As at the Latest Practicable Date, Haier Group and its subsidiaries hold 58% equity interest in Haier Finance Company, while the Group holds the remaining 42% equity interest. According to the articles of association of Haier Finance Company, the Group (as its shareholder) has the right to, among others, (a) participate in determining the plans of development, business operations and investments of the company in accordance with the relevant regulations and such articles of association; and (b) review and approve the annual financial budget and final accounts, as well as the profit distribution and loss recovery plans of the company. Certain reserved matters in relation to Haier Finance Company, including the changes of the registered capital, the issuance of bonds and the amendments to the articles of association, will require more than two-thirds of the voting approval by the shareholders of Haier Finance Company (i.e. the Group's approval is required).

*(iii) Board and senior management*

As at the Latest Practicable Date, the board of directors of Haier Finance Company comprises five members. As advised by the management of Haier Finance Company, all the board members and the senior management of Haier Finance Company have on average more than 15 years of experience in corporate management, finance, accounting fields, or the financial capital market in the PRC.

Two out of five directors of Haier Finance Company are nominated by the Group, namely Mr. GONG Wei (“**Mr. Gong**”), a non-executive Director, and Ms. WANG Yaoyao (“**Ms. Wang**”). Mr. Gong is currently a member of the risk management committee and a member of the audit committee of Haier Finance Company. The primary duties of the risk management committee and the audit committee are to ensure the objectivity and credibility of financial reporting and to review of Haier Finance Company's financial controls, internal control and risk management systems. Certain reserved matters in relation to Haier Finance Company, including the profit distribution and significant investments or assets disposals, will require more than two-thirds of the voting approval by the board of directors of Haier Finance Company, meaning that the Group's approval is required.

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*(iv) Financial information*

Set out below is a summary of the financial information of Haier Finance Company, as extracted and summarised from its audited financial statements for the three years ended 31 December 2023, 2024 and 2025, prepared in accordance with the Generally Accepted Accounting Principles in the PRC:

*Financial performance*

	<b>For the year ended 31 December</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>million</i>	<i>million</i>	<i>million</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Net interest income	1,150	1,224	1,536
Investment income	—	676	115
Reversal of provision for impairment loss/(provision for impairment loss)	697	(145)	253
Foreign exchange gains/(losses)	(21)	75	39
<b>Profit after taxation</b>	<b>1,306</b>	<b>1,294</b>	<b>1,418</b>

Net interest income, mainly derived from its provision of loan services, decreased from approximately RMB1.5 billion in 2023 to approximately RMB1.2 billion in 2025. As advised by the management of Haier Finance Company, the decreases in 2024 and 2025 were mainly due to the lower average interest rate applicable to loans extended by Haier Finance Company, as a result of the downward adjustment of the Loan Prime Rates during the recent years.

Investment income, mainly derived from income from long-term investments and disposal of debt investments, increased from approximately RMB115 million in 2023 to approximately RMB676 million in 2024. The significant increase in 2024 was mainly due to the gains from the disposals of treasury bonds and other policy-based financial bonds. As confirmed by Haier Finance Company, there were no such disposals, and hence no such investment income was recorded in 2025.

Provision for impairment loss of approximately RMB145 million was recorded in 2024, while reversal of provision for impairment loss of approximately RMB253 million and RMB697 million were recorded in 2023 and 2025, respectively. Based on our discussions with the management of Haier Finance Company, the provisions for impairment loss were generally recognised in accordance with its provision policy, with reference to the profile of the customers, their corresponding loan classification and credit grading based on an expected credit loss model. The reversals of provision for impairment loss in 2023

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were mainly due to the reduction in Haier Finance Company's outstanding loan portfolio, while the reversals in 2025 were mainly due to the changes in the parameters adopted in the expected credit loss model.

Profit after taxation remained largely stable over the past three years, ranging from approximately RMB1.3 billion to RMB1.4 billion.

*Financial position*

	<b>As at 31 December</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>million</i>	<i>million</i>	<i>million</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
<b>Assets</b>			
Financial investments	15,550	19,780	16,292
Financial assets held under resale agreements	12,708	9,852	11,937
Cash and bank balances	8,704	10,420	12,927
Loans receivable, net	40,277	34,910	33,606
Other assets	<u>595</u>	<u>1,158</u>	<u>925</u>
	<u><u>77,834</u></u>	<u><u>76,120</u></u>	<u><u>75,687</u></u>
<b>Liabilities</b>			
Deposits received from customers	47,352	42,877	44,723
Financial assets sold under repurchase agreements	9,006	5,873	5,994
Bank and other borrowings	1,000	7,002	5,504
Other liabilities	<u>160</u>	<u>798</u>	<u>630</u>
	<u><u>57,518</u></u>	<u><u>56,551</u></u>	<u><u>56,851</u></u>
<b>Equity</b>			
Share capital	10,000	7,000	7,000
Reserves	<u>10,316</u>	<u>12,570</u>	<u>11,836</u>
	<u><u>20,316</u></u>	<u><u>19,570</u></u>	<u><u>18,836</u></u>

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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As at 31 December 2025, total assets of Haier Finance Company mainly included (i) loans receivable, net, arising primarily from medium- and short-term loans and discounted bills, of approximately RMB40.3 billion, which mainly comprised of (a) gross loans receivable of approximately RMB41.6 billion, and (b) accumulated provision for impairment loss of approximately RMB1.5 billion; (ii) cash and bank balances of approximately RMB8.7 billion, mainly deposited with state-owned commercial banks in the PRC; (iii) financial investments of approximately RMB15.5 billion, mainly comprising bonds issued by the Ministry of Finance of the PRC and policy-banks; and (iv) financial assets held under resale agreements of approximately RMB12.7 billion, generally maturing within one month with the underlying assets representing financial bonds with highest credit rating of AAA.

We have discussed with the management of Haier Finance Company in relation to its loan business and treasury management and investment strategy, details of which are set out below:

### Loans business/receivable

Before the granting of loans and/or advances, Haier Finance Company would perform comprehensive assessments on the borrower's profile, including a review and analysis of (a) financial information of the borrowers and indicators such as debt to asset ratio, account receivable/inventory turnover ratio and interest coverage ratio, and (b) other qualitative indicators such as industry reputation and intended use of loan proceeds. In respect of loans and/or advances to entities other than members of Haier Group, the maximum thresholds of loan amount outstanding are 5% (for a particular entity) and 7.5% (for a particular group) of Haier Finance Company's loan portfolio. After the granting of loans and/or advances, Haier Finance Company would conduct ongoing monitoring, including regular reviews of updated financial information and actual use of loan proceeds, to ensure the risk of loan recoverability is contained.

### Treasury management and investment strategy

During the ordinary and usual course of its business, Haier Finance Company makes low-risk investments for liquidity management purposes. Its investment focus is on financial assets that have reasonable yields, while satisfying safety and liquidity needs. Such financial assets mainly include (i) bonds issued by the Ministry of Finance of the PRC and policy-banks, (ii) certificates of deposits issued by commercial banks in the PRC with highest credit rating of AAA, and (iii) bonds held under resale agreements, all of which have an active secondary market. Based on our discussion with Haier Finance Company, the above strategy in respect of types of investments is expected to continue in the coming three years.

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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As confirmed by the management of Haier Finance Company, Haier Finance Company has not encountered any default in the past three years by its loan customers or, in the case of debt investments and other financial assets, by the relevant counter-parties.

As at 31 December 2025, total liabilities of Haier Finance Company mainly included (i) deposits received from customers of approximately RMB47.4 billion; (ii) financial assets sold under repurchase agreements of approximately RMB9.0 billion, the underlying assets of which represented bonds and commercial papers; and (iii) bank and other borrowings of approximately RMB1.0 billion.

As at 31 December 2025, Haier Finance Company recorded contingent liabilities, mainly in relation to bill acceptance and letter of credit issued in favour of other financial institutions on behalf of its customers, of approximately RMB12.0 billion.

During 2025, Haier Group and the Company increased their capital in Haier Finance Company using undistributed profits in proportion to their respective shareholding interests by RMB1,740 million and RMB1,260 million respectively, which resulted in the paid-up share capital of Haier Finance Company increasing to RMB10 billion as at 31 December 2025, such that Haier Finance Company would be positioned to better satisfy the relevant regulatory ratio requirements and support Haier Finance Company's business development. On the same date, total equity of Haier Finance Company increased to approximately RMB20.3 billion, showing a stable growth over the past two years.

As confirmed by Haier Finance Company, it has not defaulted on any of its repayment obligations arising from borrowings, payables and other liabilities since incorporation.

*(v) Internal controls*

We have obtained the risk management and internal control operation manuals of Haier Finance Company and note that it has adopted certain corporate governance measures according to the regulations promulgated by the relevant authorities, including "Banking Supervision Law of the People's Republic of China" and "Measures for the Administration of Finance Companies of Enterprise Group", to manage the risks associated with its operations, including credit risk, market risk, liquidity risk and financial risk. Based on our discussions with the management of Haier Finance Company, the

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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“Banking Supervision Law of the People’s Republic of China” outlined, among others, the general regulations and supervisions over the banking industry in the PRC as well as the administrative regulations, while the “Measures for the Administration of Finance Companies of Enterprise Group” outlined, among others, the rules and operational requirements applicable to licensed finance companies of enterprise groups, including risk monitoring indicators as further discussed in the section below. We are advised by Haier Finance Company that there was no material breach of the relevant rules or regulatory requirements promulgated by the relevant authorities during the past three years and up to the Latest Practicable Date.

We have obtained the evaluation reports on the effectiveness of internal control implementation for the three years ended 31 December 2023, 2024 and 2025 issued by an independent accountant, which concluded that (i) Haier Finance Company established a relatively complete internal control system, allowing Haier Finance Company to better control its risks, (ii) there were no breaches of the relevant rules or regulatory requirements in all material aspects under the “Measures for the Administration of Finance Companies of Enterprise Group” by Haier Finance Company, and (iii) Haier Finance Company strictly conducted its operations in all material aspects in accordance with the regulation under “Measures for the Administration of Finance Companies of Enterprise Group”, and there were no major deficiencies in Haier Finance Company’s existing risk control system.

As mentioned above, Mr. Gong and Ms. Wang are the Group’s representatives to the board of directors of Haier Finance Company, and Mr. Gong is one of the members of its risk management committee and audit committee. We consider that having direct board representation in Haier Finance Company is important to the Group to carry out effective monitoring of Haier Finance Company’s business conduct and internal controls.

*(vi) Regulatory environment*

The banking industry in the PRC is highly regulated, and the current principal regulatory authorities include the NFRA, responsible for the unified supervision and regulation of the financial industry, other than the securities industry, and the PBOC, responsible for formulating and implementing monetary policies and preparing drafts of important laws and regulations in the banking industry and prudently regulating basic systems.

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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The relevant major applicable regulatory ratio requirements and the ratios of Haier Finance Company as at 31 December 2023, 2024, and 2025 are set out in the table below:

Risk monitoring indicators	Requirements for PRC licensed finance companies	As at 31 December		
		2025	2024	2023
Capital adequacy ratio ( <i>Note</i> )	Not lower than 10.5%	30.28%	30.54%	30.72%
Current ratio	Not lower than 25%	52.41%	52.94%	60.71%
Loans receivable to the sum of total deposits received and paid-up capital	Not higher than 80%	74.04%	74.85%	69.46%
Total external liabilities to net capital	Not higher than 100%	47.39%	65.60%	58.84%
Bills acceptance balance to total assets	Not higher than 15%	11.32%	11.11%	12.91%
Bills acceptance balance to interbank deposits balance	Not higher than 300%	133.03%	100.52%	89.95%
Bills acceptance and discount balance to net capital	Not higher than 100%	50.03%	43.10%	50.05%
Deposits for bills acceptance to total deposits received	Not higher than 10%	1.82%	2.05%	2.38%
Total investment to net capital	Not higher than 70%	62.47%	55.22%	45.84%
Fixed assets to net capital	Not higher than 20%	0.01%	0.00%	0.00%

*Note: Capital adequacy ratio is a measurement of the capital position of a financial institution in respect of its exposure to risks such as credit risk, market risk and operational risk, and is defined as the financial institution's capital base divided by its risk-weighted assets*

Based on our discussions with the management of Haier Finance Company, as at 31 December 2025, Haier Finance Company had complied with the applicable regulatory ratio requirements. In particular, the capital adequacy ratio of Haier Finance Company was approximately 30.28% as at 31 December 2025, higher than the 10.5% minimum requirement for PRC licensed finance companies.

As advised by Haier Finance Company, the NFRA monitors Haier Finance Company's operations and compliance with relevant laws and regulations, through on-site examinations and off-site surveillance, from time to time. The NFRA may impose corrective and punitive measures, including fines and ordering the suspension of certain business activities. According to the management of Haier Finance Company, the NFRA has not taken any material disciplinary actions, or imposed material penalties or fines on Haier Finance Company in the past three years. We have obtained the annual compliance report regarding the business operation of Haier Finance Company for the year ended 31 December 2025 (being the latest available annual compliance report as at the Latest Practicable Date as confirmed by the management of Haier Finance Company), submitted by Haier Finance Company to the NFRA, and did not note any material disciplinary actions, penalties or fines imposed.

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**LETTER FROM SOMERLEY CAPITAL LIMITED**

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**5. The proposed annual caps**

*(i) Review of historical figures*

Set out below are the historical transaction amounts under the previous and existing financial services framework agreements and the respective annual caps for the three years ended 31 December 2023, 2024, and 2025:

	<b>For the year ended 31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>Approx.</i>	<i>Approx.</i>	<i>Approx.</i>
	<i>(RMB</i>	<i>(RMB</i>	<i>(RMB</i>
	<i>million)</i>	<i>million)</i>	<i>million)</i>
<b>Deposit Services</b>			
Maximum daily outstanding balance of deposits placed by the Group	33,987	33,993	33,988
Annual caps	34,000	34,000	34,000
Utilisation rates	100.0%	100.0%	100.0%
Interest income	766	874	795
Annual caps	1,020	1,020	1,020
Utilisation rates	75.1%	85.7%	77.9%
<b>Loan Services</b>			
Maximum daily outstanding balance of loans granted to the Group	60	196	3,790
Annual caps	10,000	10,000	10,000
Utilisation rates	0.6%	2.0%	37.9%
Interest expense	0.5	2	57
Annual caps	400	400	400
Utilisation rates	0.1%	0.5%	14.3%
<b>Other Financial Services</b>			
Maximum daily trading balance of foreign exchange derivative products	3,054	400	2,508
Annual caps	5,500	5,500	5,500
Utilisation rates	55.5%	7.3%	45.6%
Service fees	24	8	9
Annual caps	80	80	80
Utilisation rates	30.0%	10.0%	11.3%

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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### *Deposit Services*

The maximum daily outstanding balance of deposits placed by the Group with Haier Group and its associates (principally Haier Finance Company) maintained at a level close to approximately RMB34.0 billion in each of 2023, 2024 and 2025. The existing annual caps had almost been fully utilised during the years under review, mainly attributable to the high frequency and volume of transactions processed via Haier Finance Company's settlement platform, supported by the Group's procurement and sales activities, as advised by the management of the Group.

The Group earned interest income of between approximately RMB766 million and RMB874 million from deposits with Haier Group and its associates during the years 2023 to 2025. As advised by the management of the Group, the higher interest income in 2024 was mainly attributable to a higher amount of time deposits placed with Haier Finance Company. The existing annual caps during the years under review were substantially utilised, ranging from approximately 75.1% to 85.7%.

### *Loan Services*

The maximum daily outstanding balance of loans granted by Haier Group and its associates (principally Haier Finance Company) to the Group increased during the years under review, from approximately RMB60 million in 2023 to approximately RMB3,790 million in 2025. The utilisation rates of the existing annual caps increased to approximately 37.9% in 2025. As advised by the management of the Group, the Group has been optimising and integrating its global supply chain layout in response to the elevated geopolitical uncertainties and potential tariff and trade policies, while improving overseas operation capacity and efficiency. Against this backdrop, the Group has continued to maintain adequate level of liquidity to support its operations, for example by seeking loans of up to approximately RMB3,790 million from Haier Finance Company in 2025 to meet its working capital and capital expenditure requirements.

As a result of the above, the interest expense paid by the Group on loans from Haier Group and its associates increased accordingly, from approximately RMB0.5 million in 2023 to approximately RMB57 million in 2025. This remains insignificant relative to the business scale of the Group, with the existing annual caps utilisation rate ranging from approximately 0.1% to 14.3%.

### *Other Financial Services*

The maximum daily trading balances of foreign exchange derivative products during the years under review ranged from approximately RMB400 million to RMB3,054 million. The utilisation rates of the existing annual caps ranged from approximately 7.3% to 55.5%. We understand from the

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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management of the Group that relevant existing annual caps were not fairly utilised, mainly attributing to the Group's adoption of the spot settlement strategy to avoid additional costs of forward and other foreign exchange derivatives amid fluctuations of interest rate policies of major economies.

The service fees paid by the Group to Haier Group and its associates, mainly for bill issuance and acceptance, letters of credit and non-financing guarantee services offered by Haier Group and its associates, amounted to approximately RMB8 million to RMB24 million for the years 2023 to 2025. In our view, the service fees paid are considered immaterial as compared to the scale of the Group.

***(ii) Assessment of the proposed annual caps***

Set out below are the proposed annual caps governing the transactions contemplated under the New Financial Services Framework Agreement for the three years ending 31 December 2027, 2028 and 2029. The proposed annual caps for Deposit Services for the years 2027 to 2029 will remain the same as the existing caps for the years 2024 to 2026, despite the Group's expanding business scale and higher total deposit balances, while the proposed annual caps for Loan Services and Other Financial Services for the years 2027 to 2029 will be adjusted upwards to meet the Group's growing business and financial needs, except for the lower Other Financial Services fee cap. A detailed analysis of the proposed annual caps is as follows:

	<b>For the year ending 31 December</b>		
	<b>2027</b>	<b>2028</b>	<b>2029</b>
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
<b>Deposit Services</b>			
Maximum daily outstanding balance of deposits placed by the Group	34,000	34,000	34,000
Interest income	1,020	1,020	1,020
<b>Loan Services</b>			
Maximum daily outstanding balance of loans granted to the Group	18,000	18,000	18,000
Interest expense	720	720	720
<b>Other Financial Services</b>			
Maximum daily trading balance of foreign exchange derivative products	6,500	6,500	6,500
Service fees	50	50	50

*Deposit Services*

In assessing the reasonableness of the proposed annual caps for the Deposit Services (the “**Deposit Services Caps**”), we have discussed with the management of the Group the bases and assumptions underlying the projections. As set out in the letter from the Board, the Deposit Services Caps were determined after taking into account, among other things, (i) the Group’s historical transaction amounts of deposits and the underlying interest income received by the Group from Haier Group and its associates, as discussed above, (ii) the benefits from competitive deposit rates and efficient capital operation support from Haier Finance Company, (iii) the estimated cash inflows of the Group available for deposit with Haier Group and its associates, and (iv) the revenue growth of the Group in both domestic and overseas markets in 2025.

We note from the Company’s annual reports that the Group’s total revenue increased from approximately RMB261.4 billion in 2023 to approximately RMB286.0 billion in 2024, and further to approximately RMB302.3 billion in 2025, representing a compound annual growth rate of approximately 7.5% between 2023 and 2025. During these periods, the Group recorded stable net cash inflows from its operating activities in a range of approximately RMB26.0 billion to RMB26.5 billion. As at 31 December 2025, the Group had cash and cash equivalents and time deposits of approximately RMB72.6 billion in aggregate, representing an increase of approximately 10.3% as compared to approximately RMB65.8 billion at the end of 2023. The above demonstrated the continued business scale and transaction volume growth of the Group, as well as increased funds available for deposit with Haier Group and its associates, in recent years.

According to the management of the Group, the Group has scientifically and dynamically managed the proportion of deposits with Haier Finance Company in recent years. We further note that the proportion of deposits with Haier Finance Company, which is capped at RMB34.0 billion under the existing annual cap, as compared to the Group’s cash and cash equivalents and time deposits in aggregate, reduced from approximately 51.7% as at the end of December 2023 to approximately 46.8% at the end of December 2025.

Furthermore, as the Group rapidly expands in overseas markets, the synergies between its domestic and foreign businesses are strengthening. Given its scale of overseas credit and actual business needs, the Group plans to set aside certain offshore deposits to ensure the liquidity for its overseas operations and maintain financial stability in response to international emergencies, such as geopolitical conflicts. Based on our discussions with the management of the Group, subject to the Group’s compliance with the foreign exchange regulatory requirements, Haier Finance Company’s cross-border fund pool management services enable the Group to remit domestic funds to overseas quickly to meet the funding needs of its overseas business operations and improve its capital efficiencies.

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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The Group's business growth momentum is expected to continue in the next three years, which in turn drives the Group's demand for deposits and fund settlements at a stable level. In this connection, we are advised by the management of the Group that the Group's businesses are expected to continue to grow and the net cash inflows from operating activities are expected to sustain over the next three years.

Despite the anticipated increase in business scale and cash levels, the Group proposes to maintain the Deposit Services Caps at RMB34.0 billion, the same level for the years 2024 to 2026, in the coming three years. This implies an expected gradual reduction in the proportion of deposits with Haier Finance Company, which we consider beneficial to the Group's capital risk diversification and management, and in the interests of the Company and its Shareholders as a whole, from the perspective of risk diversification.

When determining the proposed annual caps for interest income, management of the Group assumed an interest rate of 3% based on the maximum daily outstanding balance of deposits placed by the Group. As advised by the management of the Group, such interest rate was determined with reference to the interest rate for deposits offered by Haier Finance Company under the Existing Financial Services Framework Agreement, factoring in an allowance for the potential increases in deposit interest rates in the next three years. As advised by the management of the Group, for the year 2025, the interest rate of deposits placed by the Group with Haier Finance Company ranged from approximately 0.0001% to 4.1%, depending on the type and term of deposits. On the basis of the above, we consider it reasonable for the management to determine the annual cap on the associated interest income, based on the maximum daily outstanding deposit balance and the assumed interest rate as set out above.

### *Loan Services*

In assessing the reasonableness of the proposed annual caps for the Loan Services (the "**Loan Services Caps**"), we have discussed with the management of the Group the bases and assumptions underlying the projections. As set out in the letter from the Board, the Loan Services Caps were determined after taking into account, among other things, (i) the Group's historical transaction amounts of loans and the underlying interest expense paid by the Group to Haier Group and its associates, as discussed above, and (ii) the expected steady growth in loan demands of the Group.

As explained earlier, the Group has achieved sustained business growth in recent years, and such growth momentum is expected to continue in the next three years. As stated in the letter from the Board, the domestic and overseas financing needs of the Group are expected to reach approximately RMB6 billion and RMB12 billion respectively for each of the next three years. These figures mainly reflect the Group's business development plans and growth profile, in particular the needs for short-term funds to meet the capital expenditure requirements, such

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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as construction to expand production lines and investment and merger and acquisition plans, as well as the potential refinancing of borrowings or additional financing for merger and acquisition purposes, and the development pace of the Group's domestic and overseas projects, as well as related capital expenditure and working capital requirements.

Accordingly, the Company intends to set the Loan Services Caps at RMB18 billion for the years 2027 to 2029, increasing from the existing caps of RMB10 billion. It should be noted that the Company will compare the interest rate offered by Haier Group and its associates for the same types of loans against those provided by other financial service providers, and consider obtaining a loan from Haier Group and its associates if their loans package is competitive. In our opinion, the Loan Services could be seen as an additional financing facility potentially available to the Group to fund its business expansion plans, as discussed above, in the event that the Group cannot obtain adequate new financing on acceptable terms through other external debt and/or equity financing.

When determining the proposed annual caps for interest expense, the management of the Group assumed an interest rate of 4% based on the maximum daily outstanding balance of loans granted to the Group. As advised by the management of the Group, such interest rate was determined with reference to the interest rate charged by Haier Finance Company for the loans extended to the Group under the Existing Financial Services Framework Agreement, taking into account the onshore and offshore financing interest rates and the potential fluctuation in borrowing interest rates in the next three years. We note from the Company's 2025 annual report that the interest rate of loans extended to the Group by Haier Finance Company ranged from approximately 1.8% to 4.9% per annum, while the effective interest rate for the Group's unsecured bank loans ranged from approximately 0.65% to 7.0%. On the basis of the above, we consider it reasonable for the management to determine the annual cap on the associated interest expense, based on the maximum daily outstanding loan balance and the assumed interest rate as set out above.

### *Other Financial Services*

In assessing the reasonableness of the proposed annual caps for the other financial services (the "**Other Financial Services Caps**"), we have discussed with the management of the Group the bases and assumptions underlying the projections. As set out in the letter from the Board, the Other Financial Services Caps were determined after taking into account, among other things, (i) the historical transaction amounts of other financial services and the underlying service fees paid by the Group to Haier Group and its associates, as discussed above, and (ii) the anticipated increase in the Group's demands for global financial services.

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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As explained earlier, the Group's overseas revenue amounted to approximately RMB155.8 billion in 2025, accounting for around 50% of its total revenue. The Group expects to continue strengthening its global business in the coming years. The ongoing geopolitical instability and the volatile global political environment have increased the economic uncertainty in recent years, potentially leading to fluctuations in the foreign exchange market. This, coupled with its expanding overseas operations, lifted the Group's demand for global financial services, especially for foreign exchange derivatives to satisfy its increased foreign exchange hedging needs. According to the letter from the Board and based on our discussions with the management of the Group, over the past three years, the Group's aggregate foreign exchange business handled through Haier Finance Company averaged approximately RMB13.0 billion per year, with the maximum daily trading balance of foreign exchange derivative products reaching approximately RMB3.0 billion. Having considered the above, we concur with the management of the Group that a higher level of trading activities for foreign exchange derivative products is justified, and it is reasonable to set the Other Financial Services Caps at RMB6.5 billion.

When determining the proposed annual caps for service fees, mainly service fees for promissory notes and non-financing letters of guarantee services, the management of the Group has taken into account the historical service fees paid to Haier Group and its associates, and the anticipated increase in the Group's demands for global financial services, as explained earlier. The Group also plans to strengthen the integration with Haier Finance Company through cooperation in financial service areas. In our view, an appropriate and stable service fee cap accommodates the potential increase in the Group's needs for Other Financial Services, as driven by its continuous global business growth as discussed above. Given that the proposed annual cap of RMB50.0 million represents considerably less than 0.5% of the Group's consolidated profit before tax in 2025, we do not consider it to be substantial when compared to the business scale of the Group.

### **6. Overall internal control and risk management procedures**

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has adopted a number of guidelines and principles in monitoring the transactions under the New Financial Services Framework Agreement. We have obtained and reviewed the Company's internal controls operation manuals relating to the transactions under the Existing Financial Services Framework Agreement, and the management of the Group have confirmed to us that the relevant guidelines and principles have been, and will continue to be, adopted during the term of the New Financial Services Framework Agreement. As confirmed by the management of the Group, there is a proper and clear delineation of responsibilities between the parties, and that other than Mr. Gong and Ms. Wang, there are no common staff, senior management or director between the Group and Haier Finance Company, and that no

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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representatives of Haier Group and any of its associates will be involved in the internal control and risk management procedures of the Group. Below are the key controls and procedures summarised from the letter from the Board:

- the Company will report the transactions under the New Financial Services Framework Agreement with Haier Group and its associates to the Independent Non-executive Directors during each of the Audit Committee meetings at least twice a year; and
- the Company will review the transactions with Haier Group and its associates to identify any transactions that may be at risk of exceeding the caps, and any measures to be taken in respect of such transactions. The Group has established a series of measures and policies to ensure that the underlying transactions will be conducted in accordance with the terms of the New Financial Services Framework Agreement. Examples of the aforementioned measures and policies include:
  - (i) Haier Group and its associates shall as far as practicable and on a best effort basis provide such assistance as necessary to the Group so as to allow the Group to comply with its internal control procedures and the requirements under the listing rules, including providing financial and other data and/or documents within seven business days, giving written or verbal explanations to queries raised by the Group and issuing explanatory notes for certain facts or circumstances;
  - (ii) the Finance Department and Securities Department of the Company are responsible for comparing the quotations/rates/interest rates of financial services provided by Haier Group and its associates with those obtained from third parties, from the perspectives of financial and listing compliance respectively, in accordance with the relevant governing regime of the Company, and judging and approving related transactions, specifically:
    - (1) the Finance Department and Securities Department of the Company will, on a quarterly basis, obtain deposit interest rates announced by the Comparable Banks and/or offered by three major commercial banks or financial institutions with which the Group has established business relationships (in respect of domestic RMB deposits); and/or the interest rates offered by three major commercial banks or financial institutions with which the Group has established business relationships (in respect of overseas RMB deposits and foreign currency deposits), and compare those with the interest rate offered by Haier Group and its associates.

If the interest rate offered by Haier Group and its associates is not the highest among others, the Group will negotiate with Haier Group and its associates to adjust the proposed interest rate in compliance with the abovementioned pricing principles. If the

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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interest rate is consistent with the abovementioned pricing principles, the Securities Department of the Company will carry out the review process and final approval of the transaction following the approval of the Finance Department of the Company and its supervisor;

- (2) Generally speaking, a member of the Group will not utilise the Loan Services if it has sufficient working capital/deposits to satisfy its business and operational needs. In cases where a member of the Group does not have adequate working capital/deposits, the Group will, as a priority, consider leveraging the fund pool management services to facilitate internal fund allocation among Group members. The Group will only utilise the Loan Services provided by Haier Group and its associates when such arrangement is deemed necessary and in the best interests of the Group as a whole, and in compliance with the relevant laws, rules and regulations applicable to the respective members of the Group, as well as to the extent commercially practicable; and
- (3) before obtaining a loan from, or using other financial services provided by, Haier Group and its associates, the Company will compare the interest rate offered or fee charged by Haier Group and its associates with those offered or charged by three major commercial banks or financial institutions with which the Group has established business relationships and the deposit interest rates concurrently offered by Haier Group and its associates to the Company. If the interest rate and fee are not the prime interest rate/fee offered by the three major commercial banks or financial institutions with which the Group has established business relationships for similar loans/services, or are higher than the deposit interest rates concurrently offered by Haier Group and its associates to the Company, the Group will negotiate with Haier Group and its associates to adjust the recommended interest rate or fee in compliance with the abovementioned pricing principles.

The Finance Department of the Company and its supervisor will review the necessity of the Loan Services/Other Financial Services, and approval for such Loan Services/Other Financial Services shall be granted only if the interest rate/fee is consistent with the abovementioned pricing principles, after which the Securities Department of the Company shall carry out the review process and final approval of the transaction;

- (iii) the Finance Department of the Company will monitor the daily deposit level to ensure that the Group's daily outstanding balance of deposits placed does not exceed the caps. Haier Group and its associates shall provide necessary cooperation;

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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- (iv) One of the representatives appointed by the Group at Haier Finance Company's board of directors is also a member of the risk management committee and the audit committee of Haier Finance Company. The Group can therefore access the financial and operational information of Haier Finance Company, and also review and control its operational risks, thereby enhancing the safety of the deposits placed;
- (v) the Internal Audit Department of the Company is responsible for supervising and ensuring the effective implementation of internal control procedures and conducts a compliance inspection quarterly, and reports to the Audit Committee of the Company. The Internal Audit Department will conduct internal sampling inspections to ensure internal control measures of transactions remain appropriate and effective; and
- (vi) the Group will assess Haier Finance Company and its services on a semi-annual basis and review the transactions with Haier Finance Company, summarise the experiences and supplement any inadequacies on an annual basis. Such assessment and review are submitted to the Board for reference at the relevant time.

Pursuant to the New Financial Services Framework Agreement and set out in the Letter from the Board, Haier Finance Company undertakes to monitor its credit risks at all times and take measures to avoid or contain any loss, and Haier Finance Company undertakes to take the following measures to control the capital risks:

- (i) Haier Finance Company (and any other associates of Haier Group that may in the future obtain the relevant qualifications and thereby be able to provide such services) shall make every effort and take all reasonable measures to ensure that the deposits held by the Group with Haier Finance Company or other associates of Haier Group are mainly used to provide services, such as loans, to the Group; the remaining unused deposits shall be mainly invested in low-risk financial products, such as deposits with large state-owned commercial banks, listed national joint-stock commercial banks and other institutions;
- (ii) Haier Finance Company shall give a written notice to the Group within three business days after having acknowledged the occurrence of the following situations or circumstances: (a) Haier Finance Company breaches or may breach the law, regulations, or the terms of the New Financial Services Framework Agreement, and (b) any other circumstances that may cause serious concerns on the security of the deposits placed by the Group with Haier Finance Company, such as default on any payments due, operational risks and regulatory violations. The Group has the right to immediately withdraw its deposits (including any accrued interests);

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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- (iii) Haier Finance Company will provide its (a) quarterly financial statements, and (b) annual statutory audit reports issued by independent auditors, to the Group to enable the management of the Group to have comprehensive knowledge about the financial situation of Haier Finance Company;
- (iv) Haier Finance Company will appoint an independent accounting firm to review the completeness and impartiality of its internal controls, risk management and operation system under the New Financial Services Framework Agreement, give assessment(s) on the completeness and effectiveness of internal control measures, and provide evaluation report(s) on the effectiveness of implementation of the internal control measures to the Group on an annual basis;
- (v) After its submission to the NFRA, Haier Finance Company will provide to the Group within three business days a copy of all compliance reports submitted to the NFRA, so that the Group would be informed of the compliance status of Haier Finance Company;
- (vi) Haier Finance Company undertakes to strictly comply with the risk monitoring indicators for finance companies as stipulated by the NFRA in its operations. The major risk monitoring indicators include the capital adequacy ratio and current ratio. Based on the management accounts quarterly provided by Haier Finance Company, the Group will monitor the compliance with key risk monitoring indicators of Haier Finance Company on a quarterly basis; and
- (vii) (if and when available) Haier Finance Company will provide the Group with a copy of the external reports on its credit rating, and notify the Group immediately when there are changes in its credit rating, so that the Group will be informed of the latest credit rating status of Haier Finance Company.

The Directors consider that the above internal control and risk management procedures adopted by the Group are appropriate and sufficient, and that the procedures and measures give assurance to the Independent Shareholders that the Provision of Financial Services will be appropriately monitored. As set out in the letter from the Board, based on the past experience in conducting business with Haier Group and its associates, the Company and the Independent Board Committee are of the view that Haier Group and its associates can effectively meet the Company's needs for financial services and provide customized financial services solutions to the Company in accordance with the Company's strategic plan, which is in the interests of the Company and its Shareholders as a whole.

We understand that the Group has been taking measures in the past, such as transferring the deposits placed by the Group with Haier Finance Company to other banks, to ensure that the Group's daily outstanding balance of deposits placed would not exceed the existing caps. In our view, the daily review of the transactions with Haier Group and its associates, together with the other control procedures as described above, including those relating to the active monitoring of the financial position and regulatory compliance of Haier Finance Company, are important to assist the Company in preventing the potential breach of the Listing Rules (such as exceeding the proposed annual caps) and to safeguard the Group's deposits placed with Haier Group and its associates.

**7. Reporting requirements and conditions of the Provision of Financial Services**

Pursuant to Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules, the Provision of Financial Services is subject to the following annual review requirements:

- (a) the Independent Non-executive Directors must review the Provision of Financial Services every year and confirm in the annual report whether the Provision of Financial Services has been entered into:
  - (i) in the ordinary and usual course of business of the Company;
  - (ii) on normal commercial terms or better; and
  - (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) the Company must engage its auditors to report on the Provision of Financial Services every year. The Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the Provision of Financial Services:
  - (i) has not been approved by the Board;
  - (ii) was not, in all material respects, in accordance with the pricing policies of the Company;
  - (iii) was not entered into, in all material respects, in accordance with the relevant agreements governing the Provision of Financial Services; and
  - (iv) has exceeded the proposed annual caps;
- (c) the Company must allow, and ensure that the counterparties to the Provision of Financial Services allow, the Company's auditors sufficient access to their records for the purpose of reporting on the Provision of Financial Services as set out in paragraph (b); and

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## LETTER FROM SOMERLEY CAPITAL LIMITED

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- (d) the Company must promptly notify the Hong Kong Stock Exchange and publish an announcement if the Independent Non-executive Directors and/or auditors of the Company cannot confirm the matters as required.

In light of the reporting requirements attached to the Provision of Financial Services, in particular, (i) the restriction of the value of the Provision of Financial Services by way of the proposed annual caps; and (ii) the ongoing review by the Independent Non-executive Directors and auditors of the Company of the terms of the New Financial Services Framework Agreement and the proposed annual caps not being exceeded, we are of the view that appropriate measures will be in place to monitor the conduct of the transactions and assist to safeguard the interests of the Independent Shareholders.

### OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Provision of Financial Services under the New Financial Services Framework Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole. We also consider that the Provision of Financial Services under the New Financial Services Framework Agreement (including the proposed annual caps) are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the AGM to approve the New Financial Services Framework Agreement and the proposed annual caps.

Yours faithfully,  
for and on behalf of  
**SOMERLEY CAPITAL LIMITED**  
**John Wong**  
*Director*

*Mr. John Wong is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Somerley Capital Limited, which is licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has over fifteen years of experience in the corporate finance industry.*

# Haier Smart Home Co., Ltd.

## Internal Control Audit Report

Hexin Shen Zi. (2026) No. 000297

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**Hexin Certified Public Accountants LLP**

26 March 2026

# INTERNAL CONTROL AUDIT REPORT

Hexin Shen Zi. (2026) No. 000297

## 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 2025.

### **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.

Haier Smart Home Co., Ltd.

Report Text

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**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 2025 in accordance with the Basic Standards for Enterprise Internal Control and relevant requirements.

**Hexin Certified Public  
Accountants LLP**

**Jinan, China**

**Chinese Certified Public Accountant: Zhang Jun  
(Engagement Partner)**

**Chinese Certified Public Accountant: Li Xiang Zhi**

**26 March 2026**

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 2026 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, IDR 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 2026 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 2026 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 basically less than one year. 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 out 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 (basically in RMB) 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 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 RMB9,377,629,650, comprising 2,853,587,266 H Shares of RMB1.00 each, 6,253,028,411 A Shares of RMB1.00 each and 271,013,973 D Shares of RMB1.00 each.

If the relevant special resolutions set out in each of the notices of the AGM and the Class Meetings are approved, respectively, the Board will be granted the repurchase mandate until the earlier of (a) the conclusion of the 2026 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 5% 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 270,148,375 D Shares in issue (net of the 865,598 D Shares having been bought back by the Company to be cancelled in due course) as at the Latest Practicable Date and assuming 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 13,507,418 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 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, Relevant Listing Requirements 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 audited accounts contained in the 2025 results announcement of the Company dated 26 March 2026) 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:

<b>Month</b>	<b>D Shares</b>	
	<b>Highest Trading Price</b>	<b>Lowest Trading Price</b>
	<i>EUR</i>	<i>EUR</i>
<b>2025</b>		
June	1.90	1.80
July	1.90	1.80
August	1.98	1.73
September	2.00	1.94
October	2.15	1.91
November	2.16	2.00
December	2.15	2.00
<b>2026</b>		
January	2.11	1.96
February	2.08	1.96
March	2.02	1.78
April	1.94	1.78
May (up to the Latest Practicable Date)	1.98	1.94

### **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, Relevant Listing Requirements 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 offer for the 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**

During the six months prior to the Latest Practicable Date, the Company has repurchased a total of 56,115,700 A Shares, 865,598 D Shares, and 1,361,000 H Shares.

REPURCHASE OF A SHARES

Dates of repurchase	No. of shares repurchased	Repurchase price per share		Aggregate consideration paid (RMB)
		Highest price paid (RMB)	Lowest price paid (RMB)	
28 May 2026	1,850,000	20.17	20.00	37,194,627.00
27 May 2026	1,544,600	20.08	19.95	30,948,599.80
26 May 2026	1,170,000	20.23	20.17	23,628,922.00
25 May 2026	1,640,000	20.43	20.26	33,369,695.76
22 May 2026	1,860,000	20.50	20.27	37,977,301.00
21 May 2026	1,500,000	20.78	20.57	31,031,933.00
20 May 2026	900,000	21.00	20.89	18,853,394.00
19 May 2026	1,000,000	20.95	20.95	20,950,000.00
18 May 2026	600,000	21.00	20.90	12,570,000.00
15 May 2026	1,220,000	21.70	21.39	26,321,175.00
14 May 2026	1,000,000	21.41	21.33	33,549,682.00
13 May 2026	1,596,600	21.10	20.95	33,549,682.00
12 May 2026	2,100,000	21.50	21.20	44,825,000.00
11 May 2026	910,000	21.67	21.41	19,562,218.23
30 April 2026	2,400,000	27.10	21.52	51,871,900.52
28 April 2026	1,455,400	21.36	20.55	30,880,464.68
21 April 2026	1,130,000	20.86	20.68	23,491,832.09
17 April 2026	1,290,000	20.86	20.78	26,866,470.88
10 April 2026	1,500,000	20.97	20.90	31,396,174.00
9 April 2026	50,000	20.73	20.73	1,036,500.00
7 April 2026	6,275,900	20.80	20.59	129,843,815.10
3 April 2026	300,000	21.16	21.15	6,347,132.86
2 April 2026	800,000	21.45	21.39	17,130,537.00
31 March 2026	5,000,000	21.93	21.43	108,065,391.00
30 March 2026	2,700,000	21.60	21.46	58,193,335.01
27 March 2026	7,650,000	22.40	21.55	167,748,739.87
30 January 2026	1,790,000	25.54	25.10	45,223,611.00
29 January 2026	807,000	25.58	25.44	20,601,191.00
28 January 2026	260,000	25.20	25.08	6,539,684.00
27 January 2026	60,000	25.59	25.59	1,535,400.00
23 January 2026	75,000	25.81	25.73	1,930,736.00
22 January 2026	102,000	25.93	25.88	2,640,860.00
21 January 2026	340,000	26.22	25.87	8,838,396.00
16 January 2026	100,000	25.77	25.68	2,571,405.00
15 January 2026	181,000	25.87	25.78	4,674,780.00
14 January 2026	250,000	25.88	25.85	6,464,700.00
13 January 2026	430,000	26.22	25.93	11,253,369.00
9 January 2026	160,000	26.19	26.06	4,175,915.00
8 January 2026	95,000	26.11	26.03	2,475,710.00
7 January 2026	100,000	26.29	26.16	2,624,300.00
31 December 2025	500,000	26.10	26.02	13,028,728.00
30 December 2025	55,000	26.46	26.44	1,454,300.00
29 December 2025	67,000	26.69	26.65	1,787,630.00
26 December 2025	72,200	26.90	26.69	1,936,328.00
24 December 2025	102,000	27.14	26.83	2,755,260.00
23 December 2025	100,000	27.26	27.21	2,722,900.00

Dates of repurchase	No. of shares repurchased	Repurchase price per share		Aggregate consideration paid (RMB)
		Highest price paid (RMB)	Lowest price paid (RMB)	
22 December 2025	60,000	27.49	27.26	1,642,270.00
19 December 2025	20,000	27.54	27.47	550,100.00
18 December 2025	70,000	27.43	27.22	1,912,500.00
17 December 2025	40,000	27.27	27.23	1,090,200.00
16 December 2025	260,000	27.30	27.12	7,081,089.00
10 December 2025	170,000	26.79	26.63	4,540,207.00
9 December 2025	12,000	27.07	26.74	324,240.00
8 December 2025	95,000	27.37	27.14	2,594,597.00
5 December 2025	300,000	27.45	27.35	8,218,000.00

### REPURCHASE OF D SHARES

Dates of repurchase	No. of shares repurchased	Repurchase price per share		Aggregate consideration paid (EUR)
		Highest price paid (EUR)	Lowest price paid (EUR)	
13 February 2026	45,000	2.0405	2.0305	91,734.35
12 February 2026	45,000	2.0800	2.0200	92,502.64
11 February 2026	45,000	2.0600	2.0450	92,579.44
10 February 2026	45,000	2.0500	2.0440	92,170.98
9 February 2026	40,000	2.0635	2.0470	82,056.29
6 February 2026	40,000	2.0625	2.0100	81,007.34
5 February 2026	40,000	2.0305	2.0265	81,193.73
4 February 2026	50,000	2.0450	2.0290	101,634.91
3 February 2026	50,000	2.0615	2.0500	102,733.24
2 February 2026	43,598	2.0400	2.0250	88,670.09
30 January 2026	59,000	2.0840	2.0700	122,527.96
29 January 2026	57,000	2.0900	2.0860	119,026.86
28 January 2026	56,000	2.0950	2.0800	117,060.14
27 January 2026	54,000	2.0935	2.0865	112,885.93
26 January 2026	50,000	2.1000	2.0965	104,905.75
23 January 2026	53,000	2.1015	2.0800	111,034.58
22 January 2026	49,000	2.1090	2.0880	102,810.02
21 January 2026	44,000	2.1025	2.0875	92,089.14

**REPURCHASE OF H SHARES**

<b>Dates of repurchase</b>	<b>No. of shares repurchased</b>	<b>Repurchase price per share</b>		<b>Aggregate consideration paid (HK\$)</b>
		<b>Highest price paid (HK\$)</b>	<b>Lowest price paid (HK\$)</b>	
8 December 2025	511,000	26.76	26.58	13,626,164.00
5 December 2025	450,000	27.26	26.86	12,199,076.00
4 December 2025	400,000	27.30	27.08	10,883,232.00

**STATUS OF REPURCHASED SHARES**

The repurchased D Shares will be cancelled in due course.

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 RMB9,377,629,650, comprising 2,853,587,266 H Shares of RMB1.00 each, 6,253,028,411 A Shares of RMB1.00 each and 271,013,973 D Shares of RMB1.00 each.

If the relevant special resolutions set out in each of the notices of the AGM and the Class Meetings are approved, respectively, the Board will be granted the repurchase mandate until the earlier of (a) the conclusion of the 2026 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 2,853,587,266 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 285,358,726 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 2025 results announcement of the Company dated 26 March 2026) 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 <i>HK\$</i>	Lowest Trading Price <i>HK\$</i>
<b>2025</b>		
June	23.70	22.05
July	26.65	22.45
August	26.86	24.16
September	27.92	24.74
October	26.04	23.88
November	27.12	24.80
December	27.42	24.20
<b>2026</b>		
January	27.18	24.28
February	28.20	25.36
March	26.56	20.36
April	22.38	20.32
May (up to the Latest Practicable Date)	22.34	19.05

### 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 the 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**

During the six months prior to the Latest Practicable Date, the Company has repurchased a total of 56,115,700 A Shares, 865,598 D Shares, and 1,361,000 H Shares. Please refer to Appendix III to this circular for details.

#### **STATUS OF REPURCHASED SHARES**

Subject to market conditions at the time of the share repurchase and the Company's capital management needs, the Company may either cancel the repurchased H Shares or hold them as treasury shares in compliance with the applicable provisions of the Hong Kong Listing Rules and relevant laws, regulations, and rules of the PRC.

**I. SUMMARY OF THE GUARANTEES**

**(I) Basic information 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 2026, with a cap amount of RMB31,200 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 2025 AGM, and ends on the date of consideration of the estimated guarantees amounts to be provided to the Company and its subsidiaries in the next AGM.

**APPENDIX V RESOLUTION ON THE ANTICIPATED GUARANTEES' AMOUNTS  
FOR THE COMPANY AND ITS SUBSIDIARIES IN 2026**

**(II) Basic information of estimated guarantee (All are guarantees for holding subsidiaries)**

Guarantor	Guaranteed Parties	Shareholding Percentage held by the Guarantor (%)	Latest Gearing Ratio of Guaranteed Parties	Balance of Guarantee as of Now	Newly-add Amount under this Guarantee	Proportion of Guarantee Amount to the Latest Net Assets of the Listed Company	Expected Validity Period of the Guarantee	Whether there is Any Related Guarantee	Whether there is a Counter-guarantee
1. Holding subsidiaries with a gearing ratio of higher than 70%									
Haier Smart Home Co., Ltd	Candy S.P.A.	100	96%	3,329,760,000.00	7,586,460,000		5 years	No	No
Haier Smart Home Co., Ltd	Candy Hoover Group S.r.l	100	91%	1,664,880,000.00	1,936,800,000		7 years	No	No
Haier Smart Home Co., Ltd	HAIER NEW ZEALAND INVESTMENT HOLDING COMPANY LIMITED	100	149%		1,097,376,000		3 years	No	No
Haier Smart Home Co., Ltd	Qingdao Hailiyuan Recycling Technology Co., Ltd.	89	84%	155,987,100.00	515,000,000		10 years	No	No
Haier Smart Home Co., Ltd	Qingdao Haier Refrigeration Appliances Co., Ltd.	100	94%	680,000,000.00	6,077,000,000		10 years	No	No
Zhiyun Tianxia (Shanghai) Technology Co., Ltd.	Qingdao Feisheng Supply Chain Management Co., Ltd.	Consolidated (note)	86%	197,029,304.55	645,810,000		1 year	No	No
Zhiyun Tianxia (Shanghai) Technology Co., Ltd.	Zhiyun Tianxia (Fujian) Technology Co., Ltd.	Consolidated (note)	82%		43,260,000		1 year	No	No
Zhiyun Tianxia (Shanghai) Technology Co., Ltd.	Zhiyun Tianxia (Chongqing) Technology Co., Ltd.	Consolidated (note)	83%		32,960,000		1 year	No	No
Qingdao Feisheng Supply Chain Management Co., Ltd.	Zhiyun Tianxia (Shanghai) Technology Co., Ltd.	Consolidated (note)	90%		172,010,000		1 year	No	No
Haier Smart Home Co., Ltd	Qingdao Haier HV Equipment Technology Co., Ltd.	99	84%		2,060,000,000		1 year	No	No
Haier Smart Home Co., Ltd	Qingdao Haier Smart Dishwasher Co., Ltd.	99.59	100%		1,030,000,000		1 year	No	No
2. Holding subsidiaries with a gearing ratio of less than 70%									
Haier Smart Home Co., Ltd	Fisher & paykel Appliances Limited	100	38%	1,055,825,000.00	1,192,800,000		3 years	No	No
Haier Smart Home Co., Ltd	Haier Singapore Investment Holding Pte. Ltd.	100	65%		4,431,000,000		3 years	No	No
Flourishing	Haier Electronics Group Co., Ltd.	100	36%		1,248,065,000		3 years	No	No
Haier Smart Home Co., Ltd	Qingdao Haier HVAC Equipment Co., Ltd	99	73%	130,000,000.00	515,000,000		10 years	No	No
Zhiyun Tianxia (Shanghai) Technology Co., Ltd.	Hongyun Tianxia (Anhui) Logistics Technology Co., Ltd.	Consolidated (note)	74%		12,360,000		1 year	No	No
Haier Smart Home Co., Ltd	Qingdao Haier Smart Washing Machine Co., Ltd.	99	60%		2,604,099,000		1 year	No	No

*Note:* Pursuant to a resolution passed on an extraordinary general meeting convened on 20 December 2024 regarding a voting rights entrustment agreement, the Company has effectively controlled 100% of the voting rights of Youjin (Shanghai) Corporate Management Co., Ltd. (“**Youjin**”), a logistics services group, and its controlled subsidiaries (including the subject company) become entities under the effective control of the Company. Thus Youjin and its controlled subsidiaries are included within the scope of the Company’s consolidated statements, and are eligible to the provision of guarantee by the Company.

## APPENDIX V RESOLUTION ON THE ANTICIPATED GUARANTEES' AMOUNTS FOR THE COMPANY AND ITS SUBSIDIARIES IN 2026

### II. GENERAL INFORMATION ON THE GUARANTEED PARTIES

#### (I) Basic information of the guaranteed parties

No.	Name of the Guaranteed Subsidiary	Type	Relationship with the Company	Substantial Shareholder and Percentage of Shareholding	Time of Incorporation	Unified Social Credit Code	Place of Registration	Legal Representative	Registered Capital (RMB0'000)	Overview of principal business
1	Fisher & paykel Appliances Limited	Legal person	Wholly-owned subsidiary	Fisher & Paykel Appliances Holdings Limited holds a 100% equity interest	January 1934	/	New Zealand	/	/	Home appliance manufacturing, etc.
2	Candy S.P.A.	Legal person	Wholly-owned subsidiary	Haier Europe Appliances Holding B.V. holds a 100% equity interest	September 18, 1961	/	Italy	/	/	Controlling company
3	Candy Hoover Group S.r.l	Legal person	Wholly-owned subsidiary	Candy S.p.A holds a 100% equity interest	July 20, 2007	/	Italy	/	/	Procurement, wholesale, retail, import and export of household appliances, etc.
4	Haier Singapore Investment Holding Pte. Ltd.	Legal person	Wholly-owned subsidiary	HAIER SHAREHOLDINGS (HONG KONG) LIMITED holds a 100% equity interest	September 30, 2011	/	Singapore	/	/	Primarily engaged in the business of operating and selling household appliances and related products
5	Haier Electronics Group Co., Ltd.	Legal person	Wholly-owned subsidiary	Haier Smart Home Co., Ltd holds a 100% equity interest	September 23, 1997	/	Hong Kong	/	/	Controlling company
6	HAIER NEW ZEALAND INVESTMENT HOLDING COMPANY LIMITED	Legal person	Wholly-owned subsidiary	Haier Singapore Investment Holding Pte. Ltd. holds a 100% equity interest	January 1934	/	New Zealand	/	/	Manufacturing of household appliances, etc.
7	Qingdao Haier HVAC Equipment Co., Ltd.	Legal person	Controlled subsidiary	Qingdao Haier Air-Conditioner Electronics Co., holds a 75% equity interest Hefei Haier Air-Conditioner Electronics Co., holds a 25% equity interest	October 14, 2021	91370281 MA953PT X7M	Qingdao, Shandong	Zhao Liguo	RMB400 million	Manufacturing of refrigeration and air conditioning equipment, etc.
8	Qingdao Hailiyuan Recycling Technology Co., Ltd.	Legal person	Controlled subsidiary	Qingdao Haier Circular Industry Development Co., Ltd. holds a 100% equity interest	April 6, 2021	91370285 MA3WJJC A5C	Qingdao, Shandong	Wang Jun	RMB55 million	Treatment of waste electrical and electronic products, etc.
9	Qingdao Haier Refrigeration Appliances Co., Ltd.	Legal person	Wholly-owned subsidiary	Hefei Haier Refrigerator Co., Ltd. holds a 100% equity interest	May 24, 2022	91370281 MABM9D PE5T	Qingdao, Shandong	Wang Jian	RMB300 million	Household appliance manufacturing; retail sale of household appliances; import and export of goods
10	Qingdao Feisheng Supply Chain Management Co., Ltd.	Legal person	Consolidated subsidiary (note)	Zhiyun Tianxia (Shanghai) Technology Co., Ltd. holds a 100% equity interest	July 17, 2019	91370281 MA3Q7L8 61A	Qingdao, Shandong	Wang Yanfeng	RMB40 million	Road cargo transport (excluding dangerous goods), etc.

## APPENDIX V RESOLUTION ON THE ANTICIPATED GUARANTEES' AMOUNTS FOR THE COMPANY AND ITS SUBSIDIARIES IN 2026

No.	Name of the Guaranteed Subsidiary	Type	Relationship with the Company	Substantial Shareholder and Percentage of Shareholding	Time of Incorporation	Unified Social Credit Code	Place of Registration	Legal Representative	Registered Capital (RMB0'000)	Overview of principal business
11	Hongyun Tianxia (Anhui) Logistics Technology Co., Ltd.	Legal person	Consolidated subsidiary <i>(note)</i>	Hongyunbao (Shanghai) Logistics Technology Co., Ltd. holds a 100% equity interest	August 11, 2022	91370281 MABWEX R39K	Wuhu, Anhui	Zhu Beilei	RMB10 million	Road cargo transport
12	Zhiyun Tianxia (Fujian) Technology Co., Ltd.	Legal person	Consolidated subsidiary <i>(note)</i>	Zhiyun Tianxia (Shanghai) Technology Co., Ltd. holds a 100% equity interest	November 24, 2015	91650109 MA7757J M3N	Putian, Fujian	Zhu Beilei	RMB10 million	Road cargo transport
13	Zhiyun Tianxia (Chongqing) Technology Co., Ltd.	Legal person	Consolidated subsidiary <i>(note)</i>	Zhiyun Tianxia (Shanghai) Technology Co., Ltd. holds a 100% equity interest	January 9, 2024	91500231 MAD9TP DD4A	Chongqing	Jin Jianyong	RMB5 million	Road cargo transport
14	Zhiyun Tianxia (Shanghai) Technology Co., Ltd.	Legal person	Consolidated subsidiary <i>(note)</i>	Gooday Supply Chain Technologies Co., Ltd. holds a 75% equity interest; Chulei (Shanghai) Supply Chain Management Co., Ltd. holds a 22.5001% equity interest; Chulei (Shanghai) Enterprise Management Partnership (Limited Partnership) holds a 2.4999%	January 22, 2010	913101165 50066776 M	Shanghai	Wang Yanfeng	RMB23.0612 million	Road cargo transport
15	Qingdao Haier HVAC Technology Co., Ltd.	Legal person	Controlled subsidiary	Qingdao Haier Air Conditioner Gen Corp., Ltd. holds a 75% equity interest; Zhengzhou Haier Air-conditioning Co., Ltd. holds a 25% equity interest	December 19, 2023	91370281 MAD6KU KUX4	Qingdao, Shandong	Guan Jiangyong	RMB100 million	Manufacturing of refrigeration and air conditioning equipment, etc.
16	Qingdao Haier Smart Dishwasher Co., Ltd.	Legal person	Controlled subsidiary	Qingdao Haier Dishwasher Co., Ltd. holds a 100% equity interest	April 14, 2024	91370281 MADH75 X246	Qingdao, Shandong	Liu Xiaobo	RMB50 million	Manufacturing of household appliances, etc.
17	Qingdao Haier Smart Washing Machine Co., Ltd.	Legal person	Controlled subsidiary	Hefei Haier Washing Machines Co., Ltd. holds a 100% equity interest	March 22, 2024	91370281 MADFDP 5EX3	Qingdao, Shandong	Liu Xiaobo	RMB100 million	Manufacturing of household appliances, etc.

*Note:* Pursuant to a resolution passed on an extraordinary general meeting convened on 20 December 2024 regarding a voting rights entrustment agreement, the Company has effectively controlled 100% of the voting rights of Youjin (Shanghai) Corporate Management Co., Ltd. (“**Youjin**”), a logistics services group, and its controlled subsidiaries (including the subject company) become entities under the effective control of the Company. Thus Youjin and its controlled subsidiaries are included within the scope of the Company’s consolidated statements, and are eligible to the provision of guarantee by the Company.

**APPENDIX V RESOLUTION ON THE ANTICIPATED GUARANTEES' AMOUNTS  
FOR THE COMPANY AND ITS SUBSIDIARIES IN 2026**

**(II) Financial condition of the guaranteed parties**

As of 31 December 2025, the basic financial data of the aforementioned guaranteed parties is as follows:

*Unit: RMB0'000*

No.	Name of the Guaranteed Subsidiary	Financial Data Period	Total Assets	Total Liabilities	Net Assets	Operating Income
1	Fisher & paykel Appliances Limited	31 December 2025/ FY2025 (Unaudited)	7,260,056,880	2,725,492,740	4,534,564,140	6,820,897,720
2	Candy S.P.A.	31 December 2025/ FY2025 (Audited)	19,261,469,465	18,555,202,531	706,266,934	17,316,861,082
3	Candy Hoover Group S.r.l	31 December 2025/ FY2025 (Unaudited)	11,716,028,517	10,646,553,310	1,069,475,207	14,295,689,878
4	Haier Singapore Investment Holding Pte. Ltd.	31 December 2025/ FY2025 (Unaudited)	5,458,092,405	3,523,579,940	1,934,512,466	3,542,026,867
5	Haier Electronics Group Co., Ltd.	31 December 2025/ FY2025 (Unaudited)	2,152,028,236	773,698,583	1,378,329,653	
6	HAIER NEW ZEALAND INVESTMENT HOLDING COMPANY LIMITED	31 December 2025/ FY2025 (Unaudited)	696,520,960	1,039,472,200	-342,951,240	
7	Qingdao Haier HVAC Equipment Co., Ltd	31 December 2025/ FY2025 (Audited)	1,618,963,018	1,188,806,151	430,156,867	1,417,570,349
8	Qingdao Hailvyuan Recycling Technology Co., Ltd.	31 December 2025/ FY2025 (Audited)	869,714,320	731,470,338	138,243,981	980,117,272
9	Qingdao Haier Refrigeration Appliances Co., Ltd.	31 December 2025/ FY2025 (Audited)	6,576,885,350	6,193,205,549	383,679,801	4,764,506,357
10	Qingdao Feisheng Supply Chain Management Co., Ltd.	31 December 2025/ FY2025 (Audited)	455,984,119	391,570,730	64,413,389	966,096,904
11	Hongyun Tianxia (Anhui) Logistics Technology Co., Ltd.	31 December 2025/ FY2025 (Audited)	9,824,803	7,245,173	2,579,631	15,093,762
12	Zhiyun Tianxia (Fujian) Technology Co., Ltd.	31 December 2025/ FY2025 (Audited)	50,722,370	41,509,666	9,212,704	109,247,835
13	Zhiyun Tianxia (Chongqing) Technology Co., Ltd.	31 December 2025/ FY2025 (Audited)	53,757,837	44,752,970	9,004,867	108,914,382
14	Zhiyun Tianxia (Shanghai) Technology Co., Ltd.	31 December 2025/ FY2025 (Audited)	661,918,041	598,248,538	63,669,503	1,453,129,026
15	Qingdao Haier HV Equipment Technology Co., Ltd.	31 December 2025/ FY2025 (Audited)	497,319,591	415,278,534	82,041,057	
16	Qingdao Haier Smart Dishwasher Co., Ltd.	31 December 2025/ FY2025 (Audited)	32,089,038	32,090,194	-1,156	
17	Qingdao Haier Smart Washing Machine Co., Ltd.	31 December 2025/ FY2025 (Audited)	241,748,445	144,544,158	97,204,287	

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**APPENDIX V RESOLUTION ON THE ANTICIPATED GUARANTEES' AMOUNTS  
FOR THE COMPANY AND ITS SUBSIDIARIES IN 2026**

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**(III) Credit default of the guaranteed parties (if any)**

Not involved.

**III. PARTICULARS OF THE GUARANTEE AGREEMENT**

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.

**IV. NECESSITY AND REASONABLENESS OF THE GUARANTEE**

The Company's guarantee aligns with its business development needs and serves the overall interests of the Company, facilitating the normal conduct of its operations. There are no circumstances under which the interests of the Company and its shareholders are prejudiced. The guaranteed party maintains stable operations and sound creditworthiness, with the overall guarantee risk being controllable.

**V. OPINIONS OF THE BOARD OF DIRECTORS**

The guarantee matters were considered and approved at the 4th meeting of the 12th session of the Board of Directors of the Company, with 11 voted for it, 0 voted against it and 0 voted abstaining. The Board of Directors of the Company is of the view that, the provision of the guarantee quota for the Company and its subsidiaries in 2026 is in line with the actual situations of the Company and complies 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 Company's production and operation and long-term development. As such, the Board of Directors of the Company agrees that from the date of approval in the 2025 AGM to the date of consideration of the estimated guarantees amounts to be provided to the Company and its subsidiaries in the next AGM, in connection with applications by the Company and its subsidiaries for comprehensive credit facilities from financial institutions, the Company may provide guarantees to its subsidiaries, subsidiaries may provide mutual guarantees, and subsidiaries may provide guarantees to the Company, with a guarantee ceiling of RMB31,200 million. The Board of Directors further agrees to submit matters related to the aforementioned guarantee limits to the general meeting for consideration.

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**APPENDIX V RESOLUTION ON THE ANTICIPATED GUARANTEES' AMOUNTS  
FOR THE COMPANY AND ITS SUBSIDIARIES IN 2026**

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**VI. CUMULATIVE AMOUNT OF EXTERNAL GUARANTEES AND AMOUNT OF  
OVERDUE GUARANTEES**

As of the date of the Board approval of the guarantees, the total amount of external guarantees provided by the Company and its subsidiaries is RMB7,213.4814 million, representing 6.1% of the Company's audited net assets for the year 2025. The aforementioned guarantees have been provided by the Company to its controlling subsidiaries or between subsidiaries.

As of the date of the Board approval of the guarantees, the Company's guarantees provided (including this guarantee) are as follows:

*Unit: RMB0'000*

<b>No.</b>	<b>Name of the Guaranteed Subsidiaries</b>	<b>The Balance Amount of Guarantees Provided</b>
1	Qingdao Haier HVAC Equipment Co., Ltd	13,000.00
2	Qingdao Hailvyuan Recycling Technology Co., Ltd.	15,598.71
3	Qingdao Haier Refrigeration Appliances Co., Ltd.	68,000.00
4	Qingdao Feisheng Supply Chain Management Co., Ltd.	19,702.93
5	Candy S.P.A.	332,976.00
6	Candy Hoover Group S.r.l	166,488.00
7	Fisher & Paykel Appliances Limited	<u>105,582.50</u>
	Total	<u><u>721,348.14</u></u>

Apart from the above, the Company and its subsidiaries do not have any other external guarantees. Nor have they provided guarantees to entities outside the consolidated financial statements, to controlling shareholders, de facto controllers and their related parties, or for any overdue guarantees.

**Remuneration Management System**  
**of**  
**Haier Smart Home Co., Ltd.**  
**(Formulated in 2026)**

**Chapter 1 General Provisions**

**Article 1** This policy is formulated in accordance with the Company Law of the People's Republic of China, the Rules Governing the Listing of Stocks on the Shanghai 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**"), the Articles of Association of Haier Smart Home Co., Ltd. (hereinafter referred to as the "**Articles of Association**"), and other relevant provisions, taking into account the actual conditions of the Company, for the purposes of further regulating the remuneration management of directors, senior management, and other core personnel who play a significant role in the overall performance and long-term strategy implementation of Haier Smart Home Co., Ltd. (hereinafter referred to as the "**Company**") (collectively referred to as "**Core Employees**"), establishing a scientific and effective incentive and restraint mechanism, improving the Company's operational and management efficiency, and further promoting the stable and sustainable development of the Company.

**Article 2** The Company shall determine the total wage budget for the current year based on the total wage bill of the preceding year, and in accordance with the principles that determine the range and magnitude of wage growth based on the Company's economic performance and economic targets. Changes in the total wage bill shall be linked to the Company's operating performance, so as to enhance the reasonableness and effectiveness of the determination of the total wage bill.

The Company shall reasonably determine the allocation ratios of remuneration among directors, senior management and other employees taking into account factors such as industry levels, development strategies, and job values.

**Chapter 2 Remuneration Management Bodies**

**Article 3** The remuneration plan for directors of the Company shall be determined by the general meeting and disclosed accordingly. The remuneration plan for senior management shall be approved by the Board of Directors and reported to the general meeting before being fully disclosed. The remuneration of Core Employees shall be determined by the Human Resources Department in accordance with the relevant policies of the Company.

**Article 4** The Remuneration and Assessment Committee of the Company is responsible for formulating the assessment criteria and conducting assessments for directors and senior management, as well as formulating and reviewing remuneration policies and plans for directors and senior management, including the determination mechanism, decision-making process, and the arrangements for payment and cessation of payment recovery.

**Chapter 3 Standards and Payment of Remuneration for Directors  
and Senior Management**

**Article 5** The remuneration structure for directors and senior management of the Company is set forth as follows:

**(i) Executive Directors (including employee representative directors) and Senior Management**

The remuneration of the Company's executive directors (including employee representative directors) and senior management shall consist of base salary, performance-based compensation, and mid-to-long-term incentive income, among other components. The proportion of performance-based compensation shall, in principle, be no less than 50% of the sum of base salary and performance-based compensation.

An executive director shall receive the corresponding position-based remuneration according to the specific position he/she holds in the Company, and shall not receive separate remuneration for serving as a director. Where an executive director concurrently holds a senior management position in the Company, the relevant provisions governing the remuneration and performance assessment of senior management shall apply to his/her remuneration standards and performance assessment.

**(ii) Non-Executive Directors (including Independent Directors)**

The remuneration of non-executive directors shall be paid in accordance with the remuneration standards for directorship determined by the general meeting. It generally consists of three components: fixed remuneration, position-based remuneration and floating allowances, the specifics of which shall be subject to the plan approved by the general meeting. Non-executive directors who have an employment relationship with the controlling shareholder, the actual controller or their subsidiaries shall not receive remuneration for their directorship from the Company.

The mid-to-long-term incentives for non-executive directors shall be subject to the mid-to-long-term incentive plan as approved by the general meeting.

**Article 6** The senior management of the Company shall receive remuneration based on the specific positions they hold in the Company and in accordance with the relevant remuneration and performance assessment policies of the Company, with performance evaluation serving as a key basis.

**Article 7** The timing and method of payment of remuneration and allowances to directors and senior management shall be implemented in accordance with the internal policies of the Company and the agreements signed therewith.

**Article 8** In the event that a director or senior management member leaves office due to rotation, re-election, resignation during the term of office or other reasons, the remuneration shall be calculated and paid based on the actual term of service and actual performance.

**Article 9** The travel expenses incurred by directors and senior management in attending Board meetings and general meetings of the Company, as well as the expenses incurred in the exercise of their powers and duties under the Articles of Association, may be reimbursed by the Company based on actual costs, in accordance with the policies of the Company.

#### **Chapter 4 Assessment and Disbursement of the Incentive Fund**

**Article 10** Where the Company implements mid-to-long-term incentive arrangements, including employee share ownership plans, for its directors, senior management, and Core Employees, the funding thereof may be derived from the incentive fund withdrawn by the Company, the personal funds of the grantees, or other sources may be permitted under applicable law and regulation. In the event that the incentive fund is used as the source of such funding, any withdrawal therefrom shall be subject to the satisfaction of all of the following conditions:

- (I) the Company's financial statements for the most recent financial year have been audited by a certified public accountant, and such audit report has not expressed an adverse opinion or a disclaimer of opinion;
- (II) the Company's internal controls over financial reporting for the most recent financial year have been by a certified public accountant, and such audit report has not expressed an adverse opinion or a disclaimer of opinion; and
- (III) no other circumstances exist which, in the judgment of the Board, render the withdrawal of the incentive fund inappropriate.

For the purpose of this Article, "Core Employees" shall comprise core technical (business) personnel, management personnel in key positions, and other core personnel whose contributions are material to the overall performance of the Company and the achievement of its strategic objectives.

#### **Article 11 Standards and Methodology for Withdrawal of the Incentive Fund**

- (I) The amount of the incentive fund to be withdrawn shall be calculated based on a proportion of the total annual budget of the human resources department. In determining whether the incentive fund shall be withdrawn, and the withdrawal proportion, the Company shall take into comprehensive consideration its operating revenue, profit situation, development needs, and other relevant factors, and such determination shall be set forth in the Company's mid- to long-term incentive plan or other relevant documents.

- (II) In the event that all conditions for the withdrawal of the incentive fund are satisfied, the Remuneration and Assessment Committee of the Board shall submit the mid- to long-term incentive plan containing the incentive fund withdrawal proposal, or a separate incentive fund withdrawal plan, to the Board and to the general meeting for approval, following which the plan shall be implemented.

**Article 12** The withdrawal and management of the incentive fund shall be jointly undertaken by the human resources department and the finance department, which shall perform the following duties:

- (I) formulate or amend the plan for the withdrawal or allocation of the incentive fund based on the actual circumstances of the Company and taking into account the assessment results of the incentive recipients;
- (II) prepare, interpret and implement the specific incentive fund plan, which shall include, without limitation, the withdrawal, calculation, and allocation of the incentive fund; the review of eligibility and annual assessment rating of incentive recipients; and the calculation and payment of individual incentive amounts;
- (III) be responsible for the withdrawal and allocation of the incentive fund;
- (IV) any other duties related to the daily management of the incentive fund as required by the Board.

### **Chapter 5 Adjustment of Remuneration**

**Article 13** The remuneration of the directors and senior management of the Company shall be adjusted in accordance with changes in the Company's operating conditions, so as to align with the Company's further development requirements.

**Article 14** The primary bases for the adjustment of the remuneration of the directors and senior management of the Company shall comprise:

- (I) the actual operating and development conditions of the Company, together with the individual performance results of the relevant person;
- (II) changes in the organizational structure of the Company and adjustments to job positions;
- (III) the level of remuneration growth in the industry: remuneration data of industry peers shall be periodically collected through market remuneration reports or publicly available sources, and then aggregated and analyzed to serve as a reference for adjustment to the Company's remuneration;
- (IV) macroeconomic factors, including the level of inflation.

**Chapter 6 Suspension and Recovery of Remuneration**

**Article 15** In the event that the Company is required to retrospectively restate its financial statements due to financial fraud or other misstatements, it shall promptly conduct a reassessment of the performance-based remuneration and mid- to long-term incentive income of its directors and senior management, and shall recover any excess amounts paid.

**Article 16** Where any director or senior management member of the Company breaches his/her duties and thereby causes losses to the Company, or is at fault for any violation of applicable laws or regulations, including, without limitation, financial fraud, misappropriation of funds, or improper guarantees, the Company shall, in accordance with the severity of the misconduct, reduce or suspend any outstanding performance-based remuneration and mid- to long-term incentive income, and shall recover, in whole or in part, any performance-based remuneration and mid- to long-term incentive income already paid for the period during which such conduct occurred.

**Chapter 7 Performance and Responsibilities Evaluation**

**Article 17** The Company shall determine that a specified proportion of the performance-based remuneration of its directors and senior management shall be payable upon the disclosure of the annual report and the completion of performance evaluation. Such performance evaluation shall be conducted on the basis of audited financial data.

**Article 18** The performance evaluation of directors and senior management shall be organized by the Remuneration and Assessment Committee of the Board, with the specific evaluation plan to be formulated and implemented by the human resources department of the Company. The Company may engage a third party to conduct the performance evaluation. The performance evaluation of independent directors shall be conducted by means of self-evaluation and peer evaluation, among other methods.

**Chapter 8 Supplementary Provisions**

**Article 19** This policy shall take effect and be implemented from the date on which it is approved by the general meeting, and the same shall apply to any amendment thereof.

**Article 20** Any matters not provided for in this policy shall be governed by the provisions of applicable laws, administrative regulations, normative documents and the Articles of Association. In the event of any inconsistency between this policy and the provisions of such laws, administrative regulations, normative documents, or Articles of Association, the provisions of such laws, administrative regulations, normative documents and the Articles of Association shall prevail.

**Article 21** This policy shall be interpreted by the Board of the Company.

26 March 2026

# **2026 A Share Core Employee Stock Ownership Plan**

**Of**

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

**(Draft)**

**April 2026**

# 2026 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.
2. The ESOP shall follow the following principles:

**(1) Principle of compliance with laws and regulations**

In implementing the ESOP, the Company shall strictly follow the procedures prescribed by laws and administrative regulations, and implement information disclosure in a truthful, accurate, complete and timely manner. No one shall use the ESOP for insider trading, security market manipulation or other securities fraud activities.

**(2) Principle of voluntary participation**

In implementing the ESOP, the Company shall follow the principle of the Company’s independent decision and employees’ voluntary participation, and in no event will employees be forced to participate in the ESOP by ways such as apportionment and forced distribution.

**(3) Principle of self-bearing of risks**

Participants of the ESOP shall be responsible for their own profits and losses, bear their own risks and enjoy equal rights and interests as other investors.

3. Participants of the ESOP shall include the directors (except for independent directors, the same hereinafter), senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries and young talents of the Company with high potential. The total number of the Participants of the ESOP shall not exceed 2,667. 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 RMB870.40 million. These incentive funds are part of the Company's employee compensation structure.
5. The source of shares of the ESOP shall be the remaining shares from the Company's ESOPs of prior years and 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 when the Company announces that the Underlying Shares obtained in the last time are recorded to the ESOP.

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 assessment period is three years, upon the expiration of the lock-up period of the ESOP, 40%, 30% and 30% interests in the corresponding Underlying Shares shall be vested to the Participants in three 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, 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.
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. 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.
12. 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	2026 A Share Core Employee 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	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 Plan	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 implementation of the Company’s smart home 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 ESOP is conducive to drive employees to undertake the Company’s development strategic objectives, and promote the Company to achieve growth in results.

### 2. To align the interests of employees with those of shareholders 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 relevant provisions of the Company Law, the Securities Law, the Guiding Opinions and other relevant laws, regulations, rules, normative documents, as well as the Articles of Association.

Participants of the ESOP shall be the directors (except for independent directors), senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries and young talents of the Company with high potential. 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 RMB870.40 million. These incentive funds are part of the Company's employee compensation structure.

## V. SOURCE AND NUMBER OF SHARES

The source of shares of the ESOP shall be as follows:

- (1) The proposed transfer of the remaining shares from the Company's ESOPs of prior years. The shares in the ESOPs of prior years were all repurchased from the secondary market or purchased from the repurchase special account at the market price (i.e., the "establishment price"). The proposed transfer price (*Note*) shall be determined based on the repurchase cost (being the price adjusted from the

establishment price after giving due consideration to ex-right and ex-dividend factors), and the specific number of shares shall be determined from time to time based on the transfer amount and the transfer price.

- (2) Repurchase of the Company's A shares. Such shares may be repurchased by the ESOP from the secondary market at the market price, or the repurchased shares transferred from the repurchase special account of Haier Smart Home (such shares also being repurchased from the secondary market at the market price). If shares are transferred from the repurchase special account, the transfer price (*Note*) shall be determined based on the average price of all the shares in the repurchase account (the average price being the total amount purchased by the repurchase account divided by the cumulative number of shares held in the repurchase account), and the specific number of shares shall be determined from time to time based on the average trading price of the transferred repurchased shares.

*Notes:* In principle, the aforementioned transfer price shall not be lower than the higher of the following:

- (i) 50% of the average trading price of the Company's shares on the trading day immediately preceding the publication of this draft of the ESOP;
- (ii) 50% of the average trading price of the Company's shares over the 20, 60 or 120 trading days immediately preceding the publication of this draft of the ESOP.

During the period from the date of publication of this draft of the ESOP until the completion of the share transfer under the ESOP, should the Company carry out, among others, capitalization of capital reserves, distribution of bonus shares, share sub-division, reverse share division, rights issue or dividend distribution, the transfer price shall be adjusted accordingly.

The ESOP shall acquire the remaining shares of the Company's ESOPs or the Company's shares held in the repurchase special account through non-trading transfers or other methods permitted by laws and regulations. Should the Company raise funds through a rights issue, the ESOP shall have the right to participate in the subscription on a fair basis.

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 ESOP) 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), senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries and young talents of the Company with high potential.

There should be no more than 2,667 employees participating in the ESOP. The total amount of funds to be used to participate in the ESOP shall be RMB870.40 million (or shares) (inclusive). There are 13 directors and senior officers, including LI Huagang, GONG Wei, LI Shaohua, SUN Danfeng, ZHAO Yanfeng, LI Yang, SONG Yujun, GUAN Jiangyong, WU Yong, FU Songhui, SUN Jiacheng, JAMES QUN LIU, LIU Xiaomei, with a total share of RMB68.53 million, accounting for 7.87% of the ESOP. There are 2,654 core technical (business) personnel of the Company and its subsidiaries and young talents of the Company with high potential, with a total share of RMB801.87 million, accounting for 92.13% 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 from the date when the Company announces that the Underlying Shares obtained in the last time are recorded to 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 appraisal system of the Company. The vesting period is three 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 interests in the Underlying Shares.

The Underlying Shares of the ESOP will be vested to the Participants in three phases. After the end of the lock-up period of the ESOP, the interests in corresponding Underlying Shares shall be vested to the Participants in three phases (40%, 30% and 30% 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 and platform personnel of the Company, the vesting percentage for 2026, 2027 and 2028 shall be calculated based on the achievement of the appraisal indicators. The specific appraisal indicators and rules are as follows:

<b>Vesting Period</b>	<b>Appraisal year</b>	<b>Appraisal indicators</b> ( <i>Note</i> )	<b>Vesting Percentage</b>
Phase 1	2026	<ul style="list-style-type: none"> <li>● If the ROE exceeds 17% (inclusive), the shares corresponding to the current vesting percentage of the holder's interests in the Underlying Shares under the ESOP shall be vested in the holder.</li> </ul>	40%
Phase 2	2027	<ul style="list-style-type: none"> <li>● If the ROE falls between 16% (inclusive) and 17%, the vesting percentage shall be determined by the Management Committee and, following approval by the Remuneration and Assessment Committee, the units shall be vested.</li> </ul>	30%
Phase 3	2028	<ul style="list-style-type: none"> <li>● If the ROE is below 16%, the shares corresponding to the current vesting percentage of the holder's interests in the Underlying Shares under the ESOP shall not be vested for the time being.</li> </ul>	30%

*Notes:* Appraisal indicators shall exclude: ① the impact of refinancing on ROE that meet the criteria (see Note 4 hereto, the same hereinafter): If the Company raises fund through capital market by offering to specific or nonspecific targets 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 and approved by the Board of Directors before implementation; ② the impact of mergers and acquisitions on ROE that meet the criteria: The impact of mergers and acquisitions occurring in the appraisal year on the appraisal indicators shall be excluded in the year of the completion of the transaction; ③ the impact of asset sales on ROE that meet the criteria: The impact of asset sales (including equity asset sales) occurring in the appraisal year on the appraisal indicators is excluded in the year of the completion of the transaction. ④ the criteria shall be relevant matters with a financing amount or transaction amount of RMB100 million (inclusive) or above.

The performance indicators for this employee stock ownership plan were set after careful consideration of changes in the macroeconomic environment and industry conditions. According to Wind data, the ROE target set in this plan is higher than the average ROE of the Shenwan Home Appliance Industry in 2025, placing it in the leading position in the industry and providing a significant challenge and incentive. The fact that the participants are subject to the aforementioned ROE target assessment reflects their long-term alignment with shareholder interests.

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%, 30% and 30% 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 2026, 2027 and 2028 are up to the standard. The Management Committee shall have the right to determine, based on the performance of such persons, the vesting percentage, deferred vesting or non-vesting of the shares under this ESOP for any given phase.
3. Interests in Underlying Share that have not been vested following the appraisal shall be dealt with by the Company or the Management Committee in the following manners:
  - A. the Management Committee shall reclaim such share interests and grant them to other holders under the ESOP who have met the appraisal criteria;
  - B. the Company shall repurchase and cancel the corresponding Underlying Shares that have not yet been vested, or use them for subsequent ESOPs or equity incentive schemes;
  - C. the Management Committee shall reclaim such shares and deal with them in accordance with other methods prescribed by relevant laws and regulations.

**(IV) Change of the ESOP**

Unless otherwise specified in the ESOP, during the duration, changes to the ESOP must be approved by more than half of the valid voting rights held by the Participants (or their nominees) 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 (including any extension thereof);
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.
4. Except for the circumstances set out above, the termination of the ESOP shall be approved by more than half of the valid voting rights held by the Participants present at the Participants' meeting and subject to approval by the general meeting upon consideration by the Board of Directors of the Company.

**(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 or more 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 Underlying Shares of the ESOP 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 three years, the vesting proportion of the interest of the Underlying Shares corresponding to each vesting period shall be determined by the Management Committee, or by the Management Committee and/or the Remuneration and Assessment Committee, based on the achievement of the appraisal indicators set forth above.

(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. Where interests in Underlying Share have not been vested due to, among other reasons, the holder failing to pass performance appraisal or the termination of his/her employment contract or appointment agreement, the Company or the Management Committee shall deal with such interests in the following manners: A. the Management Committee shall reclaim such shares and grant them to other holders under the ESOP who have met the appraisal criteria; B. the Company shall repurchase and cancel the corresponding Underlying Shares that have not yet been vested, or use them for subsequent ESOPs or equity incentive schemes; C. the Management Committee shall reclaim such shares and deal with them in accordance with other methods prescribed by relevant laws and regulations. Where this results in losses to the Company, the holder shall also be liable to compensate the Company for such losses.

(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, the Participants under the ESOP shall pay the individual income tax incurred under the ESOP in accordance with the laws, and may choose to appoint the Management Committee to sell corresponding amount of Shares under the ESOP for the purposes of offsetting the individual income tax and the remaining shall be vested to the Participants.

(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. within 15 days before the announcement of the Company's annual report and semi-annual report;
2. Within 5 days before the announcement of the Company's quarterly report, earnings preannouncement and preliminary earnings estimate;

3. within 60 days on and before the date of publication of the Company's annual results, or from the date of the end of the relevant financial year to the date of publication of the results, whichever is shorter;
4. within 30 days on and before the date of publication of the Company's quarterly results and half-yearly results, or from the end of the relevant quarterly or half-yearly period to the date of publication of the results, whichever is shorter;
5. 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 in the decision-making procedures to the date of disclosure in accordance with law;
6. when becoming aware of any insider information that may affect the price of the Company's securities, until 2 trading days after the date of public disclosure of such information in accordance with the laws;
7. Directors and senior management of the Company during such other periods prescribed by the laws, regulations normative documents and the securities regulatory authorities and stock exchanges where the securities are listed.

The period mentioned in the items 1–4 above shall include the period during which the Company delays the announcement of its earnings.

#### **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 Plan
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 Plan
9. Others

**XI. COMPOSITION AND MEASURES FOR DISPOSING OF THE ESOP ASSETS****(I) 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 termination of labour contracts/employment agreements 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.

The assets of the ESOP are separate from the Company's own assets. The Company shall not misappropriate or divert the assets of this scheme, nor must it commingle the assets of the ESOP with the Company's own assets in any other way.

**(II) Measures for disposing of the ESOP assets**

1. Within the duration of the ESOP, unless otherwise stipulated by laws, regulations, rules and the Management Measures for 2026 A Share Core Employee Stock Ownership Plan of Haier Smart Home Co., Ltd., 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 Assessment 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 Remuneration and Assessment Committee 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.
- (IV) The Board of Directors shall review the ESOP and relevant proposals.
- (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**

Subject to the provisions of Article VII (III) of the ESOP.

**(III) Position change, termination of labour relationship/employment relationship or death of the Participants****1. *Position change***

- (1) If a Participant is still a director (other than independent director), senior officers, core technical (business) personnel of the Company or a young talent of the Company with high potential 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 Company or the Management Committee shall deal with the interests in Underlying Share that have not been vested in the following manners:
  - A. the Management Committee shall reclaim such shares and grant them to other holders under the ESOP who have met the appraisal criteria;
  - B. the Company shall repurchase and cancel the corresponding Underlying Shares that have not yet been vested, or use them for subsequent ESOPs or equity incentive schemes;
  - C. the Management Committee shall reclaim such shares and deal with them in accordance with other methods prescribed by relevant laws and regulations. Where this results in losses to the Company, the holder shall also be liable to compensate the Company for such losses.

**2. *Termination of labour relationship/employment relationship***

Except in the case of termination of labour relationship due to reaching the retirement age, regardless of the reasons for termination of labour relationship/employment relationship with the Company or its subsidiaries, the Company or the Management Committee shall deal with the interests in Underlying Share that have not been vested in the following manners: A. the Management Committee shall reclaim such shares and grant them to other holders under the ESOP who have met the appraisal criteria; B. the Company shall repurchase and cancel the corresponding Underlying Shares that have not yet been vested, or use them for subsequent ESOPs or equity incentive schemes; C. the Management Committee shall reclaim such shares and deal with them in accordance with other methods prescribed by relevant laws and regulations. Where this results in losses to the Company, the holder shall also be liable to compensate the Company for such losses.

### **3. Retirement**

Except in the case of reappointment after retirement, for termination of labour relationship when a Participant has reached the retirement age prescribed by the state and the Company,

- (1) his/her ESOP shares granted but not vested shall not be affected provided that he passed the performance assessment in the year of his retirement 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) If he/she failed to pass the performance assessment in the year of his retirement, the Company or the Management Committee shall delt with the interests in Underlying Share that have not been vested in the following manners: A. the Management Committee shall reclaim such shares and grant them to other holders under the ESOP who have met the appraisal criteria; B. the Company shall repurchase and cancel the corresponding Underlying Shares that have not yet been vested, or use them for subsequent ESOPs or equity incentive schemes; C. the Management Committee shall reclaim such shares and deal with them in accordance with other methods prescribed by relevant laws and regulations. Where this results in losses to the Company, the holder shall also be liable to compensate the Company for such losses..

### **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, the Company or the Management Committee shall delt with the interests in Underlying Share that have not been vested in the following manners: A. the Management Committee shall reclaim such shares and grant them to other holders under the ESOP who have met the appraisal criteria; B. the Company shall repurchase and cancel the corresponding Underlying Shares that have not yet been vested, or use them for subsequent ESOPs or equity incentive schemes; C. the Management Committee shall reclaim such shares and deal with them in accordance with other methods prescribed by relevant laws and regulations..

### **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 Company or the Management Committee shall delt with the interests in Underlying Share that have not been vested in the following manners: A. the Management Committee shall reclaim such shares and grant them to other holders

under the ESOP who have met the appraisal criteria; B. the Company shall repurchase and cancel the corresponding Underlying Shares that have not yet been vested, or use them for subsequent ESOPs or equity incentive schemes; C. the Management Committee shall reclaim such shares and deal with them in accordance with other methods prescribed by relevant laws and regulations..

**(IV) Special Circumstances**

1. Unless the Company decides otherwise, the Company or the Management Committee shall deal with the interests in Underlying Share held by the Participants that have not been vested in the following manners: A. the Management Committee shall reclaim such shares and grant them to other holders under the ESOP who have met the appraisal criteria; B. the Company shall repurchase and cancel the corresponding Underlying Shares that have not yet been vested, or use them for subsequent ESOPs or equity incentive schemes; C. the Management Committee shall reclaim such shares and deal with them in accordance with other methods prescribed by relevant laws and regulations. Where this results in losses to the Company, the holder shall also be liable to compensate the Company for such losses.
  - (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) if any relevant subsidiary of the Company has the right to immediately terminate the labour contractual relationship or employment relationship with the Participants for any reason; or
  - (7) 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); or
  - (8) the Participants have ceased to be an employee of the Company or its subsidiaries, or have become an Excluded Participant or ceased to be an Eligible Person prior to or on the Vesting Date.
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 (and the Participants undertake to follow the Company's instructions) to return, repay or otherwise deal with any vested ESOP share (including vested portions) or any interests therein (including any related assets derived or generated therefrom), including but not limited to, returning and reimbursement to the Company (or the Company's designated person) all proceeds from the sale or disposal of shares corresponding to the vested ESOP shares and/or transferring to the Company (or the Company's designated person) free of charge all shares corresponding to the vested ESOP shares, with the relevant taxes and fees to be borne by the Participants.

The aforesaid determination of the Company shall be conclusive and binding on the Participants, the holder shall acknowledge the validity of the Company's decision as set out above and, in each case, the Company shall have the right to determine that the ESOP shall not be disposed of by the Management Committee as a result thereof or on such terms or subject to such conditions or limitations as it may determine (which shall be conclusive and binding on the Participants).

The Company shall not be liable for any lapse of any portion of the ESOP held by the Participants 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 agreements under the ESOP 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 27, 2026

**HAIER SMART HOME CO., LTD.**

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**AMENDED AND RESTATED RULES RELATING TO THE  
RESTRICTED SHARE UNIT SCHEME OF  
HAIER SMART HOME CO., LTD.**

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**(amended and restated on 24 June 2026)**

If there is any inconsistency between the English version of these Scheme Rules and its Chinese translation, the English version shall prevail. The Chinese translation is for reference only.

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With the Board's or the Delegatee's approval, these Scheme Rules are hereby amended and restated in their entirety so that these Scheme Rules (as amended and restated) shall read in its entirety from the date hereof as follows (the "Amendment"). The Amendment shall be subject to the fulfilment of the conditions set out in Rule 3.

All Awards granted before the Amendment under this Scheme shall remain in full force and effect, and the Amendment shall not affect the subsisting rights of any Selected Participants in respect of such Awards, nor shall the Amendment apply retrospectively to affect subsisting rights in respect of such Awards. This Scheme shall continue to give effect to all Awards made prior to the Amendment.

## 1. DEFINITIONS AND INTERPRETATION

1.1 In these Scheme Rules, unless the context otherwise requires, each of the following words and expressions shall have the meaning respectively shown opposite to it:

"Actual Selling Price"	the actual price at which the RSU are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of an Award pursuant to this Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to Rule 14.1, the consideration receivable under the related scheme or offer;
"Adoption Date"	25 June 2021, being the date on which the Shareholders approve this Scheme;
"Amendment Date"	24 June 2026, being the date on which these Scheme Rules were amended and restated;
"Articles"	the articles of association of the Company as amended from time to time;
"Award"	an award granted by the Board or the Delegatee to a Selected Participant (including a Transferred Award), which may vest in the form of RSU or the Actual Selling Price of the RSU in cash, as the Board or the Delegatee may determine in accordance with the terms of these Scheme Rules;
"Award Letter"	shall have the meaning as set out in Rule 8.1;
"Award Period"	the period commencing on the Adoption Date, and ending on the Business Day immediately prior to the tenth (10th) anniversary of the Adoption Date;

“Board”	the board of directors of the Company (please also refer to Rule 1.2(f), from time to time);
“Business Day”	a day (other than a Saturday or Sunday) on which the Stock Exchange is open for the business of dealing in securities, provided that where, as a result of a typhoon signal number 8, black rainstorm warning or other similar event, the period during which the Stock Exchange is open for business on any day is reduced, such day shall not be a Business Day;
“Company”	Haier Smart Home Co., Ltd., a joint-stock limited company incorporated in the PRC;
“Connected person”	shall have the meaning as set out in the Listing Rules;
“Confirmation Letter”	means the letter of confirmation to be sent by the Company to the Trustee confirming that the vesting conditions of those Selected Participants has been fulfilled and consolidating the details of those Selected Participants including the (i) full name, (ii) number of H Shares vested, and (iii) Vesting Date with sufficient information to the satisfaction of the Trustee to facilitate share transfer or cash payment (as the case may be);
“Delegatee”	the Management Committee, person(s), board committee(s) or board of directors of the Designated Subsidiary to which the Board has delegated its authority;
“Designated Subsidiary”	any Subsidiary for the purpose of contributing funds to the Trust pursuant to these Scheme Rules;
“Employee”	any employee or contractual staff of any members of the Group provided that the Selected Participant shall not cease to be an Employee in the case of (a) any leave of absence approved by the Company; or (b) transfer amongst the Company and any members of the Group or any successor, and provided further that an Employee shall, for the avoidance of doubt, cease to be an Employee with effect from (and including) the date of termination of his employment/appointment;

“Eligible Person”	any individual, being an Employee, director (excluding independent non-executive director), senior management, key operating team member of any member of the Group who the Board or its Delegatee considers, in their sole discretion, to have significantly contributed or will significantly contribute to the development of the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award (including a Transfer of Award) pursuant to this Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Delegatee, in compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in this Scheme and such individual shall therefore be excluded from the term Eligible Person;
“Exchange RSUs”	shall have the meaning as set out in Rule 18.1;
“Grant Date”	the date on which the grant of an Award is made to a Selected Participant, being the date of (or otherwise specified in) an Award Letter, or the date of grant of a Transferred Award as specified in a Transfer Letter;
“Group”	the Company and its Subsidiaries from time to time, and the expression “member of the Group” shall be construed accordingly;
“H Share(s)”	the H shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange (stock code: 6690), or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, H shares forming part of the ordinary share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Management Committee”	the management committee of this Scheme to which the Board has delegated its authority to supervise and administer this Scheme;
“Non-US Participant”	a Selected Participant who is not a US Participant;
“PRC”	People’s Republic of China;
“Relevant Regulations”	the rules and other regulatory requirements of the Shanghai Stock Exchange and the Frankfurt Stock Exchange ( <i>Frankfurter Wertpapierbörse</i> );
“Remuneration and Assessment Committee”	the remuneration and assessment committee of the Board (薪酬與考核委員會);
“Returned Shares”	such RSU that are failed to be vested and/or are lapsed, cancelled or forfeited in accordance with the terms of this Scheme, or such H Shares being deemed to be Returned Shares under these Scheme Rules;
“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	restricted share unit, each share unit represent one underlying H Shares granted to a Selected Participant in an Award or a Transferred Award;
“Scheme”	the H share restricted share unit scheme adopted by the Company in accordance with these Scheme Rules on the Adoption Date, as amended on the Amendment Date;
“Scheme Limit”	shall have the meaning set out in Rule 15.1;
“Scheme Rules”	the rules set out herein relating to this Scheme as amended from time to time;
“Selected Participant”	any Eligible Person approved for participation in this Scheme, in accordance with Rule 5.1, and who has been granted any Award or Transferred Award or any person who is entitled to any Award or Transferred Award in accordance with Rule 6.1;
“SFC”	the Securities and Futures Commission of Hong Kong;

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary” or “Subsidiaries”	any subsidiary (as the term is defined in the Listing Rules) of the Company;
“Taxes”	shall have the meaning as set out in Rule 10.10;
“Transferred Award”	shall have the meaning as set out in Rule 6.1;
“Transfer of Award”	shall have the meaning as set out in Rule 6.1;
“Transfer Letter”	shall have the meaning as set out in Rule 8.2;
“Transferrable Scheme”	shall have the meaning as set out in Rule 6.1;
“Trust”	the trust constituted by the Trust Deed to service this Scheme;
“Trust Deed”	the trust deed entered/to be entered into between the Company and/or its Designated Subsidiary and the Trustee (as may be restated, supplemented and amended from time to time);
“Trustee”	the trustee to be appointed by the Company for the purpose of the Trust;
“US Participant”	a Selected Participant employed by a member of the Group in the United States of America and who is subject to the employment, tax or other applicable laws, rules and regulations of the United States of America;
“Vesting Date”	the date or dates, as determined and amended (if necessary), on which the Award or Transferred Award (or part thereof) is to vest in the relevant Selected Participant as set out in the relevant Award Letter pursuant to Rule 8.1 or the relevant Transfer Letter pursuant to Rule 8.2, unless a different Vesting Date is deemed to occur in accordance with Rule 14.1;
“Vesting Notice”	shall have the meaning as set out in Rule 10.7;

1.2 In these Scheme Rules, except where the context otherwise requires:

- (a) references to Rules are to rules of these Scheme Rules;
- (b) references to times of the day are to Hong Kong time;
- (c) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
- (d) a reference to “**dollars**” or to “**\$**” shall be construed as a reference to the lawful currency for the time being of Hong Kong;
- (e) a reference, express or implied, to statutes, statutory provisions or the Listing Rules or the Relevant Regulations shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which are re-enacted (whether with or without modification) and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or rule;
- (f) unless otherwise indicated, the Board can make determinations in its absolute discretion and if the Board delegates its authority to administer this Scheme to the Delegatee, such Delegatee shall enjoy the same absolute discretion;
- (g) a reference to “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the words “**without limitation**”;
- (h) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
- (i) headings are included in these Scheme Rules for convenience only and do not affect its interpretation; and
- (j) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

## 2. PURPOSE OF THIS SCHEME

2.1 The purposes of this Scheme are:

- (a) to stimulate the pro-activeness of the Eligible Persons, encourage their innovation to create value, enhance profit, achieve competitive goals, and ultimately maximise return for the Shareholders;

- (b) to promote the strategic development and realize the goals of the Company: to incentivise Eligible Persons to create value for customers and users, and increase the Company's competitiveness; to incentivise Eligible Persons to align the Company's development strategy with theirs and thus creating Shareholder's value as a whole;
- (c) to optimise the remuneration structure of the Group's employees through the RSU and provide them with a mechanism to own equity interests in the Company for interests and risks sharing; and
- (d) to attract, motivate and retain core capable talents of the Group for the future business development and expansion of the Group.

### **3. CONDITIONS**

- 3.1 The adoption of these Scheme Rules is conditional upon the passing of a resolution by (i) the Shareholders and (ii) the Board, to approve these Scheme Rules and the Amendment.

### **4. DURATION**

- 4.1 Subject to Rule 10.7 and Rule 19, this Scheme shall be valid and effective for the Award Period (after which no further Awards will be granted or no Transfer of Award may be conducted), and thereafter for so long as there are any non-vested RSU granted hereunder prior to the expiration of this Scheme, in order to give effect to the vesting of such RSU or otherwise as may be required in accordance with the provisions of these Scheme Rules.

### **5. ADMINISTRATION**

- 5.1 This Scheme shall be subject to the administration of the following administrative bodies in accordance with these Scheme Rules and, where applicable, the Trust Deed:
- (a) the general meeting of the Shareholders, as the organ of authority of the Company, is responsible for the deliberation and approval of the adoption of this Scheme. The general meeting of the Shareholders may authorize the Board and/or the Delegatee to deal with all matters related to this Scheme to the extent of its authority; and
  - (b) the Board is the institution in charge of the administration of this Scheme in accordance with these Scheme Rules and where applicable, the Trust Deed. A decision of the Board and/or the Delegatee on the administration of this Scheme and the interpretation of these Scheme Rules shall be final and binding on all persons affected, subject to these Scheme Rules, the Listing Rules, the Relevant Regulations and any applicable laws and regulations. Upon deliberation and approval of this Scheme by the Board, the Board will

submit these Scheme Rules to the general meeting of the Shareholders for consideration. The Board and/or the Delegatee may handle all matters related to this Scheme within the authorization by the general meeting of the Shareholders.

- 5.2 The authority to administer this Scheme may be delegated by the Board to the Delegatee as deemed appropriate at the sole and absolute discretion of the Board, provided that nothing in this Rule 5.2 shall prejudice the Board's power to revoke such delegation at any time or derogate from the discretion rested with the Board as contemplated in Rule 5.1(b).

The Remuneration and Assessment Committee shall review the proposal for the grant of Awards or Transfer of Awards to directors and senior management of the Company and formulate their opinions on whether the grant of Awards or Transfer of Awards is beneficial to the continuing development of the Company, and whether the grant of Awards or Transfer of Awards is detrimental to the interests of the Company and the Shareholders.

- 5.3 Subject to any restrictions in these Scheme Rules, it is noted that as at the Adoption Date, the Board has delegated to the Management Committee the authority to supervise and administer this Scheme.
- 5.4 Without prejudice to the Board's general power of administration, the Board or the Delegatee may from time to time appoint one or more administrators, who may be independent third-party contractors, to assist in the administration of this Scheme, to whom they, at their sole and absolute discretion, may delegate such functions relating to the administration of this Scheme as they may think fit. The duration of office, terms of reference and remuneration (if any) of such administrator(s) shall be determined by the Board or the Delegatee at their sole and absolute discretion from time to time.
- 5.5 Without prejudice to the Board's general power of administration, to the extent not prohibited by applicable laws and regulations, the Board or the Delegatee may also from time to time appoint one or more Trustees in respect of granting, administration or vesting of any RSU.
- 5.6 Subject to these Scheme Rules, the Listing Rules, the Relevant Regulations and any applicable laws and regulations, the Board and/or the Delegatee shall have the power from time to time to:
- (a) construe and interpret these Scheme Rules and the terms of the Awards granted or Transferred Awards transferred under this Scheme;
  - (b) supervising the daily management of this Scheme;

- (c) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of this Scheme, provided that they are not inconsistent with these Scheme Rules;
- (d) decide how the vesting of the RSUs will be settled pursuant to Rule 10;
- (e) determine the basis of eligibility of any Eligible Person for the grant of Awards or Transfer of Awards from time to time on the basis of their contribution to the development and growth of the Group or such other factors deemed appropriate;
- (f) grant Awards to or conduct Transfer of Awards in respect of those Eligible Person whom it shall select from time to time;
- (g) determine the terms and conditions of the Awards or Transferred Awards and determined whether the vesting conditions are met;
- (h) establish and administer performance targets in respect of this Scheme;
- (i) approve from time to time the form of an Award Letter, Transfer Letter, Vesting Notice and Confirmation Letter;
- (j) exercise any authority as may be granted by the Shareholders from time to time;
- (k) engage bank(s), accountant(s), lawyer(s), consultant(s) and other professional parties for the purpose of this Scheme; and
- (l) sign, execute, affix the common seal of the Company, amend and terminate documents relating to this Scheme and take such other steps or actions to give effect to the terms and intent of these Scheme Rules.

5.7 None of the directors of the Company or the Delegatee shall be personally liable by reason of any contract or other instrument executed by him/her, or on his/her behalf or for any mistake of judgment made in good faith, for the purposes of this Scheme, and the Company shall indemnify and hold harmless each member of the Board and any Delegatee in relation to the administration or interpretation of this Scheme, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with this Scheme unless arising out of such person's own wilful default, fraud or bad faith.

## 6. OPERATION OF THIS SCHEME

6.1 The Board or the Delegatee may, from time to time, select any Eligible Person to be a Selected Participant and, subject to Rule 6.4, (i) grant an Award to such Selected Participant; and/or (ii) grant an Award (a "**Transferred Award**") to such

Selected Participant in exchange for the cancellation and forfeiture of any award(s) granted to such Selected Participant under any other share scheme (a “**Transferrable Scheme**”) adopted by the Company or its affiliates (the “**Transfer of Award**”) during the Award Period conditional upon fulfilment of terms and conditions of the Awards or Transferred Awards, provided that any Transfer of Award (including any cancellation and forfeiture of any award) shall be in accordance with the terms of the relevant Transferrable Scheme and all applicable laws and regulations, and the Selected Participants to whom any Transferred Award is granted shall have no claim against the Company, any other member of the Group, the Board, the Delegatee, the Trust or the Trustee with respect to this Scheme.

- 6.2 In determining the Selected Participants, the Board or the Delegatee may take into consideration matters including the present and expected contribution of the relevant Selected Participant to the Group, the Group’s general financial condition, and the Group’s overall business objectives and future development plan.
- 6.3 Each grant of an Award to or Transfer of Award in respect of any director participating in this Scheme or Connected person of the Group shall be subject to the Listing Rules, the Relevant Regulations and any applicable laws and regulations.
- 6.4 Notwithstanding the provision in Rules 6.1, 6.2 and 6.3, no grant of any RSU to any Selected Participant or Transfer of Award may be made and no directions or recommendations shall be given to the Trustee with respect to a grant of an Award or Transfer of Award under the circumstances below:
  - (a) in any circumstances where the requisite approval from any applicable regulatory authorities or Shareholders has not been granted;
  - (b) in any circumstances that any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award, Transferred Award or this Scheme, unless the Board determines otherwise;
  - (c) where such Award or Transferred Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
  - (d) where such grant of Award or Transfer of Awards would result in a breach of the Scheme Limit;
  - (e) after the expiry of the Award Period or after the early termination of this Scheme in accordance with Rule 19;

and any such grant or Transfer of Award so made shall be null and void to the extent (and only to the extent) that it falls within the circumstances above.

## **7. TIMING OF AWARDS**

7.1 No grant of any Award or Transfer of Award shall be made to Selected Participants pursuant to Rule 6 and no directions or recommendation shall be given to the Trustee with respect to a grant of an Award or Transfer of Award under this Scheme:

- (a) where any director of the Company is in possession of unpublished inside information in relation to the Company; or where any director of the Company knows or believes there is inside information which must be disclosed pursuant to the Listing Rules, the Relevant Regulations or any applicable laws, rules or regulations; or where dealings by directors of the Company or members of the Group are prohibited under any code, internal written guidelines for securities transactions by employees, or requirement of the Listing Rules, the Relevant Regulations or any applicable laws, rules or regulations;
- (b) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
- (c) during the period of 30 days immediately preceding the publication date of the quarter or half-year results for any financial period of the Company or, if shorter, the period from the end of the relevant quarter or half-year period of the financial period up to the publication date of such results.

7.2 In respect of the administration and operation of this Scheme, the Company shall comply with all applicable disclosure regulations including those imposed by the Listing Rules, the Relevant Regulations and all applicable laws, rules and regulations from time to time.

## **8. AWARD LETTER, TRANSFER LETTER AND NOTIFICATION OF GRANT OF AWARDS OR TRANSFER OF AWARDS**

8.1 The Company or the Delegatee shall issue a letter or notice (including but not limited to, by mail, e-mail or by notification via any electronic means) to each Selected Participant in such form as the Board or the Delegatee may from time to time determine, specifying the Grant Date, the manner of acceptance of the Award, the value of the Award and/or the number of RSU underlying the Award, the vesting criteria and conditions (which may include, but not limited to, the fulfilment of the key quantitative and qualitative requirements of the relevant business unit(s) and personal performance targets by the relevant Selected Participant prescribed by the Group), and the Vesting Date and such other

details, terms and conditions as the Board may consider necessary and in compliance with this Scheme (an “**Award Letter**”). The Selected Participant shall indicate his/her acceptance in the manner specifically required by the Company (including but not limited to, by mail, e-mail or at designated electronic platform) within the acceptance period stated in the Award Letter, otherwise, the grant of the RSU shall be deemed not accepted and cancelled.

- 8.2 The Company or the Delegatee shall enter into a letter of transfer (a “**Transfer Letter**”) with each Selected Participant of Transferred Award in such form as the Board or the Delegatee may from time to time determine, specifying substantially the same details as contained in an Award Letter.
- 8.3 As soon as practicable after the grant of any Award to a Selected Participant or any Transfer of Award, the Company or the Delegatee shall notify the Trustee of:
- (a) the name of each such Selected Participant to whom such an Award or Transferred Award has been made;
  - (b) the number of RSU to which each such Award or Transferred Award relates; and
  - (c) the date or dates on which each such Award or Transferred Award will vest and the relevant conditions (if any).

## 9. ACQUISITION OF H SHARES BY THE TRUSTEE

- 9.1 The Group may from time to time, subject to the terms and conditions in this Scheme and the compliance of all relevant laws, rules and regulations, cause to be transferred to the Trust the necessary funds for any acquisition of H Shares and other purposes set out in these Scheme Rules and the Trust Deed.
- 9.2 Subject to Rules 7.1, 9.8 and 15, the Company or the Delegatee may from time to time instruct the Trustee in writing to (i) acquire H Shares through on-market or off-market transactions; and/or (ii) take or accept H Shares that may be donated or transferred by an entity designated by the Company or the Delegatee (including but not limited to the trustee(s) of any Transferrable Scheme). For the avoidance of doubt, subject to these Scheme Rules, the Listing Rules, the Relevant Regulations and any applicable laws and regulations, the Company or the Delegatee may from time to time instruct the Trustee in writing to acquire, take or accept H Shares to be donated or transferred by the parent group or affiliates of the Company. Once acquired, taken or accepted, the H Shares are to be held by the Trustee for the benefit of Selected Participant under the Trust on and subject to the terms and conditions of these Scheme Rules and the Trust Deed.
- 9.3 On each occasion when the Board or the Delegatee instructs the Trustee to acquire H Shares through on-market or off-market transactions, it may specify the price (including the highest price) or range of prices (subject to the Listing Rules, the

Relevant Regulations, the SFO and all applicable laws, rules and regulations from time to time) for the acquisition, the maximum amount of funds to be used and/or the number of H Shares are to be acquired. The Trustee may not incur more than the maximum amount of funds or acquire any excess number of H Shares unless with the prior written consent of the Board or the Delegatee.

Where the Trustee has received instructions from the Company or the Delegatee to acquire H Shares through on-market transactions, the Trustee shall apply such amount of funds in such manner as specified by the Board or the Delegatee in accordance with this Rule 9.3 to acquire such maximum number of H Shares on-market at the prevailing market price as soon as reasonably practicable after receiving the necessary funds from the Group.

- 9.4 The Trustee shall keep the Board or the Delegatee informed from time to time of the number of H Shares acquired and the price at which those H Shares have been acquired. If, for any reason, the Trustee is unable to acquire any or all of the H Shares with such number of H Shares in the manner as instructed by the Board or the Delegatee within the time period as agreed between the Board or the Delegatee and the Trustee after being instructed by the Board or the Delegatee to do so, the Trustee shall notify the Board or the Delegatee in writing. The Board or the Delegatee shall then decide on whether to instruct the Trustee to continue with such acquisition and under the conditions thereof. In the event that the Board or the Delegatee decides to instruct the Trustee to continue with such acquisition, the Board or the Delegatee shall provide new instructions to the Trustee, including the time for such acquisition, and the maximum amount of funds to be used and/or the number of H Shares are to be acquired, and/or any conditions thereof.
- 9.5 Subject to Rule 14, the Company or the Delegatee shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Awards or Transfer of Awards made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted or Transferred Awards, the Group shall, subject to this Rule 9.5, as soon as reasonably practicable, for purposes of satisfying the Awards granted or Transferred Awards, transfer to the Trust the necessary funds and instruct the Trustee to acquire further H Shares through on-market or off-market transactions or to take or accept further H Shares in accordance with Rule 9.2.
- 9.6 Subject to Rule 10.6(b), the Trustee shall only be obliged to transfer RSUs to Selected Participants on vesting to the extent that RSUs are comprised in the Trust.
- 9.7 The Company or the Delegatee shall not instruct the Trustee to acquire H Shares through on-market or off-market transactions at the prevailing market price where (i) such action (as applicable) is prohibited under the Listing Rules, the Relevant Regulations, the SFO, the applicable PRC laws, rules and regulations or other applicable laws from time to time, or (ii) during such periods as stated in

Rule 7. Where such a prohibition causes the prescribed timing imposed by these Scheme Rules or the Trust Deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first (1st) Business Day on which the prohibition no longer prevents the relevant action.

- 9.8 At any time during the Award Period, the Board or the Delegatee may instruct the Trustee to remit unused funds in the Trust that were previously transferred to the Trust by the Group for the purchase or acquisition of H Shares back to the Group in a manner as instructed by the Board or the Delegatee.

## 10. VESTING OF AWARD

- 10.1 The Board or the Delegatee may from time to time while this Scheme is in force and subject to all applicable laws, rules and regulations, determine such vesting criteria and conditions or periods for the Award or Transferred Award to be vested hereunder.
- 10.2 If the Vesting Date is not a Business Day, the Vesting Date shall, subject to any trading halt or suspension in the H Shares, be the immediately preceding Business Day.
- 10.3 The vesting of the Awards or Transferred Awards granted under this Scheme is subject to the conditions of the relevant business unit and personal performance targets of the relevant Selected Participant and any other applicable vesting conditions as set out in the Award Letter or Transfer Letter.
- 10.4 If the Selected Participant fails to fulfil the vesting conditions applicable to the relevant Awards or Transferred Awards, all the RSUs underlying the relevant Awards or Transferred Awards which may otherwise be vesting during the respective vesting period shall not be vested and become immediately forfeited with respect to such Selected Participant. The Trustee shall be notified of such forfeiture and such forfeited shares shall be held by the Trustee as Returned Shares. The Board's or the Delegatee's decision on whether the vesting conditions are fulfilled and satisfied shall be conclusive and final.
- 10.5 Any dividend underlying the non-vested RSU shall be retained by the Trustee as part of the funds in the Trust. At the sole and absolute discretion of the Board and/or the Delegatee, the Selected Participant may be entitled to any related income or dividend declared in relation to the RSUs during the period from the Grant Date to the Vesting Date, subject to the terms and conditions specified in the Award Letter or Transfer Letter. In the event that the RSUs are to be forfeited, lapsed or cancelled, such underlying dividend shall be retained by the Trustee as part of the funds in the Trust for the benefit of this Scheme.

10.6 For the purposes of vesting of the Award or Transferred Award, the Company and/or the Delegatee may either:

- (a) direct and procure the Trustee to release from the Trust the RSUs to the Selected Participants by transferring the number of RSUs to the Selected Participants in such manner as determined by them from time to time; or
- (b) at the discretion of the Board and with the consent of the Selected Participant, desirable or for any other reason for the Selected Participant to receive the Award or Transferred Award in H Shares or the Actual Selling Price of such RSUs, the Board or Delegatee will direct and procure the Trustee to sell, on-market at the prevailing market price, the number of RSUs so vested in respect of the Selected Participant and pay the Selected Participant in cash based on the Actual Selling Price of such RSUs as set out in the Confirmation Letter.

10.7 Except in the circumstances as set out in Rule 10.10, barring any unforeseen circumstances, within a reasonable time period as agreed between the Trustee and the Company or the Delegatee from time to time, the Board or the Delegatee shall send to the relevant Selected Participant a vesting notice in a manner as determined by the Board or the Delegatee (the “**Vesting Notice**”) together with the prescribed transfer documents which require the Selected Participant to execute to effect the vesting and transfer of the RSUs (where applicable). The Board or Delegatee shall provide a Confirmation Letter to the Trustee confirming that all vesting conditions has been fulfilled and instruct the Trustee the extent to which the RSUs held in the Trust shall be transferred and released from the Trust to the Selected Participant and/or paid to the Selected Participant in cash based on the Actual Selling Price of such RSUs in the manner as determined by the Board or the Delegatee on the Vesting Date. Upon completion of the transfer of the RSUs by the Trustee, the vested RSUs shall be legally and beneficially owned by the relevant Selected Participant.

Except in the circumstances as set out in Rule 10.10, subject to the receipt of the Confirmation Letter from the Board or the Delegatee, the Trustee shall transfer and release the relevant RSUs to the relevant Selected Participant in the manner as determined by the Board or the Delegatee on the Vesting Date, or pay the relevant Selected Participant in cash based on the Actual Selling Price of such RSUs as set out in the Confirmation Letter within a reasonable time period in satisfaction of the Award or Transferred Award, provided that the Trust has sufficient cash to pay such proceeds.

10.8 Any stamp duty or other direct costs and expenses arising on vesting and transfer of the RSUs to or for the benefit of the Selected Participants shall be borne by the funds in the Trust, and if the funds in the Trust is insufficient to cover, it shall be

borne by the Group (and the Trustee is entitled to deduct from the Trust such duty(ies), costs and expenses or request the Company to pay to the Trustee (in which case the Group is obliged and undertakes to the Trustee to do so).

- 10.9 All taxes, costs and expenses in relation to all dealings with the RSUs after vesting shall be borne by the Selected Participant and neither the Group nor the Trustee shall be liable for any such costs and expenses thereafter.
- 10.10 Other than the stamp duty to be borne by the Group in accordance with Rule 10.8, all other taxes (including personal income taxes, professional taxes, salary taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Selected Participant's participation in this Scheme or in relation to the RSUs or cash amount of equivalent value of the RSUs (the "Taxes") shall be borne by the Selected Participant and neither the Group nor the Trustee shall be liable for any Taxes. The Selected Participant shall indemnify the Trustee and all members of the Group against any liability each of them may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Trustee or any member of the Group may, notwithstanding anything else in these Scheme Rules (but subject to applicable laws):
- (a) reduce or withhold the number of the Selected Participant's RSUs underlying the Award or Transferred Award (the number of RSUs underlying the Award or Transferred Award that may be reduced or withheld shall be limited to the number of RSUs that have a fair market value on the date of withholding that, in the reasonable opinion of the Company is sufficient to cover any such liability);
  - (b) sell, on the Selected Participant's behalf such number of H Shares to which the Selected Participant becomes entitled under this Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency;
  - (c) deduct or withhold, without notice to the Selected Participant, the amount of any such liability from any payment to the Selected Participant made under this Scheme or from any payments due from a member of the Group to the Selected Participant, including from the salary payable to the Selected Participant by any member of the Group; and/or
  - (d) require the Selected Participant to remit to the Trustee or any member of the Group, in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by the Trustee or any member of the Group on account of the Selected Participant or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

The Trustee shall not be obliged to transfer any RSUs (or pay the Actual Selling Price of such RSUs in cash) to a Selected Participant unless and until the Selected Participant satisfies the Trustee and the Board or the Delegatee that such Selected Participant's obligations under this Rule have been met.

## 11. CESSATION OF EMPLOYMENT AND OTHER EVENTS

### Changes in job position

11.1 If a Selected Participant has changes in his job position by reason of adjustment of his position within members of the Group to the extent that he/she will continue to be an Eligible Person, and all of the conditions set out in the Award Letter or Transfer Letter have been fulfilled, any outstanding RSUs not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter or Transfer Letter, unless the Board or the Delegatee determines otherwise at their sole and absolute discretion.

11.2 If:

- (a) a Selected Participant having committed any act of fraud or dishonesty or serious misconduct or any violation behaviour (e.g. bribery, disclosure of the Group's secrets, damage to the Group's assets, causing major accidents etc.) or serious negligence, as determined by the Board at its sole and absolute discretion, whether or not in connection with such Selected Participant's employment or engagement or service to any member of the Group and whether or not it has resulted in such Selected Participant's employment or engagement or service being terminated by the relevant member of the Group; or
- (b) a Selected Participant having been convicted of any criminal offence involving his or her integrity or honesty, or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong, the PRC or any other applicable laws, rules or regulations in force from time to time; or
- (c) a Selected Participant having committed violation of professional ethics or the leakage of confidential information, trade secrets, intellectual property or proprietary information of the Group or a material breach of contract(s) between any member of the Group and such Selected Participant, including without limitation violation of confidentiality or non-competition obligations; or
- (d) any relevant member of the Group is entitled to, on any ground, terminate the employment or engagement or service of a Selected Participant summarily; or

- (e) a Selected Participant having caused damage to the interests or reputation of any relevant member of the Group, as determined by the Board at their sole and absolute discretion, due to failure to discharge his/her duties or a wilful misconduct; or
- (f) there is any material misstatement in the Group's financial statements or in the financial statements of a relevant member of the Group; or
- (g) a Selected Participant is declared or adjudged to be bankrupt by a competent court or governmental body, or becomes insolvent, or fails to pay his debts as they fall due (after the expiry of any applicable grace period), or makes any arrangements or composition with his or her creditors generally or an administrator takes possession of any of his assets; or
- (h) a Selected Participant is unable to meet the performance indicators or performance expectation at regular assessment;

any outstanding RSUs not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise at their absolute discretion. In respect of all the events above other than the event listed in (h) in this Rule 11.2, the Board or the Delegatee may, at its discretion, direct such Selected Participant to return, repay or otherwise deal with any vested RSUs or Actual Selling Price paid in cash or any interests therein (including any related assets derived or arising therefrom), including without limitation to return or repay to the Group all proceeds arising from the disposal or sale of the relevant H Shares (in respect of the vested RSUs) or to transfer to the Group all relevant H Shares (in respect of the vested RSUs) at such Selected Participant's expense (including all tax, costs and expenses). For the avoidance of doubt, the clawback mechanism set out in this Rule 11.2 shall be subject to all applicable laws, rules and regulations from time to time.

#### **Retirement, Death, Permanent Disablement and Redundancy**

11.3 If and to the extent permitted by applicable laws and regulations, in respect of such Selected Participant who is:

- (a) an US Participant: if he/she ceases to be an Eligible Person by reason of (i) him/her becoming disabled (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended resulting from work injury as a result of his/her employment with the Group or as a result of such other circumstance as determined by the Board or the Delegatee and his/her employment terminates in connection with the disability or (ii) he/she died, any outstanding RSUs not yet vested will be vested as soon as practicable within 60 Business Days from the date the said cessation (resulting from death and/or disability described before) is duly confirmed, regardless of whether such Selected Participant has achieved the relevant business units' and personal performance targets or any pre-determined vesting schedule;

- (b) a Non-US Participant,
- (i) if he/she ceases to be an Eligible Person by reason of termination of his/her employment or contractual engagement by reason of redundancy or retirement (i.e. termination of employment relationship for reaching the requirements for access to the mandatory national pension), only the outstanding RSUs not yet vested which are adjusted in line with the ratio of his/her actual days in employment or contractual engagement during the Performance Period (as defined in the relevant Award Letter or Transfer Letter) under the Award Letter or Transfer Letter issued to him/her (the “**Relevant Performance Period**”) to the total days (assuming that employment is not terminated, but in any case the adjusted RSUs to be vested shall not exceed the RSUs proposed to be vested in the next 12 months after the date of the termination) in the Relevant Performance Period will be vested on the next available Vesting Date set out in the Award Letter or Transfer Letter or such other date as may be determined by the Board or the Delegatee at their sole and absolute discretion, provided that him/her having achieved the relevant business units’ and personal performance targets in the relevant year prior to the occurrence of the termination and furnished non-compete undertaking(s) as may be directed by the Group subject to applicable laws, rules and regulations from time to time; and
  - (ii) if he/she ceases to be an Eligible Person by reason of (i) termination of his/her employment or contractual engagement by reason of permanent physical or mental disablement resulting from work injury as a result of his/her employment with the Group or as a result of such other circumstance as determined by the Board or the Delegatee or (ii) death, any outstanding RSUs not yet vested will be vested as soon as practicable within 60 Business Days from the date the said cessation (resulting from death and/or disability described before) is duly confirmed, regardless of whether such Selected Participant has achieved the relevant business units’ and personal performance targets or any pre-determined vesting schedule.

#### **Resignation or cessation of employment**

11.4 If a Selected Participant ceases to be Eligible Person by reason of (i) resignation; or (ii) the Selected Participant whose employment is terminated by the Group by reason of the employer terminating the contract of employment for reasons other than reasons set out in Rule 11.3(a) (for a US Participant) or Rule 11.3(b) (for a non-US Participant) or the Selected Participant having committed any act of fraud or dishonesty or serious misconduct or any violation behaviour (e.g. bribery, disclosure of the Group’s secrets, damage to the Group’s assets, causing major accidents etc.) as determined by the Board at its sole and absolute discretion, or having been convicted of any criminal offence involving his or her integrity or honesty, or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong, the PRC or any

other applicable laws, rules or regulations in force from time to time, any outstanding RSUs not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise at their sole and absolute discretion.

- 11.5 If a Selected Participant is declared or adjudged to be bankrupt by a competent court or governmental body, or becomes insolvent, or fails to pay his debts as they fall due (after the expiry of any applicable grace period), or makes any arrangements or composition with his or her creditors generally or an administrator takes possession of any of his assets, any outstanding RSUs not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise at their sole and absolute discretion.
- 11.6 If a Selected Participant ceases to be an Eligible Person for reasons other than those set out in Rules 11.1, 11.2, 11.3, 11.4 or 11.5, any outstanding RSUs not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise at their sole and absolute discretion.
- 11.7 Any Selected Participant ceasing to be an Eligible Person for reasons set out in Rules 11.1, 11.2, 11.3, 11.4, 11.5 or 11.6, such Selected Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Delegatee, the Trust or the Trustee or with respect to those or any other RSU or any right thereto or interest therein in any way.
- 11.8 A Selected Participant shall be taken to have retired on the date that he or she retires upon or after reaching the age of retirement specified in his/her service agreement or pursuant to any retirement policy of the Company applicable to him/her from time to time or stipulated by law, in case there is no such terms of retirement applicable to the Selected Participant, with the approval or the Board or the board of the applicable members of the Group.
- 11.9 In the event that an Award or Transferred Award or any part thereof to a Selected Participant vests by reason of the death of such Selected Participant as contemplated in Rule 11.3, the Trustee shall hold such number of Shares as are equal to the vested RSUs or the Actual Selling Price (hereinafter referred to as “**Benefits**”) on trust and to transfer the same to the legal personal representatives of the Selected Participant within one year of the death of the Selected Participant (or such longer period as the Trustee and the Company or the Delegatee shall agree from time to time), or if the Benefits would otherwise become *bona vacantia*, the Benefits shall be forfeited and cease to be transferable and such Benefits shall be held by the Trustee as Returned Shares or funds of the Trust for the purposes of this Scheme. Notwithstanding the foregoing, the Benefits held upon the trusts hereof shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Trustee in every way as if they had remained part of the Trust.

11.10 The Company or the Delegatee shall, from time to time, inform the Trustee in writing, the date on which such Selected Participant ceased to be an Eligible Person, forfeiture of any outstanding RSUs not yet vested and any amendments to the terms and conditions of the Award or Transferred Award in respect to such Selected Participant (including the number of RSUs entitled).

11.11 If and to the extent permitted by applicable laws, rules and regulations, a determination from the Board or the Delegatee, as to the continuous eligibility of a Selected Participant as an Eligible Person, or as to whether the outstanding RSUs of a Selected Participant not yet vested shall be or shall not be lapsed, cancelled or forfeited, shall be final and conclusive as to such Selected Participant.

## **12. TRANSFERABILITY AND OTHER RIGHTS TO RSU**

12.1 Any Award or Transferred Award granted hereunder but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award or Transferred Award, or enter into any agreement to do so, unless the Award or Transferred Award or any interest thereof is transferred as a result of the Selected Participant's death in accordance with the terms of this Scheme.

12.2 Any actual or purported breach of Rule 12.1 shall entitle the Board or the Delegatee to cancel any outstanding Award or Transferred Award or part thereof granted to such Selected Participant. For this purpose, a determination from the Board or the Delegatee, to the effect that the Selected Participant has or has not breached any of the foregoing shall be final and conclusive as to such Selected Participant.

## **13. INTEREST IN THE ASSETS OF THE TRUST**

13.1 For the avoidance of doubt:

- (a) a Selected Participant shall have only a contingent interest in the Award or Transferred Award subject to the vesting of such Award or Transferred Award in accordance with Rules 10 and 14;
- (b) no instructions may be given by a Selected Participant (including voting rights) to the Trustee in respect of the Award or Transferred Award or any other property of the Trust and the Trustee shall not follow instructions given by a Selected Participant to the Trustee in respect of the Award or Transferred Award or any other property of the Trust;
- (c) neither the Selected Participant nor the Trustee may exercise any voting rights in respect of any H Shares held by the Trustee under the Trust (including the RSUs that have not yet vested);

- (d) a Selected Participant shall have no right to any dividend to any of the RSUs that have not yet vested, any of the Returned Shares, any dividend of the Returned Shares, funds or other properties of the Trust, all of which shall be retained by the Trustee for the benefit of this Scheme, unless the Board or the Delegatee determines otherwise at its sole and absolute discretion;
- (e) a Selected Participant shall have no rights in the balance of the fractional shares arising out of the division and consolidation of H Shares (if any) and such H Shares shall be deemed Returned Shares for the purposes of this Scheme;
- (f) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives of the Selected Participant is made within the period prescribed in Rule 11.9 and the legal personal representatives of the Selected Participant shall have no claims against the Company, any other member of the Group, the Board, the Delegatee, the Trust or the Trustee; and
- (g) unless otherwise waived by the Board, in the event that the vesting conditions (if any) specified in an Award Letter or Transfer Letter are not fully satisfied prior to or on the relevant Vesting Date, the award of the RSU shall lapse, such RSU shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, any other member of the Group, the Board, the Delegatee, the Trust or the Trustee; and
- (h) in the event a Selected Participant ceases to be an Eligible Person on or prior to the relevant Vesting Date in accordance with Rule 11 and the Award or Transferred Award in respect of the relevant Vesting Date shall lapse or be forfeited pursuant to this Scheme, such Award or Transferred Award shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, any other member of the Group, the Board, the Delegatee, the Trust or the Trustee, unless the Board or the Delegatee determines otherwise at its sole and absolute discretion.

#### **14. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME, ETC.**

##### **Change in control**

14.1 If there is an event of change in control of the Company by way of a merger, a privatisation of the Company by way of a scheme or by way of an offer, change of actual control of the Company, the Company no longer exists after merger with another company or the H Shares are no longer listed on the Hong Kong Stock Exchange, the Board or the committee of the Board or the Delegatee shall at their sole and absolute discretion determine whether the Vesting Dates of any Awards or Transferred Awards will be accelerated. If the Vesting Dates of any Awards or Transferred Awards are accelerated, the procedures as set out in Rule 10.7 shall apply except that the Vesting Notice will be sent to such Selected Participant

affected by this Rule 14.1 based on the proposed Vesting Date as soon as practicable once the proposed Vesting Date is known. The Trustee shall transfer the RSUs or pay the Actual Selling Price in cash, as the case may be, to the Selected Participant in accordance with the Confirmation Letter as provided by the Board or its delegate(s).

For the purpose of Rule 14.1, “control” shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

#### **Open offer and rights issue**

14.2 In the event the Company undertakes an open offer of new securities, the Trustee shall not subscribe for any new H Shares. In the event of a rights issue, the Trustee shall seek instruction from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it and the net proceeds of sale of such rights shall be held as part of the funds in the Trust.

#### **Bonus warrants**

14.3 In the event the Company issues bonus warrants in respect of any H Shares which are held by the Trustee, the Trustee shall not, unless otherwise instructed by the Company, subscribe for any new H Shares by exercising any of the subscription rights attached to the bonus warrants, and shall sell the bonus warrants created and granted to it, and the net proceeds of sale of such bonus warrants shall be held as funds of the Trust.

#### **Scrip Dividend**

14.4 In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive the scrip H Shares and such H Shares will be held as part of the funds in the Trust. In the event the Company undertakes a cash or scrip dividend, the Trustee shall elect to receive cash at any time and it shall be deemed as cash income of a H Share held upon the Trust.

#### **Consolidation, Sub-division, Bonus issue and other distribution**

14.5 In the event the Company undertakes a sub-division or consolidation of the H Shares, corresponding changes will be made to the number of outstanding RSUs that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Scheme for the Selected Participants. The Board or the Delegatee shall as soon as practicable after such sub-division or consolidated has been effected, notify each such Selected Participant of the number of RSUs that he/her has become entitled to on vesting after such subdivision or consolidation (as the case may be).

- 14.6 In the event of an issue of H Shares by the Company credited as fully paid to the holders of the H Shares by way of capitalisation of profits or reserves (including share premium account), the H Shares attributable to any RSUs held by the Trustee shall be deemed to be an accretion to such RSUs and shall be held by the Trustee as if they were RSUs purchased by the Trustee hereunder and retained as part of the funds in the Trust.
- 14.7 In the event of any non-cash distribution or other events not referred to above by reason of which the Board considers an adjustment to an outstanding Award or Transferred Awards to be fair and reasonable, an adjustment shall be made to the number of outstanding RSUs of each Selected Participant as the Board shall consider to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Scheme for the Selected Participants. The Company shall provide such funds, or such directions on application of the Returned Shares or other funds in the Trust, as may be required to enable the Trustee to purchase H Shares on-market at the prevailing market price, off market, or to take or accept further H Shares, to satisfy the additional Award or Transferred Award.
- 14.8 In the event of other non-cash and non-scrip distributions made by the Company not otherwise referred to in these Scheme Rules in respect of the H Shares held upon Trust, the Trustee shall sell such distribution and the net sale proceeds thereof shall be deemed as cash income of a H Share held upon the Trust.

**Voluntary winding up**

- 14.9 If notice is duly given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering a resolution for the voluntary winding-up of the Company (other than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company are passed to a successor company) or an order of winding up of the Company is made, the Board or the Delegatee shall determine at its discretion whether such RSU shall vest in the Selected Participant and the time at which such RSU shall vest. If the Board determines that any RSU shall vest, it shall promptly notify the Selected Participant and shall use its reasonable endeavours to procure the Trustee to take such action as may be necessary to transfer the legal and beneficial ownership of the RSU which are to become vested in such Selected Participant or pay such sum they would have received in respect of the Awards or Transferred Awards, to such Selected Participant.

**15. SCHEME LIMIT**

- 15.1 The Scheme Limit shall be the maximum number of H Shares that could be granted under this Scheme. The Company shall not make further grant which will result in the aggregate number of H Shares granted to exceed five per cent (5%) of

the total number of issued H Shares as at the relevant Grant Date (the “**Scheme Limit**”). It shall be confirmed that the Scheme Limit shall not be utilized in respect of the RSUs granted prior to the Amendment.

15.2 The Company shall not make any further grant of Award or Transferred Award which will result in the aggregate number of H Shares underlying all grants made pursuant to this Scheme (excluding RSUs that have been forfeited, cancelled or lapsed in accordance with this Scheme) to exceed the Scheme Limit.

15.3 The total number of RSUs granted but remain unvested to a Selected Participant under this Scheme shall not exceed zero point one per cent (0.1%) of the total number of issued H Shares as at the relevant Grant Date.

## 16. RETURNED SHARES

16.1 The Trustee shall hold Returned Shares to be applied towards future Awards or Transferred Awards in accordance with the provisions hereof for the purpose of this Scheme. When H Shares have been deemed to be Returned Shares under these Scheme Rules, the Trustee shall notify the Company or the Delegatee accordingly.

## 17. ALTERATION OF THIS SCHEME

17.1 This Scheme may not be altered in any respect in the occurrence of the event set out in Rule 14.1.

17.2 This Scheme may be altered by a resolution of the Board or the Delegatee provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Participants hereunder.

17.3 Under the premise of not violating this Scheme, any terms and conditions in and arrangement (including but not limited to arrangements on special circumstances not covered by this Scheme) under an Award Letter or Transfer Letter shall be deemed valid and be in full force.

17.4 Written notice of any amendment to this Scheme shall be given to all Selected Participants and the Trustee.

## 18. CANCELLATION OF AWARDS OR TRANSFERRED AWARDS

18.1 The Board or the Delegatee may in its sole and absolute discretion cancel any Award or Transferred Award that has not vested or forfeited provided that the cancellation shall not affect the subsisting rights of any Selected Participant, and provided further that the cancellation and forfeiture of the RSUs (the “**Exchange RSUs**”) granted to any Selected Participant in exchange for substantially similar interests under any other share scheme adopted by the Group from time to time shall not be construed as or deemed to be affecting the subsisting rights of any Selected Participant, and such Selected Participant shall have no right or claim

against the Company, any other member of the Group, the Board, the Delegatee, the Trust or the Trustee or with respect to the Exchange RSUs or any right thereto or interest therein.

## 19. TERMINATION

19.1 Subject to Rule 4, this Scheme shall terminate on the earlier of:

- (a) the end of the Award Period except in respect of any non-vested RSUs granted hereunder prior to the expiration of this Scheme, for the purpose of giving effect to the vesting of such RSUs or otherwise as may be required in accordance with the provisions of this Scheme; and
- (b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder; provided further that for the avoidance of doubt, the change in the subsisting rights of a Selected Participant in this Rule 19.1(b) refers solely to any change in the rights in respect of the RSUs already granted to a Selected Participant, provided that the cancellation and forfeiture of Exchange RSUs granted to any Selected Participant in accordance with Rule 18.1 upon early termination shall not be construed as or deemed to be affecting the subsisting rights of any Selected Participant, and such Selected Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Delegatee, the Trust or the Trustee or with respect to the Exchange RSUs or any right thereto or interest therein.

19.2 On the Business Day following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award or Transferred Award made under this Scheme or the early termination of this Scheme as determined by the Board in accordance with Rule 19.1(b), the Trustee shall (i) sell all the H Shares remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company upon receiving notice of the settlement, lapse, forfeiture or cancellation (as the case may be) of such last outstanding Award or Transferred Award (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale referred to in this Rule 19.2 and other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Group or; (ii) return the outstanding balance of the H Shares remaining in the Trust to a designated entity of the Group (including but not limited to the trustee of such other share scheme(s) as may be adopted by the Group) in the manner as instructed by the Board or the Delegatee, subject to the compliance of the Listing Rules, the Relevant Regulations or any applicable laws, rules and regulations.

**20. MISCELLANEOUS**

- 20.1 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Person, and the rights and obligations of any Eligible Person under the terms of his/her office or employment shall not be affected by his/her participation in this Scheme or any right which he/she may have to participate in it and this Scheme shall afford such Eligible Person no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 20.2 The Company shall bear the costs of establishing and administering this Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Rule 20.3, expenses incurred in the purchase of H Shares by the Trustee and stamp duty and normal registration fee (i.e. not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of H Shares to Selected Participants on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any Tax or expenses of such other nature payable on the part of any Eligible Person in respect of any sale, purchase or transfer of H Shares (or cash amount of equivalent value being paid) subsequent to vesting of the RSUs, other than for any withholding tax liability of the Company or any member of the Group under applicable laws.
- 20.3 Any notice or other communication between the Company and any Eligible Person may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office in Hong Kong or the PRC or such other address as notified to the Eligible Person from time to time and in the case of an Eligible Person, his/her address as notified to the Company from time to time or by hand delivery. In addition, any notice (including the Vesting Notice) or other communication from the Company to any Eligible Person or Selected Participant may be given by any electronic means as the Board considers appropriate.
- 20.4 Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post. Any notice or other communication served by electronic means shall be deemed to have been received on the day following that on which it was sent.
- 20.5 The Company, any other members of the Group, the Board, the Delegatee, the Trust and the Trustee shall not be responsible for any failure by any Eligible Person to obtain any consent or approval required for such Eligible Person to participate in this Scheme as a Selected Participant or for any Tax, expenses, fees or any other liability to which an Eligible Person may become subject as a result of participation in this Scheme.
- 20.6 Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision

or provisions are unenforceable they shall be deemed to be deleted from these Scheme Rules, and any such deletion shall not affect the enforceability of these Scheme Rules as remain not so deleted.

- 20.7 This Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.
- 20.8 Save as specifically provided herein, this Scheme shall not confer on any person any legal or equitable rights (other than those constituting and attaching to the RSUs themselves) against the Group, the Board, the Delegatee, the Trust and the Trustee directly or indirectly or give rise to any cause of action at law or in equity against the Group, the Board, the Delegatee, the Trust and the Trustee. No person shall, under any circumstances, hold the Board, its delegate and/or the Company liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with this Scheme or the administration thereof.
- 20.9 In the event that an Award or Transferred Award lapses in accordance with these Scheme Rules, no Selected Participants shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under this Scheme which he or she might otherwise have enjoyed.
- 20.10 This Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations.
- 20.11 By participating in this Scheme, the Selected Participant consents to the holding, processing, storage and use of personal data or information concerning him or her by any member of the Group, the Trustee or other third party service provider, in Hong Kong, the PRC or elsewhere, for the purpose of the administration, management or operation of this Scheme. Such consent permits, but is not limited to, the following:
- (a) the administration and maintenance of records of the Selected Participant;
  - (b) the provision of data or information to members of the Group, the Trustee, registrars, brokers or third party administrators or managers of this Scheme or professional advisers or auditors of the Group, in Hong Kong, the PRC or elsewhere;
  - (c) the provision of data or information to future purchasers or merger partners of the Company, the Selected Participant's employing company, or the business in which the Selected Participant works;
  - (d) the transfer of data or information about the Selected Participant to a country or territory outside the Selected Participant's home country which may not provide the same statutory protection for the information as his home country; and

- (e) in the case where an announcement is required to be made or a circular is required to be despatched pursuant to the Listing Rules for the purposes of granting an Award or a Transferred Award, the disclosure of the identity of such Selected Participant, the number of RSUs and the terms of the Award or Transferred Award granted and/or to be granted and all other information as required under the Listing Rules, the Relevant Regulations or other applicable laws, rules and regulations.

The Selected Participant is entitled, on payment of a reasonable fee, to a copy of the personal data held about him or her, and if such personal data is inaccurate, the Selected Participant has the right to have it corrected in accordance with applicable laws, rules and regulations.

## **21. INTERPRETATION AND DISPUTE RESOLUTION**

21.1 Any decision to be made under this Scheme, including matters of interpretation with respect to these Scheme Rules, shall be made by the Board.

21.2 The Board shall determine any question of interpretation and settle any dispute arising under or in connection with this Scheme. In such matters, the Board's decision shall be final and conclusive.

## **22. GOVERNING LAW**

22.1 This Scheme shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region of the PRC.

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	<p><b>Article 7</b> The Company's registered capital is RMB9,382,913,334 (NINE BILLION THREE HUNDRED EIGHTY TWO MILLION NINE HUNDRED THIRTEEN THOUSAND THREE HUNDRED THIRTY FOUR).</p>	<p><b>Article 7</b> The Company's registered capital is RMB<u>9,382,913,334</u>,<u>377,629,650</u> (<del>NINE BILLION THREE HUNDRED EIGHTY TWO MILLION NINE HUNDRED THIRTEEN THOUSAND THREE HUNDRED THIRTY FOUR</del><u>NINE BILLION THREE HUNDRED THIRTY FOUR</u><del>NINE BILLION THREE HUNDRED THIRTY FOUR</del><u>NINE BILLION THREE HUNDRED THIRTY FOUR</u><del>NINE BILLION THREE HUNDRED THIRTY FOUR</del><u>SEVENTY-SEVEN MILLION SIX HUNDRED TWENTY-NINE THOUSAND SIX HUNDRED FIFTY</u>).</p>	<p>The registered capital has been adjusted following the completion of share repurchase and cancellation.</p>
2	<p><b>Article 24</b> At the establishment of the Company, Qingdao Refrigerator General Factory (now is known as "Haier Group Company") had shares of RMB91,024,500 by contribution in tangible assets, the credit union fund had shares of RMB7,294,500 by share conversion, other external entities had shares of RMB2,260,000 and staff and workers had individual shares of RMB1,904,000. To sum up, the total share capital of the Company was RMB102,483,000, with RMB500 per share and 204,966 shares in total. The time of contribution was 1989.</p> <p>The capital structure of the Company is comprised of 9,382,913,334 ordinary shares in total, of which the domestic shareholders hold 6,254,501,095 shares (representing 66.66% 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 2.89% of total number of ordinary shares issued by the Company); the shareholders of overseas-listed foreign shares (H Share) hold 2,857,398,266 shares (representing 30.45% of total number of ordinary shares issued by the Company).</p>	<p><b>Article 24</b> At the establishment of the Company, Qingdao Refrigerator General Factory (now is known as "Haier Group Company") had shares of RMB91,024,500 by contribution in tangible assets, the credit union fund had shares of RMB7,294,500 by share conversion, other external entities had shares of RMB2,260,000 and staff and workers had individual shares of RMB1,904,000. To sum up, the total share capital of the Company was RMB102,483,000, with RMB500 per share and 204,966 shares in total. The time of contribution was 1989.</p> <p>The capital structure of the Company is comprised of <u>9,382,913,334</u>,<u>377,629,650</u> ordinary shares in total, of which the domestic shareholders hold <u>6,254,501,095</u>,<u>253,028,411</u> shares (representing <u>66.66</u><del>66.66</del><u>66.68</u>% 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 2.89% of total number of ordinary shares issued by the Company); the shareholders of overseas-listed foreign shares (H Share) hold <u>2,857,398,266</u>,<u>285,587,266</u> shares (representing <u>30.45</u><del>30.45</del><u>30.43</u>% of total number of ordinary shares issued by the Company).</p>	<p>Adjusted to reflect the current share capital structure.</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
3	<p><b>Article 124</b> The list of candidates for directors shall be presented in the form of a proposal at a shareholders' meeting for voting. When a shareholders' meeting votes on the election of directors, the cumulative voting method may be implemented pursuant to the provisions of the Articles of Association or the resolution of a shareholders' 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.</p> <p>The cumulative voting system referred to in the preceding paragraph shall mean that when a shareholders' meeting elects directors, each share shall have the same number of voting rights as the number of directors to be elected and the voting rights held by a shareholder may be used together. The Board of Directors shall announce the curriculum vitae and basic information of candidates for directors to the shareholders prior to the opening of the shareholders' meeting. The methods and procedures of nominating directors are as follows:</p> <p>Upon the expiration of the term of office of the Board of Directors or in need of replacement due to vacancies within the Board of Directors, the Board of Directors may nominate candidates with simple majority votes of the board and submit the candidate list, curriculum vitae and basic information in the form of a proposal to the shareholders' meeting for deliberation and election.</p> <p>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 1% 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' 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.).</p>	<p><b>Article 124</b> The list of candidates for directors shall be presented in the form of a proposal at a shareholders' meeting for voting. When a shareholders' meeting votes on the election of directors, the cumulative voting method may be implemented pursuant to the provisions of the Articles of Association or the resolution of a shareholders' 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 for the election of two or more non-independent directors. <del>When;</del> when electing two or more independent directors, the cumulative voting system shall be adopted.</p> <p>The cumulative voting system referred to in the preceding paragraph shall mean that when a shareholders' meeting elects directors, each share shall have the same number of voting rights as the number of directors to be elected and the voting rights held by a shareholder may be used together. The Board of Directors shall announce the curriculum vitae and basic information of candidates for directors to the shareholders prior to the opening of the shareholders' meeting. The methods and procedures of nominating directors are as follows:</p> <p>Upon the expiration of the term of office of the Board of Directors or in need of replacement due to vacancies within the Board of Directors, the Board of Directors may nominate candidates with simple majority votes of the board and submit the candidate list, curriculum vitae and basic information in the form of a proposal to the shareholders' meeting for deliberation and election.</p> <p>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 1% 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' 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.).</p>	<p>Adjusted in accordance with the requirements under Article 17 of the Code of Corporate Governance for Listed Companies in respect of "the adoption of cumulative voting system for the election of two or more non-independent directors at a shareholder's meeting, where a sole shareholder and its party acting in concert are interested in 30% or more in the shares of the listed company, or when electing two or more independent directors at a shareholder's meeting of the listed company".</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
4	<p><b>Article 156</b> Upon the approval by the shareholders' meeting, the Company may purchase liability insurance for directors. Such insurance shall not cover the liabilities arising in connection with directors' violation of laws, regulations or the Articles of Association.</p>	<p><b>Article 156</b> Upon the approval by the shareholders' meeting, the Company may purchase liability insurance <del>for to cover</del> <u>directors' liability arising from the performance of their duties for the Company during their term of office.</u> Such insurance shall not cover the liabilities arising in connection with directors' violation of laws, regulations or the Articles of Association.</p>	<p>Adjusted in accordance with the Article 29 of the Code of Corporate Governance for Listed Companies.</p>
5	<p><b>Article 160</b> 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 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.</p>	<p><b>Article 160</b> 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 domestic <del>and overseas</del> 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.</p>	<p>To align with Article 8 of the Measures for the Administration of Independent Directors of Listed Companies (2025 Amendment), and Article 3.5.6 of the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations (Revised May 2025).</p>

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. INTERESTS OF DIRECTORS

- (1) As at the Latest Practicable Date, the Directors or chief executives of the Company had interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors or chief executives or their respective associates were deemed or taken to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules as follows:

### Long positions in shares of the Company:

Names	Positions	Class of Shares held	Number of Shares held	Nature of interest	Approximate percentage* of shareholding interest in the relevant class of Shares	Approximate percentage* of shareholding interest in the total share capital of the Company
Mr. LI Huagang	Chairman of the Board, Executive Director and CEO	A Share	1,156,699	Beneficial owner	0.019%	0.013%
		H Share	1,049,745	Beneficial owner	0.037%	0.011%
Mr. Kevin Nolan	Executive Director, Vice President	H Share	675,807	Beneficial owner	0.024%	0.007%
Mr. GONG Wei	Vice Chairman of the Board, Non-executive Director	A Share	2,124,906	Beneficial owner	0.035%	0.023%
		H Share	142,600	Beneficial owner	0.005%	0.002%
Mr. YU Hon To, David	Non-executive Director	H Share	810,000	Beneficial owner	0.028%	0.009%
Mr. LI Shaohua	Non-executive Director	A Share	102,633	Beneficial owner	0.002%	0.001%
		H Share	401,577	Beneficial owner	0.014%	0.004%
Ms. SUN Danfeng	Employee Representative Director	A Share	42,563	Beneficial owner	0.001%	0.000%
		H Share	154,921	Beneficial owner	0.005%	0.002%

\* The percentage is calculated on the basis that the share capital of the Company as at the Latest Practicable Date totalling 9,252,780,066 (without taking into account 123,983,986 A Shares held as treasury shares) comprise 6,129,044,425 A Shares (without taking into account 123,983,986 A Shares held as treasury shares), 270,148,375 D Shares (net of the 865,598 D

Shares having been bought back by the Company to be cancelled in due course) and 2,853,587,266 H Shares, representing approximately 66.24%, 2.92% and 30.84% of the total share capital of the Company, respectively.

Apart from above, the following Directors and CEO are also the grantees of the A Share ESOP, H Share ESOP and H Share RSU Scheme of the Company:

Names	Positions	Class of Shares	Number of outstanding shares of ESOP/RSU Scheme (Year of granted)	Approximate percentage* of shareholding interest in the relevant class of Shares	Approximate percentage* of shareholding interest in the total share capital of the Company	
Mr. LI Huagang	Chairman of the Board, Executive Director and CEO	A Share	240,331 (2024 ESOP)	0.004%	0.003%	
			282,744 (2025 ESOP)	0.005%	0.003%	
		H Share	242,478 (2024 ESOP)	0.008%	0.003%	
			325,827 (2025 ESOP)	0.011%	0.004%	
Mr. Kevin Nolan	Executive Director, Vice President	H Share	431,537 (vested ESOP)	0.015%	0.005%	
			219,963 (2023 RSU Scheme)	0.008%	0.002%	
			956,512 (2025 RSU Scheme)	0.034%	0.010%	
Ms. GONG Wei	Vice Chairman of the Board, Non-executive Director	A Share	90,597 (2024 ESOP)	0.001%	0.001%	
			98,233 (2025 ESOP)	0.002%	0.001%	
		H Share	91,406 (2024 ESOP)	0.003%	0.001%	
			113,201 (2025 ESOP)	0.004%	0.001%	
Mr. LI Shaohua	Non-executive Director	A Share	233,921 (vested ESOP)	0.008%	0.003%	
			47,470 (2024 ESOP)	0.001%	0.001%	
			56,133 (2025 ESOP)	0.001%	0.001%	
			H Share	47,893 (2024 ESOP)	0.002%	0.001%
				64,686 (2025 ESOP)	0.002%	0.001%
Ms. SUN Danfeng	Employee Representative Director	A Share	31,422 (vested ESOP)	0.001%	0.000%	
			74,336 (2024 ESOP)	0.001%	0.001%	
			99,792 (2025 ESOP)	0.002%	0.001%	

\* The percentage is calculated on the basis that the share capital of the Company as at the Latest Practicable Date totalling 9,252,780,066 (without taking into account 123,983,986 A Shares held as treasury shares) comprise 6,129,044,425 A Shares (without taking into account 123,983,986 A Shares held as treasury shares), 270,148,375 D Shares (net of the 865,598 D Shares having been bought back by the Company to be cancelled in due course) and 2,853,587,266 H Shares, representing approximately 66.24%, 2.92% and 30.84% of the total share capital of the Company, respectively.

On 11 January 2022, the Company entered into a placing agreement with a placing agent for a placing of new H Shares of the Company under general mandate. A total of 41,413,600 H Shares have been placed to five placees, who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and/or its connected persons. The placing price is HK\$28.00 per H Share. The following directors of the Company have invested indirectly in the structured notes issued by Golden Sunflower, one of the placees, through the trusts and asset management schemes. The details of their capital contribution as at the Latest Practicable Date are as follows:

Name	Positions	Amount contributed <i>(In HK\$ million)</i>	Relevant number of placing H shares	Approximate percentage* of shareholding interest in the relevant class of Shares	Approximate percentage* of shareholding interest in the total share capital of the Company
Mr. LI Huagang	Chairman of the Board, Executive Director and CEO	7.34	262,122	0.009%	0.003%
Mr. GONG Wei	Vice Chairman of the Board, Non-executive Director	3.67	131,061	0.005%	0.001%

\* The percentage is calculated on the basis that the share capital of the Company as at the Latest Practicable Date totalling 9,252,780,066 (without taking into account 123,983,986 A Shares held as treasury shares) comprise 6,129,044,425 A Shares (without taking into account 123,983,986 A Shares held as treasury shares), 270,148,375 D Shares (net of the 865,598 D Shares having been bought back by the Company to be cancelled in due course) and 2,853,587,266 H Shares, representing approximately 66.24%, 2.92% and 30.84% of the total share capital of the Company, respectively.

- (2) As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 December 2025 (being the date on which the latest published audited consolidated accounts of the Company were prepared) been acquired or disposed of by or leased to by the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by or leased to by the Company or any of its subsidiaries.
- (3) As at the Latest Practicable Date, except executive positions and related interests in the Haier Group, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries, which was subsisting and was significant in relation to the business of the Group.
- (4) As at the Latest Practicable Date, none of the Directors are directors or employees of another company having an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### **3. COMPETING INTERESTS**

As at the Latest Practicable Date, so far as the Directors were aware of, except executive positions and related interests in the Haier Group, none of the Directors and candidate Directors and their respective close associates had any interest in a business which competes or is likely to compete with the business of the Group.

### **4. SUBSTANTIAL SHAREHOLDERS' INTERESTS**

So far as was known to any Directors, as at the Latest Practicable Date, the following persons (not being a Director or the chief executive of the Company or any member of the Group) had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO) or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

**Long positions:**

Name of Shareholder	Class of Shares held	Number of Shares held	Nature of interest	Approximate percentage* of shareholding in the relevant class of Shares	Approximate percentage* of shareholding in the total share capital of the Company
Haier Group Corporation <sup>Notes 1 to 4</sup>	A Share	2,637,339,206	Beneficial owner Interest in controlled corporation Interest through voting rights entrustment arrangement	43.03%	28.50%
	H Share	538,560,000	Interest in controlled corporation	18.87%	5.82%
	D Share	58,135,194	Interest in controlled corporation	21.52%	0.63%
Haier COSMO Co., Ltd. <sup>Notes 1 and 2</sup>	A Share	1,258,684,824	Beneficial owner	20.54%	13.60%
HCH (HK) Investment Management Co., Limited <sup>Note 3</sup>	H Share	538,560,000	Beneficial owner	18.87%	5.82%
Haier International Co., Limited <sup>Note 4</sup>	D Share	58,135,194	Beneficial owner	21.52%	0.63%
Other H Share Class Shareholders <sup>Note 5</sup>					
Other D Share Class Shareholders <sup>Note 6</sup>					

\* The percentage is calculated on the basis that the share capital of the Company as at the Latest Practicable Date totalling 9,252,780,066 (without taking into account 123,983,986 A Shares held as treasury shares) comprise 6,129,044,425 A Shares (without taking into account 123,983,986 A Shares held as treasury shares), 270,148,375 D Shares (net of the 865,598 D Shares having been bought back by the Company to be cancelled in due course) and 2,853,587,266 H Shares, representing approximately 66.24%, 2.92% and 30.84% of the total share capital of the Company, respectively.

*Notes:*

- Haier Group Corporation holds directly 1,072,610,764 A Shares. In addition, Haier Group Corporation indirectly owns or controls (i) 1,258,684,824 A Shares through Haier COSMO Co., Ltd. (海爾卡奧斯股份有限公司) (formerly Haier Electric Appliances International Co., Ltd.), one of its subsidiaries, (ii) 172,252,560 A Shares through Qingdao Haier Venture & Investment Information Co., Ltd., one of its subsidiaries and (iii) 133,791,058 A Shares through Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership), a party acting in concert with Haier Group Corporation.

2. Haier Group Corporation holds 51.20% of the issued shares in Haier COSMO Co. Ltd. (海爾卡奧斯股份有限公司) (formerly Haier Electric Appliances International Co., Ltd.), and is also entitled to exercise the remaining 48.80% voting rights in Haier COSMO Co., Ltd. through an irrevocable voting rights entrustment arrangement.
3. HCH (HK) Investment Management Co., Limited (“HCH (HK)”) holds 538,560,000 H Shares. Haier Group Corporation controls 100% voting rights in HCH (HK), thus is deemed to be interested in the 538,560,000 H Shares held by HCH (HK).
4. Haier International Co., Limited is a wholly-owned subsidiary of Haier Group Corporation. Therefore, Haier Group Corporation is deemed to be interested in the 58,135,194 D Shares held by Haier International Co., Limited.
5. BlackRock, Inc. held 198,860,499 H Shares, representing approximately 6.97% of the total number of H Shares, Pzena Investment Management LLC held 198,761,890 H Shares, representing approximately 6.97% of the total number of H Shares.
6. Silk Road Fund Co., Ltd. held 54,007,663 D Shares, representing approximately 19.93% of the total number of D Shares.

**Short positions and Lending pools:**

BlackRock, Inc. had a short position of 3,447,800 H Shares, representing approximately 0.12% of the total number of H Shares.

Save as disclosed above, as at the Latest Practicable Date, no person, other than the Directors, Supervisors and CEO of the Company, whose interests are set out in the section “Interests and short positions of Directors, Supervisors and CEO in shares and underlying shares” above, had registered an interest or short position in the Shares or underlying Shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

**5. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into or was proposing to enter into any service contracts with the Company or any of its subsidiaries, excluding contracts expiring or terminable within one year without payment of compensation other than statutory compensation.

**6. MATERIAL CONTRACTS**

No contracts (other than those entered into in the ordinary business course), which are, or may be, material, have been entered into by the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date.

**7. MATERIAL LEGAL PROCEEDINGS**

As at the Latest Practicable Date, as far as the Directors are aware, the Company has not been involved in any material litigation or arbitration and there were no material litigations or claims known to the Directors to be pending or threatened against the Company.

## 8. EXPERT'S DISCLOSURE OF INTEREST AND CONSENT

The following is the qualification of the expert who has given opinion, which is contained or referred to in this circular:

<b>Name</b>	<b>Qualification</b>
Somerley Capital Limited	a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

- (1) As at the Latest Practicable Date, the above expert did not have any direct or indirect shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (2) As at the Latest Practicable Date, the above expert did not have any direct or indirect interests in any assets which have been acquired or disposed of by or leased to or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited consolidated accounts of the Company were made up.
- (3) The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which they appear.

## 9. DOCUMENTS ON DISPLAY

A copy of the New Financial Services Framework Agreement and the written consent of Somerley Capital Limited for the issue of this circular will be published on the websites of the Stock Exchange and the Company for inspection within 14 days from the date of this circular, both days inclusive.

## 10. GENERAL

- (1) As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the Group's financial or trading position since 31 December 2025, being the date on which the latest published audited consolidated accounts of the Company were prepared.
- (2) The registered office of the Company is Haier Science and Technology Innovation Ecological Park (originally known as Haier Industrial Park), Laoshan District, Qingdao, Shandong Province, the PRC.
- (3) The share registrar of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

- (4) The company secretary of the Company is Mr. NG Chi Yin. Mr. NG Chi Yin is a fellow of the Association of Chartered Certified Accountants, and a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

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## REVISED NOTICE OF THE 2025 AGM

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*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.*

# 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**

## REVISED NOTICE OF THE ANNUAL GENERAL MEETING OF 2025

**REVISED NOTICE IS HEREBY GIVEN** that the annual general meeting of 2025 (the “AGM”) of Haier Smart Home Co., Ltd. (the “**Company**”) will be held at 2:00 p.m. on 24 June 2026 (Wednesday) at Qian Yuan, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC for the purpose of considering and, if thought fit, approving the resolutions (among which, pursuant to the interim proposals by Haier Group Corporation (which holds, either individually or collectively, 34.49% of the shares of the Company), resolutions 18 to 24 have been added, special resolutions are marked with<sup>#</sup>) by the shareholders of the Company set out below:

1. To Consider and Approve 2025 Financial Statements
2. To Consider and Approve 2025 Report on the Work of the Board of Directors
3. To Consider and Approve 2025 Annual Report and Annual Report Summary
4. To Consider and Approve 2025 Audit Report on Internal Control
5. To Consider and Approve 2025 Profit Distribution Plan
6. To Consider and Approve the Proposal to Request the General Meeting to Authorize the Board of Directors to Formulate the Company's 2026 Interim Dividend Plan
7. To Consider and Approve the Resolution on the Renewal of the Financial Services Framework Agreement with Haier Group Corporation and Haier Group Finance Co., Ltd., and the Estimated Amount of Related-Party Transactions Thereunder

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## REVISED NOTICE OF THE 2025 AGM

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8. To Consider and Approve the Resolution on the Conduct of Foreign Exchange Fund Derivatives Business
9. #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
10. #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
11. #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
12. #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 5% of the Total Number of D Shares of the Company in Issue
13. #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
14. To Consider and Approve the Resolution on the Re-appointment of PRC Accounting Standards Auditor
15. To Consider and Approve the Resolution on the Re-appointment of International Accounting Standards Auditor
16. To Consider and Approve the Resolution on the Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2026
17. To Consider and Approve the Resolution to Formulate the Remuneration Management System of Haier Smart Home Co., Ltd.
18. #To Consider and Approve the 2026 A Share Core Employee Stock Ownership Plan (Draft) and its Summary
19. To Consider and Approve the Resolution on the Proposal to the General Meeting to Authorize the Board and its Authorized Persons to Handle All Matters Relating to the A-Share Core Employee Stock Ownership Plan
20. #To Consider and Approve the Resolution on Restatement and Amendment of The H Share Restricted Share Unit Scheme
21. To Consider and Approve the Resolution on Election of Independent Director
22. #To Consider and Approve the Resolution on Change of Use and Cancellation of Repurchased Shares

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## REVISED NOTICE OF THE 2025 AGM

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23. #To Consider and Approve the Resolution on Amendments to the Articles of Association of the Company
24. #To Consider and Approve the Resolution on the General Meeting to Grant a Specific Mandate to Repurchase Not More Than 30% of the Total Number of D Shares in Issue

In addition, the AGM will listen to independent directors' report on their work in 2025.

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

Qingdao, the PRC  
27 April 2026

*As at the date of this notice, the executive Directors of the Company are Mr. LI Huagang and Mr. Kevin Nolan; the non-executive Directors are Mr. GONG Wei, Mr. YU Hon To, David, Mr. CHIEN Da-Chun and Mr. LI Shaohua; the independent non-executive Directors are Mr. WONG Hak Kun, Mr. LI Shipeng, Mr. WU Qi and Mr. WANG Hua; and Employee Representative Director is Ms. SUN Danfeng.*

\* 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 16 June 2026 (Tuesday) to 24 June 2026 (Wednesday) (both days inclusive). Shareholders whose names appear on the register of members of the Company on 24 June 2026 (Wednesday) 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 15 June 2026 (Monday).

### 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 2025 of RMB8.867 (inclusive of tax) per 10 shares, totaling approximately RMB8.2 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

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## REVISED NOTICE OF THE 2025 AGM

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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 proxy form 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 23 June 2026 (Tuesday)) or not less than 24 hours before any adjournment thereof (as the case may be). Completion and return of the revised proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof. In this case, the revised proxy form 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 26 March 2026 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 24 June 2026, the revised proxy form will be treated as a valid proxy form lodged by the shareholder if duly completed.

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## REVISED NOTICE OF THE 2025 AGM

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- (3) If the revised proxy form is returned by the shareholder after the closing time (being at 2:00 p.m. on 24 June 2026) 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) The circular for the AGM will be published in due course on website of the Company (<http://smart-home.haier.com>) and the HKEXnews website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>).

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## REVISED NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2026

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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**

## REVISED NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2026

**REVISED NOTICE IS HEREBY GIVEN** that the First H Share Class Meeting of 2026 (the “**H Share Class Meeting**”) of Haier Smart Home Co., Ltd. (the “**Company**”) will be held on 24 June 2026 (Wednesday) at Qian Yuan, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC immediately after the AGM of 2025, the First A Share Class Meeting of 2026 and the First D Share Class Meeting of 2026 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 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
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 5% of the Total Number of D Shares of the Company in Issue
3. To Consider and Approve the Resolution on Change of Use and Cancellation of Repurchased Shares

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## REVISED NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2026

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4. To Consider and Approve the Resolution on the General Meeting to Grant a Specific Mandate to Repurchase Not More Than 30% of the Total Number of D Shares in Issue

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

Qingdao, the PRC  
27 April 2026

*As at the date of this notice, the executive Directors of the Company are Mr. LI Huagang and Mr. Kevin Nolan; the non-executive Directors are Mr. GONG Wei, Mr. YU Hon To, David, Mr. CHIEN Da-Chun and Mr. LI Shaohua; the independent non-executive Directors are Mr. WONG Hak Kun, Mr. LI Shipeng, Mr. WU Qi and Mr. WANG Hua; and Employee Representative Director is Ms. SUN Danfeng.*

\* 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 16 June 2026 (Tuesday) to 24 June 2026 (Wednesday) (both days inclusive). For shareholders whose names appear on the register of members of the Company on 24 June 2026 (Wednesday) 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 15 June 2026 (Monday).

### 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.

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## REVISED NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2026

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To be valid, the revised proxy form 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 23 June 2026 (Tuesday)) or not less than 24 hours before any adjournment thereof (as the case may be). Completion and return of the revised proxy form will not preclude you from attending and voting in person at the H Share Class Meeting or any adjournment thereof. In this case, the revised proxy form 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.

If a shareholder has not yet returned the proxy form (the "**Original Proxy Form**") dated 26 March 2026 published by the Company in accordance with the instructions thereon, and wishes to appoint a proxy to attend the H Share Class Meeting 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 H Share Class Meeting.
- (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 24 June 2026, 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 24 June 2026) 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 H Share Class Meeting.

### 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.