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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**

## **CANCELLATION OF CERTAIN SHARE OPTIONS IN THE 2021 A SHARE OPTION INCENTIVE SCHEME, THE 2022 A SHARE OPTION INCENTIVE SCHEME**

References are made to the announcements dated 29 July 2021 and 28 April 2022, the circulars dated 31 August 2021 and 7 June 2022 (the “**Circulars**”), and the poll results announcements dated 15 September 2021 and 28 June 2022 of Haier Smart Home Co., Ltd. (the “**Company**”), in relation to, among others, the proposed adoption of the 2021 A Share Option Incentive Scheme (the “**2021 Incentive Scheme**”) and the 2022 A Share Option Incentive Scheme (the “**2022 Incentive Scheme**”). Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the same meanings as defined in the Circulars.

## **I. CANCELLATION OF CERTAIN SHARE OPTIONS IN THE 2021 INCENTIVE SCHEME**

### **1. Certain participants resigned and ceased to meet incentive conditions**

19 participants of the first grant of options and two participants of the reserved grant of options have resigned, and each of them has ceased to be a participant. The Company intends to cancel the 1,833,876 options and 300,000 options granted to those 19 participants of the first grant of options and two participants of the reserved grant of options, respectively, and of which no cancellations were made pursuant to any failure to meet the performance targets below.

### **2. Failure to meet the target in performance appraisal of the Company**

Pursuant to the “Conditions on Grant and Exercise of the Share Options” in the 2021 Incentive Scheme, the performance appraisal of the Third Exercise Period of the first grant and reserved grant of Share Options is as follows: “the annual compound growth rate of the Company’s net profit attributable to the parent company in 2023 over net profit attributable to the parent company in 2021 reaches or exceeds 15%”.

The Company’s net profit attributable to the parent company in 2023 amounted to RMB16,596,615,000, representing a compound increase of 12.70% compared to the net profit attributable to the parent company in 2021, which does not meet the target of the performance appraisal at company level, and the exercise conditions for the Third Exercise Period of the first grant and reserved grant of Share Options of the 2021 Incentive Scheme were not met. The Company intends to cancel the 8,435,760 Share Options of the 374 participants (initially granted to 393 participants after adjustment and it is adjusted to 374 participants as a result of the abovementioned resignations) of the first grant under the 2021 Incentive Scheme that failed to meet the exercise conditions for the Third Exercise Period, and intends to cancel the 594,985 Share Options of the 14 participants (initially granted to 16 participants after adjustment and it is adjusted to 14 participants as a result of the abovementioned resignations) of the reserved grant under the 2021 Incentive Scheme that failed to meet the exercise conditions for the Third Exercise Period.

Combining the Company and individual levels, the Company cancelled 10,269,636 options of the first grant and 894,985 options of the reserved grant, amounting to 11,164,621 in total from the 2021 Incentive Scheme.

## **II. CANCELLATION OF CERTAIN SHARE OPTIONS IN THE 2022 INCENTIVE SCHEME**

### **1. Certain participants resigned and ceased to meet incentive conditions**

65 participants have resigned and each of them has ceased to be a participant. The Company intends to cancel the 3,606,360 options granted to those 65 participants.

### **2. Failure to meet the target in performance appraisal of the Company**

Pursuant to the “Conditions on Grant and Exercise of the Share Options” in the 2022 Incentive Scheme, the performance appraisal of the Second Exercise Period of the Share Options is as follows: “the annual compound growth rate of the Company’s net profit attributable to the parent company in 2023 over net profit attributable to the parent company in 2021 reaches or exceeds 15%”.

The Company’s net profit attributable to the parent company in 2023 amounted to RMB16,596,615,000, representing a compound increase of 12.70% compared to the net profit attributable to the parent company in 2021, thus the exercise conditions for the Second Exercise Period of the Share Options of the 2022 Incentive Scheme were not met. The Company intends to cancel the 24,405,183 Share Options under the 2022 Incentive Scheme granted to 1,729 participants (initially granted to 1,794 participants after adjustment and it is adjusted to 1,729 participants as a result of the abovementioned resignations) that failed to meet the exercise conditions for the Second Exercise Period.

Combining the Company and individual levels, the Company cancelled 28,011,543 Share Options of the 2022 Incentive Scheme.

## **III. THE IMPACT OF THE CANCELLATION ON THE COMPANY’S RESULTS**

The cancellation of certain Share Options will not have a substantial impact on the Company’s financial status and operating results. The Company’s management team will continue to earnestly perform their duties and strive to create value for shareholders.

#### **IV. OPINION OF THE BOARD OF SUPERVISORS**

##### **(1) Regarding the cancellation of certain Share Options in the 2021 Incentive Scheme**

Pursuant to the relevant requirements of the 2021 Incentive Scheme, since the exercise conditions for the Third Exercise Period of the first/reserved grant of Share Options of the 2021 Incentive Scheme were not met and since certain participants have resigned, it is agreed that certain Share Options of the 2021 Incentive Scheme shall be cancelled. The above-mentioned cancellation will not have a significant impact on the Company's financial status and operating results, nor will it jeopardize the interests of the Company and all shareholders, in particular the small and medium shareholders. The cancellation is compliant with relevant requirements such as the Measures for the Administration of Share Incentive Plans of Listed Companies and the 2021 Incentive Scheme. The voting procedure is legal and compliant.

##### **(2) Regarding the cancellation of certain Share Options in the 2022 Incentive Scheme**

Pursuant to the relevant requirements of the 2022 Incentive Scheme, since the exercise conditions for the Second Exercise Period of Share Options of the 2022 Incentive Scheme were not met and since certain participants have resigned, it is agreed that certain Share Options of the 2022 Incentive Scheme shall be cancelled. The above-mentioned cancellation will not have a significant impact on the Company's financial status and operating results, nor will it jeopardize the interests of the Company and all shareholders, in particular the small and medium shareholders. The cancellation is compliant with relevant requirements such as the Measures for the Administration of Share Incentive Plans of Listed Companies and the 2022 Incentive Scheme. The voting procedure is legal and compliant.

#### **V. VIEWS OF THE LEGAL OPINION LETTER**

The Company has obtained the necessary approval and authorization for the cancellation at the current stage, and it is compliant with the relevant requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Measures for the Administration of Share Incentive Plans of Listed Companies, the 2021 Incentive Scheme and the 2022 Incentive Scheme.

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

Qingdao, the PRC  
29 April 2024

*As at the date of this announcement, the executive Directors of the Company are Mr. LI Huagang and Mr. GONG Wei; the non-executive Directors are Mr. YU Hon To, David, Ms. Eva LI Kam Fun and Ms. SHAO Xinzhi; and the independent non-executive Directors are Mr. CHIEN Da-Chun, Mr. WONG Hak Kun, Mr. LI Shipeng and Mr. WU Qi.*

*\* For identification purpose only*