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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 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) 2024 FINANCIAL STATEMENTS;
- (2) 2024 REPORT ON THE WORK OF THE BOARD OF DIRECTORS;
- (3) 2024 REPORT ON THE WORK OF THE BOARD OF SUPERVISORS;
- (4) 2024 ANNUAL REPORT AND ANNUAL REPORT SUMMARY;
- (5) 2024 AUDIT REPORT ON INTERNAL CONTROL;
- (6) 2024 PROFIT DISTRIBUTION PLAN;
- (7) RE-APPOINTMENT OF PRC ACCOUNTING STANDARDS AUDITOR FOR 2025;
- (8) RE-APPOINTMENT OF INTERNATIONAL ACCOUNTING STANDARDS AUDITOR FOR 2025;
- (9) RENEWAL OF THE PRODUCTS AND MATERIALS PROCUREMENT FRAMEWORK AGREEMENT AND ITS PROPOSED ANNUAL CAPS;
- (10) ANTICIPATED GUARANTEES' AMOUNTS FOR THE COMPANY AND ITS SUBSIDIARIES IN 2025;
- (11) CONDUCT OF FOREIGN EXCHANGE FUND DERIVATIVES BUSINESS;
- (12) GENERAL MANDATE TO DECIDE TO ISSUE DOMESTIC AND OVERSEAS DEBT FINANCING INSTRUMENTS;
- (13) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF A SHARES;
- (14) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF H SHARES;
- (15) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF D SHARES;
- (16) GENERAL MANDATE TO REPURCHASE H SHARES;
- (17) GENERAL MANDATE TO REPURCHASE D SHARES;
- (18) CHANGING ITS PART OF THE UNDERTAKINGS OF ASSETS INJECTION OF HAIER GROUP CORPORATION;
- (19) CONTINUED-ENTRUSTED MANAGEMENT OF QINGDAO HAIER OPTOELECTRONICS CO., LTD.;
- (20) 2025 A SHARE CORE EMPLOYEE STOCK OWNERSHIP PLAN (DRAFT) AND ITS SUMMARY;
- (21) 2025 H SHARE CORE EMPLOYEE STOCK OWNERSHIP PLAN (DRAFT) AND ITS SUMMARY;
- (22) PROPOSED AMENDMENTS TO THE INVESTMENT MANAGEMENT SYSTEM;
- (23) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
- (24) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING;
- (25) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS;
- (26) PROPOSED AMENDMENTS TO THE INDEPENDENT DIRECTORS SYSTEM;
- (27) PROPOSED AMENDMENTS TO THE FAIR DECISION-MAKING SYSTEM FOR RELATED-PARTY (CONNECTED) TRANSACTIONS;
- (28) PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF EXTERNAL GUARANTEE;
- (29) PROPOSED AMENDMENTS TO THE REGULATIONS ON THE MANAGEMENT OF FUND RAISING;
- (30) PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF FOREIGN EXCHANGE DERIVATIVE TRADING BUSINESS;
- (31) PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF ENTRUSTED WEALTH MANAGEMENT;
- (32) PROPOSED AMENDMENTS TO THE REGULATIONS ON THE BULK RAW MATERIALS HEDGING BUSINESS;
- (33) CHANGE OF THE BOARD OF DIRECTORS AND ELECTION OF NON-INDEPENDENT DIRECTORS;
- (34) CHANGE OF THE BOARD OF DIRECTORS AND ELECTION OF INDEPENDENT DIRECTORS;
- (35) REVISED NOTICE OF THE 2024 AGM; AND
- (36) NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2025

The Letter from the Board is set out on pages 5 to 50 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, 28 May 2025 at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC. The revised notice of the AGM and the notice of H Share Class Meeting are set out on pages 286 to 293 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

7 May 2025

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Letter from the Independent Board Committee	51
Letter from Somerley Capital Limited	52
Appendix I — 2024 Audit Report on Internal Control	66
Appendix II — Resolution on the Anticipated Guarantees’ Amounts for the Company and its Subsidiaries in 2025	69
Appendix III — Resolution on the Conduct of Foreign Exchange Fund Derivatives Business	73
Appendix IV — Explanatory Statement for the Repurchase of H Shares	79
Appendix V — Explanatory Statement for the Repurchase of D Shares	83
Appendix VI — 2025 A Share Core Employee Stock Ownership Plan (Draft) .	87
Appendix VII — 2025 H Share Core Employee Stock Ownership Plan (Draft) .	109
Appendix VIII — Details of the Proposed Amendments to the Investment Management System	131
Appendix IX — Details of the Proposed Amendments to the Articles of Association	137
Appendix X — Details of the Proposed Amendments to the Rules of Procedure for the General Meeting	236
Appendix XI — Details of the Proposed Amendments to the Rules of Procedure for the Board of Directors	250
Appendix XII — Details of the Proposed Amendments to the Independent Directors System	256
Appendix XIII — Details of the Proposed Amendments to the Fair Decision-Making System for Related-Party (Connected) Transactions	258
Appendix XIV — Details of the Proposed Amendments to the Management System of External Guarantee	263

CONTENTS

	<i>Page</i>
Appendix XV — Details of the Proposed Amendments to the Regulations on the Management of Fund Raising	266
Appendix XVI — Details of the Proposed Amendments to the Management System of Foreign Exchange Derivative Trading Business ..	268
Appendix XVII — Details of the Proposed Amendments to the Management System of Entrusted Wealth Management	270
Appendix XVIII — Details of the Proposed Amendments to the Regulations on the Bulk Raw Materials Hedging Business	272
Appendix XIX — Candidates Biography for Directors of the 12th Session of the Board	273
Appendix XX — General Information	278
Revised Notice of the 2024 AGM	286
Notice of the First H Share Class Meeting of 2025	292

DEFINITIONS

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 2024 of the Company to be held by way of on-site meeting at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC at 2:00 p.m. on Wednesday, 28 May 2025
“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
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of our Company
“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 Meetings”	the first A Share/D Share/H Share Class Meetings of 2025 of the Company to be held by way of on-site meeting at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC immediately after the AGM of the Company on Wednesday, 28 May 2025
“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)
“Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》)

DEFINITIONS

“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 <i>member(s) of the Group</i> shall be construed accordingly
“H Share Class Meeting”	the first H Share Class Meeting of 2025 of the Company to be held by way of on-site meeting at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC immediately after the AGM of 2024, the first A Share Class Meeting of 2025 and the first D Share Class Meeting of 2025 of the Company on Wednesday, 28 May 2025
“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 Group”	Haier Group Corporation, a company incorporated under the laws of the PRC and a controlling Shareholder of the Company
“Haier Optoelectronics”	Qingdao Haier Optoelectronics Co., Ltd.
“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”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent committee under the Board comprising all Independent Non-executive Directors, namely Mr. CHIEN Da-Chun, Mr. WONG Hak Kun, Mr. LI Shipeng and Mr. WU Qi. The Committee has been established to advise the Independent Shareholders on the New Products and Materials Procurement Framework Agreement and the proposed annual caps for 2026, 2027 and 2028

DEFINITIONS

“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 licensed corporation 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 Products and Materials Procurement Framework Agreement and the proposed annual caps for 2026, 2027 and 2028
“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”	2 May 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its printing
“New Products and Materials Procurement Framework Agreement”	the New Products and Materials Procurement Framework Agreement entered into by the Company and Haier Group on 27 March 2025
“PBOC”	the People’s 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
“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

DEFINITIONS

“subsidiary(ies)”	has the meaning as ascribed under the Hong Kong Listing Rules unless the context otherwise requires
“Supervisor(s)”	supervisors(s) of the Company
“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.

LETTER FROM THE BOARD



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*)
GONG Wei

Non-executive Directors:

YU Hon To, David
Eva LI Kam Fun
SHAO Xinzhi

Independent Non-executive Directors:

CHIEN Da-Chun
WONG Hak Kun
LI Shipeng
WU Qi

Registered office and Headquarters:

Haier Science and Technology Innovation
Ecological Park (originally known
as Haier Information Industry Park)
Laoshan District
Qingdao, Shandong Province
PRC

Principal place of business

in Hong Kong:
Unit 1908, 19/F, Harbour Center
25 Harbour Road
Wanchai
Hong Kong

To the Shareholders,

Dear Sir or Madam,

- (1) 2024 FINANCIAL STATEMENTS;
- (2) 2024 REPORT ON THE WORK OF THE BOARD OF DIRECTORS;
- (3) 2024 REPORT ON THE WORK OF THE BOARD OF SUPERVISORS;
- (4) 2024 ANNUAL REPORT AND ANNUAL REPORT SUMMARY;
- (5) 2024 AUDIT REPORT ON INTERNAL CONTROL;
- (6) 2024 PROFIT DISTRIBUTION PLAN;
- (7) RE-APPOINTMENT OF PRC ACCOUNTING STANDARDS AUDITOR FOR 2025;
- (8) RE-APPOINTMENT OF INTERNATIONAL ACCOUNTING STANDARDS AUDITOR FOR 2025;
- (9) RENEWAL OF THE PRODUCTS AND MATERIALS PROCUREMENT FRAMEWORK AGREEMENT AND ITS PROPOSED ANNUAL CAPS;
- (10) ANTICIPATED GUARANTEES' AMOUNTS FOR THE COMPANY AND ITS SUBSIDIARIES IN 2025;
- (11) CONDUCT OF FOREIGN EXCHANGE FUND DERIVATIVES BUSINESS;
- (12) GENERAL MANDATE TO DECIDE TO ISSUE DOMESTIC AND OVERSEAS DEBT FINANCING INSTRUMENTS;
- (13) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF A SHARES;
- (14) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF H SHARES;
- (15) GENERAL MANDATE ON ADDITIONAL ISSUANCE OF D SHARES;
- (16) GENERAL MANDATE TO REPURCHASE H SHARES;
- (17) GENERAL MANDATE TO REPURCHASE D SHARES;
- (18) CHANGING ITS PART OF THE UNDERTAKINGS OF ASSETS INJECTION OF HAIER GROUP CORPORATION;
- (19) CONTINUED-ENTRUSTED MANAGEMENT OF QINGDAO HAIER OPTOELECTRONICS CO., LTD.;
- (20) 2025 A SHARE CORE EMPLOYEE STOCK OWNERSHIP PLAN (DRAFT) AND ITS SUMMARY;
- (21) 2025 H SHARE CORE EMPLOYEE STOCK OWNERSHIP PLAN (DRAFT) AND ITS SUMMARY;
- (22) PROPOSED AMENDMENTS TO THE INVESTMENT MANAGEMENT SYSTEM;
- (23) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
- (24) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING;
- (25) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS;
- (26) PROPOSED AMENDMENTS TO THE INDEPENDENT DIRECTORS SYSTEM;
- (27) PROPOSED AMENDMENTS TO THE FAIR DECISION-MAKING SYSTEM FOR RELATED-PARTY (CONNECTED) TRANSACTIONS;
- (28) PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF EXTERNAL GUARANTEE;
- (29) PROPOSED AMENDMENTS TO THE REGULATIONS ON THE MANAGEMENT OF FUND RAISING;
- (30) PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF FOREIGN EXCHANGE DERIVATIVE TRADING BUSINESS;
- (31) PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF ENTRUSTED WEALTH MANAGEMENT;
- (32) PROPOSED AMENDMENTS TO THE REGULATIONS ON THE BULK RAW MATERIALS HEDGING BUSINESS;
- (33) CHANGE OF THE BOARD OF DIRECTORS AND ELECTION OF NON-INDEPENDENT DIRECTORS;
- (34) CHANGE OF THE BOARD OF DIRECTORS AND ELECTION OF INDEPENDENT DIRECTORS;
- (35) REVISED NOTICE OF THE 2024 AGM; AND
- (36) NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2025

* For identification purpose only

LETTER FROM THE BOARD

I. INTRODUCTION

The Company will convene the AGM at 2:00 p.m. on Wednesday, 28 May 2025, 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 2024 Financial Statements
2. To Consider and Approve 2024 Report on the Work of the Board of Directors
3. To Consider and Approve 2024 Report on the Work of the Board of Supervisors
4. To Consider and Approve 2024 Annual Report and Annual Report Summary
5. To Consider and Approve 2024 Audit Report on Internal Control
6. To Consider and Approve 2024 Profit Distribution Plan
7. To Consider and Approve the Resolution on the Re-appointment of PRC Accounting Standards Auditor
8. To Consider and Approve the Resolution on the Re-appointment of International Accounting Standards Auditor
9. To Consider and Approve the Resolution on the Renewal of the Products and Materials Procurement Framework Agreement between Haier Smart Home Co., Ltd. and Haier Group Corporation
10. To Consider and Approve the Resolution on the Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2025
11. To Consider and Approve the Resolution on the Conduct of Foreign Exchange Fund Derivatives Business
12. [#]To Consider and Approve the Resolution on the General Meeting to Grant a General Mandate to the Board of Directors to Decide to Issue Domestic and Overseas Debt Financing Instruments
13. [#]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
14. [#]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

LETTER FROM THE BOARD

15. #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
16. #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
17. #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 30% of the Total Number of D Shares of the Company in Issue
18. To Consider and Approve the Resolution on Change in Commitments of Certain Asset Injection by Haier Group Corporation
19. To Consider and Approve the Resolution on the Continued Entrusted Management of Qingdao Haier Optoelectronics Co., Ltd. and Related-Party Transaction
20. #To Consider and Approve the 2025 A Share Core Employee Stock Ownership Plan (Draft) and its Summary
21. #To Consider and Approve the 2025 H Share Core Employee Stock Ownership Plan (Draft) and its Summary
22. To Consider and Approve the Resolution on Amendments to the Investment Management System
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 Amendments to the Rules of Procedure for the General Meeting
25. To Consider and Approve the Resolution on Amendments to the Rules of Procedure for the Board of Directors
26. To Consider and Approve the Resolution on Amendments to the Independent Directors System
27. To Consider and Approve the Resolution on Amendments to the Fair Decision-Making System for Related-Party (Connected) Transactions
28. To Consider and Approve the Resolution on Amendments to the Management System of External Guarantee
29. To Consider and Approve the Resolution on Amendments to the Regulations on the Management of Fund Raising

LETTER FROM THE BOARD

30. To Consider and Approve the Resolution on Amendments to the Management System of Foreign Exchange Derivative Trading Business
31. To Consider and Approve the Resolution on Amendments to the Management System of Entrusted Wealth Management
32. To Consider and Approve the Resolution on Amendments to the Regulations on the Bulk Raw Materials Hedging Business
33. To Consider and Approve the Resolution on Change of the Board of Directors and Election of Non-independent Directors

33.01 LI Huagang

33.02 GONG Wei

33.03 YU Hon To, David

33.04 CHIEN Da-Chun

33.05 LI Shaohua

33.06 Kevin Nolan

34. To Consider and Approve the Resolution on Change of the Board of Directors and Election of Independent Directors

34.01 WONG Hak Kun

34.02 LI Shipeng

34.03 WU Qi

34.04 WANG Hua

In addition, the AGM will listen to Independent Directors' report on their work in 2024.

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, 28 May 2025. At each of the Class Meetings, two 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

LETTER FROM THE BOARD

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 30% of the Total Number of D Shares of the Company 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 notice of the H Share Class Meeting are set out on pages 286 to 293 of this circular.

II. RESOLUTIONS TO BE CONSIDERED AND APPROVED AT THE AGM

1. 2024 Financial Statements

Please refer to the financial report section in the 2024 Annual Report (A Shares) and 2024 Annual Report (H Shares) respectively published by the Company.

This resolution has been reviewed and approved by the Board meeting on 27 March 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

2. 2024 Report on the Work of the Board of Directors

For the main content of the 2024 Report on the Work of the Board of Directors, please refer to the relevant part of the 2024 annual report published by the Company.

This resolution has been reviewed and approved by the Board meeting on 27 March 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

3. 2024 Report on the Work of the Board of Supervisors

An ordinary resolution will be proposed at the AGM to consider and approve the 2024 Report on the Work of the Board of Supervisors.

The 2024 Report on the Work of the Board of Supervisors of the Company is as follows:

1. The Work of the Board of Supervisors

During the Reporting Period, the Board of Supervisors convened 5 meetings and attended general meetings and Board meetings to listen to the Company's production and operation and financial operations, participated in the decision-making process of major issues of the Company, and reviewed the Company's regular reports and relevant information during the year in accordance with the requirements of regulators strictly.

LETTER FROM THE BOARD

2. *Independent Opinion of the Board of Supervisors on the Company's Operation in accordance with Laws*

(1) Independent Opinion of the Board of Supervisors on the Company's Operation in accordance with Laws

In accordance with relevant national laws and regulations, the Board of Supervisors of the Company supervises procedures for convening general meetings and Board meetings of the Company, the resolutions thereof, the execution of resolutions of the general meetings by the Board of Directors, the performance of senior management of the Company and the management system of the Company, and procedures for approving decisions on related-party transactions. By attending all Board meetings and general meetings, the Board of Supervisors performed its duties on supervision, and is of the view that the Company's decision-making procedures are legal, a relatively sound corporate governance structure is in place, and relevant internal control systems have been formed. Directors and senior management of the Company did not violate the laws, regulations, the Articles of Association or harm the interests of the Company.

(2) Independent Opinion of the Board of Supervisors on the Company's Financial Condition

During the Reporting Period, to guarantee the Company's standardized operation and the legitimate rights and interests of Shareholders, the Board of Supervisors of the Company carefully reviewed the Audit Opinion on the Financial Report issued by Hexin Certified Public Accountants LLP and HLB Hodgson Impey Cheng Limited, and believed that it reflected the true picture of the Company's financial condition, operating results and cash flow, which are objective and fair.

(3) Independent Opinion of the Board of Supervisors on the Company's Related-Party Transactions

During the Reporting Period, the related-party transactions between the Company and related Shareholders were executed in accordance with market pricing principles without prejudicing the interests of the Company and Shareholders. The Board of Directors of the Company fulfilled the obligation of good faith when voting on relevant related-party transactions. The related-party transactions are conducted in a fair and reasonable manner, and the procedures thereof comply with the relevant provisions of the Company Law, the Rules Governing the Listing of Shares on the Shanghai Stock Exchange and the Articles of Association.

LETTER FROM THE BOARD

(4) Independent Opinion of the Board of Supervisors on the Company's Evaluation Report on Internal Control

During the Reporting Period, the Board of Supervisors of the Company carefully reviewed the Evaluation Report on the Internal Control of Haier Smart Home Co., Ltd. in accordance with relevant national laws and regulations, and believed that it truly, objectively and fairly reflected the implementation and effectiveness of the Company's internal control.

This resolution has been reviewed and approved by the meeting of the Board of Supervisors on 27 March 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

4. 2024 Annual Report and Annual Report Summary

Please refer to the 2024 Annual Report published by the Company.

This resolution has been reviewed and approved by the Board meeting on 27 March 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

5. 2024 Audit Report on Internal Control

An ordinary resolution is to be proposed at the AGM to consider and approve the 2024 Audit Report on Internal Control.

According to the relevant guidelines of Notice on Disclosure of 2024 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 2024 in accordance with the Basic Standards for Internal Control of Companies and relevant regulations.

The 2024 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 27 March 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

6. 2024 Profit Distribution Plan

An ordinary resolution is to be proposed at the AGM to consider and approve the 2024 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 2024 as indicated in the consolidated statement of the Company amounted to RMB18,741,120,122.93; the net profit of the parent company achieved in 2024 was RMB10,171,484,335.04, and the accumulated undistributed profits of the parent company in 2024 was RMB9,687,279,183.32.

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 2024 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 RMB9.65 per 10 Shares (tax inclusive) to all Shareholders, with a total distributed profit of RMB8,996,688,692.76, representing 48.01% of the Company's net profit attributable to the parent company in the consolidated statement for 2024 (2024: the Company repurchased and canceled 54,051,559 A Shares, with a corresponding amount of RMB1.497 billion; and repurchased and canceled 1,150,000 H Shares, with a corresponding amount of RMB25 million. If this is included in the cash dividends, the ratio of cash dividends to net profit attributable to the shareholders of the parent company for the year would be 50.63%). The undistributed profits retained by the Company will be primarily used for project construction, foreign investment, R&D investment and daily operations related to the primary business of the Company, so as to maintain sustainable and stable development for the Company, and maximize the returns for investors.

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

7. Proposed Re-appointment of PRC Accounting Standards Auditor for 2025

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 2025, 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 2025 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 2025. The audit service fee for 2025 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 27 March 2025, and is now proposed at the AGM for review and approval as an ordinary resolution.

8. Proposed Re-appointment of International Accounting Standards Auditor for 2025

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 2025, 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 2025 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 2025. 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 27 March 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

LETTER FROM THE BOARD

9. **Renewal of the Products and Materials Procurement Framework Agreement and its Proposed Annual Caps**

An ordinary resolution is to be proposed at the AGM to consider and approve the renewal of the Products and Materials Procurement Framework Agreement and its proposed annual caps.

1. Background

References are made to the announcement dated 28 April 2022, the circular dated 7 June 2022 and the poll result announcement dated 28 June 2022 of the Company in relation to, among other things, the Products and Materials Procurement Framework Agreement entered into between the Company and Haier Group as well as the annual caps for the period from 1 January 2023 to 31 December 2025 which were set in respect of such agreement.

Given that the Products and Materials Procurement Framework Agreement and its proposed annual caps will expire on 31 December 2025 and the Company will continue to conduct such transactions subsequent to 31 December 2025, the Company and Haier Group entered into the New Products and Materials Procurement Framework Agreement on 27 March 2025 in respect of such agreement for a term of three years commencing from 1 January 2026 to 31 December 2028, subject to the consideration and approval by the internal competent authorities of the Company and Haier Group.

2. New Products and Materials Procurement Framework Agreement

Date: 27 March 2025

Parties: Haier Group (as supplier); and
the Group (as purchaser).

Principal terms:

In accordance with the New Products and Materials Procurement Framework Agreement, the Group will from time to time procure from Haier Group and its associates (other than the Group, the same below), and Haier Group and its associates will sell products and materials (the “**Products and Materials Procured**”) to the Group on a non-exclusive basis, from time to time.

LETTER FROM THE BOARD

Pursuant to the New Products and Materials Procurement Framework Agreement, the products and materials to be purchased by the Group from Haier Group and its associates mainly include:

- products for internal consumption and resale use, including but not limited to televisions and computers manufactured or procured by Haier Group and its associates, together with relevant supporting services such as products warranty services;
- production and experimental equipment used, idled, procured and/or tailor-made by Haier Group and its associates for the Group's internal consumption use; and
- raw materials and parts required for the Group's production.

Subject to the consideration and approval by the internal competent authorities of the Company and Haier Group, the New Products and Materials Procurement Framework Agreement is valid from 1 January 2026 to 31 December 2028. The Group has an option, in its entire discretion, to renew the New Products and Materials Procurement Framework Agreement upon expiry for another term of three years (subject to adjustment of fees where necessary). Haier Group does not have reciprocal rights under the New Products and Materials Procurement Framework Agreement. Both parties 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 agreed in the New Products and Materials Procurement Framework Agreement.

Reasons for and benefits of the transaction:

The Group and Haier Group have a long-term and stable business relationship. Haier Group is familiar with the Group's business process and needs, quality standards and operational requirements, and is able to supply the products and materials needed by the Group on a constant basis.

In terms of the purchase of products from Haier Group and its associates, the New Products and Materials Procurement Framework Agreement allows the Group to procure products from Haier Group for the Group's internal consumption and resale purpose, and solidifies the basis on which the Group may continue to develop its sales business. Meanwhile, upon acquiring the products to be procured from Haier Group, the Group may distribute the products utilising its global channeling capabilities via both international and domestic distribution channels.

In terms of the purchase of equipment, the Group is allowed to utilise the resources, design and production advantages of Haier Group and its associates to obtain the equipment to be procured for production and

LETTER FROM THE BOARD

development of the Group's own products and relevant components at preferential prices and terms, and to utilise the import and export platform of Haier Group and its associates for procurement of imported equipment.

In terms of the purchase of materials, the Group is allowed to leverage the scale and efficiency of the centralised procurement platform of Haier Group and its associates for its production operations of different segments, such as the laundry appliances and water heater manufacturing segments, thereby lowering the Group's procurement costs.

Based on the Group's previous experience in business dealings with Haier Group and its associates, we believe that Haier Group and its associates are capable of effectively satisfying the Group's demands for relevant stable and quality products, equipment and materials, which is in the interests of the Group and the Shareholders as a whole.

Pricing policy:

The determination of pricing of the Products and Materials Procured shall be negotiated by the parties at arm's length basis on terms no less favourable than those offered to the Group by Independent Third Parties. In determining the prevailing market price, subject to the availability of Independent Third Parties supplying products and materials of the same or similar quality, the Group will collect and review quotes offered by at least two other Independent Third Parties for products of the same or similar quality for comparison and report to the management on quarterly basis. The products procured from Haier Group and for which no Independent Third Party quote can be found are black goods of Haier brand. As there is no alternative Haier brand black goods manufacturer from which the Group can procure and the black goods are typically tailor-made or customised by Haier Group and its associates in accordance with the Group's requirements, the Company cannot conduct third party quote comparison. In the event that there are no Independent Third Parties providing products and materials of the same or similar quality, the Group will make reference to factors such as fees and terms (and Haier Group and its associates agree to provide such information), cost of products and materials, estimated value and market price of the products of same or similar quality provided by Haier Group and its associates to other Independent Third Parties for comparison purpose. If there's no appropriate comparable transaction terms, the Company will require Haier Group and its associates to provide an undertaking that it will charge the Company for the lowest price compared with the fee quote it charges other third parties in relation to the same or similar products or services, which is a measure for the Group to evaluate the fairness and reasonableness of the terms between the Group and Haier Group and its associates.

LETTER FROM THE BOARD

The amount to be charged by Haier Group and its associates for the equipment to be procured will be determined based on arm's length negotiation after taking into account various factors such as the sources, depreciation level, and net asset values of such equipment, relevant cost and expense (such as purchase price of equipment, operational and administrative expenses, etc.), with reference to the estimated values and market prices, which is determined based on the historical prices paid by the Group to Independent Third Parties in procuring the equipment of similar type and quality, and the quotes from at least two other Independent Third Parties collected and reviewed by the Group for equipment of similar type and quality for comparison on a regular basis and report to the management on quarterly basis.

The amount to be charged by Haier Group and its associates for the materials to be procured will be determined with reference to the actual cost (for example, bidding prices obtained by Haier Group and/or its associates through bidding process (if applicable) or other actual purchase prices) plus a commission fee rate (which is for the purpose of covering the relevant operational and administrative expenses of Haier Group and its associates in providing the materials) of no more than 1.25%, or with reference to market prices, whichever is lower. The rate of 1.25% is set considering (i) the cost in relation to human resources, transportation, storage and system maintenance of Haier Group for selling materials to the Company; (ii) the historical rate charged by Haier Group, which is approximately 1.25% for each of the three years ended 31 December 2024; and (iii) the rate charged by the Company for the material sales to Haier Group, which is approximately 1.25%. Also, the Company will obtain quotes from at least three Independent Third Parties which represents the market price and compare that with the rate of 1.25% to negotiate with Haier Group on a more favourable price to the Company.

The Group will obtain quotes from Independent Third Parties for similar transactions for comparison and reference and report to the management on quarterly basis. In any event, the consideration terms for such procurement shall be no less favourable than terms offered by Independent Third Parties to the Group with regard to the comparable products, equipment and materials of the same quantity and quality at similar time.

Historical amount:

The total transaction amount of the above procurement by the Group from Haier Group and its associates for each of the two years ended 31 December 2024 and the two months ended 28 February 2025 were approximately RMB14,801 million, RMB13,046 million and RMB2,182 million, respectively.

LETTER FROM THE BOARD

Proposed annual caps and basis of determination:

The annual caps for the transactions under the New Products and Materials Procurement Framework Agreement for the three years ending 31 December 2028 shall not exceed:

	Proposed annual caps for the year ending 31 December <i>(RMB million)</i>		
	2026	2027	2028
Annual caps for the transactions	15,386	16,617	17,946

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

- (i) the historical amounts of the transactions between the Group and Haier Group and its associates in respect of our purchase of the Products and Materials Procured. The annual caps under the New Products and Materials Procurement Framework Agreement for the three years ending 31 December 2028 are estimated by taking into account the incurred transaction amount of RMB2,182 million for the two months ended 28 February 2025, and with reference to the average transaction amount of RMB14,853 million for the three years ended 31 December 2024;
- (ii) the increasing demand for the Products and Materials Procured by the Group to meet up with our future growth prospects as well as the expected increasing trend of retail volume. For instance, the Group's demand for relevant production and experimental equipment from Haier Group and its associates is expected to increase due to the plans of intelligent upgrading and new plant establishment of the Group of existing production lines;
- (iii) while the increases in sales revenue leads to an increase in procurement amount, Group plans to reduce connected procurement amount by proposed measures such as the acquisition of equity interests in connected parties and optimisation of business model; and
- (iv) other factors including but not limited to the expected increase in unit price of the products, equipment and materials and parts as a result of the increase in labour and other costs and expenses as well as the market trend of expected small increment in prices of raw materials in 2025.

LETTER FROM THE BOARD

3. *Internal Control Measures*

In order to ensure the terms under relevant framework agreements for the continuing connected transactions are fair and reasonable or no less favourable than terms available to or from Independent Third Parties and are carried out under normal commercial terms or better, which are in line with the interests of the Company and our Shareholders as a whole, the Company has adopted the following guidelines and principles in monitoring the transactions between the Group and our connected parties, namely:

- the Company will report the transactions under the relevant agreements with our connected parties to the independent non-executive Directors during the audit committee meeting (if necessary) according to the Audit Committee meeting agenda each year;
- the Company will review the transactions with our connected parties to identify any continuing connected transactions that may be at risk of exceeding the proposed annual caps, and any measures to be taken in respect of such continuing connected transactions. The Group has established a series of measures to ensure that such continuing connected transactions will be conducted in accordance with the terms of the relevant agreements. These measures include:
 - (1) the Company will have specifically designated personnel from the relevant departments to monitor the transactions under the relevant agreements and will report to the management of the Company on quarterly basis and to the Board of Directors on semi-annual basis in relation to the transactions;
 - (2) The Company will review the fee quote and terms provided by the Independent Third Parties, Haier Group and its associates. With regard to the approval process of obtaining quotation, the business departments will raise their requests in relation to the procurement transaction in the Company's Connected Transaction IT Management System, together with the draft agreement and quotation from Independent Third Parties, which will be reviewed, discussed and approved by the head of relevant business department, the person in charge of accounting department and the Board Secretary;
 - (3) To ensure the effective implementation of the undertaking provided by Haier Group and its associates where there are no appropriate Independent Third Parties providing products of the same or similar quality, the finance department and the internal audit department of the Company have been entrusted with access to the financial system of Haier Group in relation to its black goods operation and the persons can therefore check Haier Group's selling price of the same or similar products to other third parties.

LETTER FROM THE BOARD

Further, the business department of the Company will monitor the market price of same and similar products from time to time to ensure the Group's selling price and the price obtained from Haier Group and its associates are fair and reasonable; and

- (4) The Group will conduct random internal checks to ensure that the internal control measures in respect of the Continuing Connected Transactions remain complete and effective.
- Our independent non-executive Directors will review the Continuing Connected Transactions under the relevant agreements annually to check and confirm in the annual reports of the Company whether such Continuing Connected Transactions have been conducted in the ordinary and usual course of business of the Company, on normal commercial terms or better, in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such Continuing Connected Transactions are conducted in accordance with the pricing policy set out in the relevant agreements.

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 occurrence of the above continuous connected transactions between the Company and Haier Group will be appropriately monitored. In addition, the internal control measures and procedures would be carried out during the valid term of the New Products and Materials Procurement Framework Agreement.

4. 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 a Connected Person of the Company. Consequently, the transactions contemplated under the New Products and Materials Procurement Framework Agreement constitute Continuing Connected Transactions under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to the Hong Kong Listing Rules, in respect of the proposed annual caps of the New Products and Materials Procurement Framework Agreement, as the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) for the transactions contemplated under the agreement is higher than 5% but less than 25%, the transactions contemplated under the agreement are subject to the requirements of reporting, announcement, annual review, Independent Financial Advisor's opinions, and Independent Shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

5. *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 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 Group, and 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 (方案系統軟件技術); 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; and research, development and transfer of technological achievements; 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.

6. *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 Products and Materials Procurement Framework Agreement and the proposed annual caps

LETTER FROM THE BOARD

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) was 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 Products and Materials Procurement Framework Agreement.

As the Directors, namely Mr. LI Huagang, Ms. SHAO Xinzhi and Mr. GONG Wei have relevant interests in the Haier Group, consequently, they have abstained from voting on the resolution of the Board for approving the New Products and Materials Procurement 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 resolution of the Board for considering and approving the New Products and Materials Procurement Framework Agreement and its proposed annual caps.

The above resolution has been reviewed and approved by the Board on 27 April 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

10. Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2025

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 2025.

The resolution on the Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2025 is set out in Appendix II to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

11. 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 III to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

12. General Mandate to Decide to Issue Domestic and Overseas Debt Financing Instruments

A special resolution is to be proposed at the AGM to consider and approve to grant a general mandate to the Board of Directors to decide to issue domestic and overseas debt financing instruments.

In order to meet the needs of the Company's business development, reduce financing costs in a timely manner and seize market opportunities, in accordance with the requirements of the Company Law of the PRC and other relevant laws and regulations, the listing rules of the stock exchanges in the place where the securities of the Company are listed, and the Articles of Association, the Board of Directors intends to propose the general meeting of the Company to generally and unconditionally authorize the Board of Directors to, on top of the quota authorized by the 2023 Annual General Meeting for the issuance of domestic and overseas debt financing instruments, re-delegate the Chairman and its authorized person(s) to determine and implement specific matters regarding the further issuance of issuable debt financing instruments within the quota as approved by the general meeting:

I. Principal Terms for Issuance of the Debt Financing Instruments

1. Categories of the Debt Financing Instruments: the relevant debt financing instruments include but not limited to, short-term debentures, super-short term debentures, medium term notes, private placement note, enterprise bonds, corporate bonds, A share or H share convertible bonds, offshore RMB bonds and foreign currency bonds, perpetual bonds and other domestic and offshore debt financing instruments denominated in RMB or foreign currency permitted by the competent regulatory authority.
2. Size of Issuance: The size of issuance of debt financing instruments totaling not more than RMB10 billion (or equivalent amount in foreign currency) (calculated based on the aggregate balance outstanding upon the issuance and, in the case of an instrument denominated in a foreign currency, based on the median rate of the exchange rates published by the PBOC on the date of the issuance) is authorized to be issued either one-off or in tranches in domestic and overseas bond markets within the validity period of such authorization.
3. Currency of Issuance: The currency of issuance of debt financing instruments may be RMB or foreign currency based on the review and approval results of the issuance of debt financing instruments and the domestic and overseas market conditions of debt financing instruments at the time of such issuance.
4. Term and interest rate: The maximum term of debt financing instruments shall be no more than 10 years with a single term or hybrid type of multiple terms. The domestic debt financing instruments

LETTER FROM THE BOARD

with an indefinite term are not subject to the time limit mentioned above. The specific composition, categories, size of issuance and interests of debt financing instruments shall be determined based on the then domestic and overseas bond market conditions at the time of the issuance of debt financing instruments. The composition of specific terms, the size of issuance of each term and type of debt financing instruments and their interest rates shall be determined by the Board of Directors or the Chairman and its authorized person(s) in accordance with the relevant regulations and the then prevailing market conditions at the time of such issuance.

5. Issuer: The Company or its domestic or overseas wholly-owned subsidiary or special-purpose vehicle established by the Company. If the domestic or overseas wholly-owned subsidiary or special-purpose vehicle is the issuer of debt financing instruments, the Company shall provide guarantees (including those provided by the issuer of debt financing instruments itself and/or by the Company) within the quota for issuance of its debt financing instruments, enter into a keep-well agreement or adopt the third-party credit enhancement method for such issuance.
6. Issuance price: The specific issuance price shall be determined by the Board of Directors or the Chairman and his authorized person(s) in accordance with relevant regulations and market conditions.
7. Use of Proceeds: It is expected that, after deducting the issuance expenses, the proceeds to be raised from the issuance of debt financing instruments are intended to be used towards meeting the needs of the Company's daily operations, repaying loans, replenishing its working capital and/or other investment acquisition purposes. The specific use of proceeds shall be determined by the Board of Directors or the Chairman and his authorized person(s) in accordance with the capital needs of the Company from time to time.
8. Method of Issuance: It shall be determined based on the review and results of approval of debt financing instruments and the domestic and overseas market conditions of debt financing instruments at the time of such issuance.
9. The debt financing instruments to be issued are proposed to be listed on the Inter-bank Bond Market, the Shanghai Stock Exchange (the "SSE"), the Hong Kong Stock Exchange or other domestic or foreign exchanges.

II. Authorization

1. Propose the general meeting to generally and unconditionally authorize the Board of Directors to re-delegate the Chairman and its authorized person(s) to determine in their absolute discretion and deal with all the

LETTER FROM THE BOARD

matters in respect of the issuance of domestic and foreign financing instruments in accordance with the Company's needs from time to time as well as the then market conditions, including but not limited to:

- (1) to determine and implement the specific proposal of the issuance of debt financing instruments, including but not limited to the establishment and determination of the appropriate issuer, the type of the debt financing instruments to be issued, the method of issuance, currency, the nominal value of debt financing instruments, price, the size of issuance, interest rate or its determination mechanism, issuance objects, the markets for issuance, the timing of issuance, the term of issuance, issuance in instalment and number of tranches (if applicable), sale-back clause and redemption clause (if applicable), the option for raising the coupon rate (if applicable), rating, guarantees (if applicable), repayment period, conversion price, use of proceeds, specific placing, underwriting, debt repayment guarantee and all the matters in respect of the proposal of issuance of debt financing instruments.
- (2) to carry out all necessary and ancillary actions and procedures in relation to the issuance of debt financing instruments, including but not limited to, engage intermediary institutions, apply for and handle all approval, registration and filing procedures with the relevant government departments and/or regulatory authorities in connection with the issuance of debt financing instruments on behalf of the Company, execute, revise and implement all necessary documents for the issuance of debt financing instruments, select trustee(s) for the issuance of debt financing instruments, formulate the rules for meetings of the holders of debt financing instruments, deal with any related disclosure in accordance with the applicable laws and regulations and requirements from regulatory authorities, and deal with other matters in connection with the issuance and trading of debt financing instruments.
- (3) in the event of changes in regulatory policies or market conditions, except for the matters which shall be voted at the general meeting of the Company in accordance with relevant laws, regulations and the Articles of Association, subject to the authorization at the general meeting, the relevant matters such as the specific plan for issuing debt financing instruments may be adjusted in accordance with the opinion of the regulatory authorities or in response to changes in market conditions, or to determine whether or not to continue the work for such issuance in accordance with actual conditions.

LETTER FROM THE BOARD

- (4) to determine and deal with all relevant matters in connection with the listing of issuance of debt financing instruments to be issued on the Inter-bank Bond Market, the SSE, the Hong Kong Stock Exchange or other domestic or foreign exchanges in response to market conditions.
 - (5) to handle any other specific matters related to the issuance of debt financing instruments and execute all relevant or necessary documents.
- 2. To agree that while the above matters are approved and authorized by the general meeting, the Board of Directors shall further delegate the Chairman and its authorized person(s) to implement the issuance of debt financing instruments in accordance with the Company's needs and other market conditions.
 - 3. To authorize the Chairman and his authorized person(s) to approve, execute and dispatch relevant documents, announcements and circulars and make relevant information disclosure in accordance with the applicable rules and regulations in the place where the shares of the Company are listed.

III. Validity Period of Authorization

The validity period shall be 24 months from the date of approval at the AGM.

If the Board of Directors or the Chairman and his authorized person(s) have resolved on the issuance within the validity period of the authorization and the Company has also obtained the approval, permission or registration (if applicable) for such issuance from the regulatory authorities within the validity period of the authorization, the Board of Directors or the Chairman and his authorized person(s) of the Company may complete the relevant issuance within the validity period as confirmed by such approval, permission or registration.

This resolution has been reviewed and approved by the Board meeting on 27 March 2025, and is now proposed at the AGM for review and approval by a special resolution.

13. 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

LETTER FROM THE BOARD

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.

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 benchmark 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.

LETTER FROM THE BOARD

- (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 date of the conclusion of the 2025 annual general meeting of the Company;
 2. At the time of passing a resolution at any general meeting to revoke or vary the mandate under this resolution.

This resolution has been reviewed and approved by the Board meeting on 27 March 2025, and is now proposed at the AGM for review and approval by a special resolution.

14. 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

LETTER FROM THE BOARD

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 benchmark price of the securities (rather than the 20% as limited under the Hong Kong Listing Rules).
- (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.

LETTER FROM THE BOARD

- (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 date of the conclusion of the 2025 annual general meeting of the Company;
 2. At the time of passing a resolution at any general meeting to revoke or vary the mandate under this resolution.

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 27 March 2025, and is now proposed at the AGM for review and approval by a special resolution.

15. 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 Securities on The Stock Exchange of Frankfurt, the Market Abuse Regulation of EU, 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

LETTER FROM THE BOARD

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 to be issued (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.
- (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.

LETTER FROM THE BOARD

- (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 date of the conclusion of the 2025 annual general meeting of the Company;
 2. At the time of passing a resolution at any general meeting to revoke or vary the mandate under this resolution.

This resolution has been reviewed and approved by the Board meeting on 27 March 2025, and is now proposed at the AGM for review and approval by a special resolution.

16. 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

LETTER FROM 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 2025 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.

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;

LETTER FROM THE BOARD

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 27 March 2025, and is now proposed at the AGM and the H Share Class Meeting for review and approval by a special resolution.

17. 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 30% 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 Regulation¹, 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

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

LETTER FROM THE BOARD

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 30% 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 2025 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.

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, repurchase of shares through a public tender offer or public solicitation of offers, 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. If the Board decides to repurchase D Shares by way of a public tender offer or a public solicitation of offers, determine all relevant parameters of such offer or solicitation, including but not limited to the date and content of the announcement, the offer or solicitation period, the content of the offer document, the offer price or price range, acceptance

LETTER FROM THE BOARD

and settlement dates and details, etc. The offer price or limits of the offer price range may not exceed the closing price in Xetra trading on the third trading day prior to the date of the public announcement of the offer by more than 5% or fall short of it by more than 5%.

3. 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;
4. 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;
5. 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;
6. 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;
7. 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;
8. Execute and handle other documents and matters related to the repurchase of D Shares.

Appendix V 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 27 March 2025, and is now proposed at the AGM and the H Share Class Meeting for review and approval by a special resolution.

18. Change in Commitments of Certain Asset Injection by Haier Group Corporation

An ordinary resolution will be proposed at the AGM to consider and approve the change in commitments of certain asset injection by Haier Group Corporation.

I. The Arrangement of Undertakings

Haier Group issued the Letter on Further Supporting the Development, Settling the Inter-trade Competition and Reducing Related-party Transactions of Qingdao Haier in 2011, pursuant to which Haier Group considers to inject other assets and businesses related to home appliance except the business of the white goods into Qingdao Haier, such as color TVs business, to promote Qingdao Haier to become the leading home appliance company with the most global competitiveness and sustainable innovation within five years since 2011.

With the rapid development of the Internet, the color TVs industry ecology has undergone profound changes. Haier Optoelectronics, the principal entity of Haier Group undertaking color TVs business, and its subsidiaries are in the period of transformation and integration and their financial performance has not yet met the Company's expectation. Therefore, the Company convened a general meeting on 7 January 2016 to consider and approve the Proposal of Qingdao Haier Co., Ltd. on Approving Haier Group Corporation to Change Its Part of the Undertakings of Assets Injection, agreeing that: (1) Haier Group could delay the process of injection of assets related to Haier Optoelectronics into the Company; (2) Haier Group undertakes to inject the related assets of Haier Optoelectronics into the Company or disposes such assets through other ways conforming to the requirements of the domestic supervision by June 2020. The Company convened a general meeting on 3 June 2020 to consider and approve the Proposal of Haier Smart Home Co., Ltd. on Changing Its Part of the Undertakings of Assets Injection of Haier Group Corporation, agreeing that: (1) Haier Group could delay the process of injection of assets related to Haier Optoelectronics into the Company; (2) Haier Group undertakes to inject the related assets of Haier Optoelectronics into the Company or disposes such assets through other ways conforming to the requirements of the domestic supervision by June 2025.

II. Information of the Changes in the Undertakings

With the further intensification of competition on color TVs industry, the financial performance of Haier Optoelectronics has not yet met the Company's expectation. The Company intends to agree that (1) Haier Group continues to delay the process of injection of the related assets of Haier Optoelectronics into the Company; (2) Haier Group undertakes to inject the related assets of Haier Optoelectronics into the Company or disposes such assets of Haier Optoelectronics through other ways conforming to the requirements of the domestic supervision by 30 June 2030.

LETTER FROM THE BOARD

In order to ensure the fulfillment of undertakings, Haier Group plans to entrust the Company to continue to manage the related assets of Haier Optoelectronics. The 13th meeting of the eleventh session of the Board of Directors of the Company has considered and approved the *Proposal of Haier Smart Home Co., Ltd. on Changing Its Part of the Undertakings of Assets Injection of Haier Group Corporation*. After the general meeting of the Company approving the proposal, the Company will continue to conduct actual management and operation of the related assets of Haier Optoelectronics.

III. Achievability of changed undertakings

Given that (1) Haier Group has the capacities and willingness to fulfill the undertakings; (2) the related assets of Haier Optoelectronics possess the potential and space to achieve mance growth in the future; (3) The Company's financial condition is good and its business is growing steadily, which has the abilities to implement acquisitions. Haier Group believes that it is practical and feasible to fulfill its changed undertakings.

IV. External approvals involved in fulfilling changed undertakings

The Company will carry out all the necessary approval, registration and filing procedures in accordance with the relevant regulations of Haier Group's fulfilling the changed undertakings in the future. If the relevant approval, registration and filing are not obtained at that time, the Company and Haier Group will dispose the related assets of Haier Optoelectronics in a manner subject to the securities regulatory requirements.

This resolution has been reviewed and approved by the Board meeting on 27 March 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

19. Continued Entrusted Management of Haier Optoelectronics

An ordinary resolution will be proposed at the AGM to consider and approve the continued entrusted management of Haier Optoelectronics.

I. Overview of the Related-party Transaction

(I) Background and overview of the Transaction

According to Haier Group's 2011 undertaking to resolve inter-trade competition and reduce related-party transactions and given that Haier Optoelectronics, the principal entity of Haier Group to undertake the color TVs business, and its subsidiaries are still in the period of transformation and consolidation and their financial performance has not met the Company's expectations, Haier Group could not complete the transfer during the aforementioned commitment period, thus Haier Group entrusted the Company to operate and manage the Entrusted Assets.

LETTER FROM THE BOARD

In December 2015, because the Entrusted Assets were still in the period of consolidation and its financial performance did not meet the Company's expectations, Haier Group continued to entrust the Company to operate and manage the Entrusted Assets and signed the *Entrustment Agreement for Qingdao Haier Optoelectronics Co., Ltd. between Haier Group Corporation and Haier Smart Home Co., Ltd.* (“**Original Agreement**”) on 22 December 2015 with an entrustment period of 5 years; and signed the *Supplementary Agreement on the Entrustment Agreement for Qingdao Haier Optoelectronics Co., Ltd. between Haier Group Corporation and Haier Smart Home Co., Ltd.* (“**Supplementary Agreement**”) on 28 April 2020 with an entrustment period of 5 years' extension based on the *Original Agreement*.

To date, as the financial performance of the Entrusted Assets has not met the Company's expectations, Haier Group intends to continue to entrust the Company to operate and manage the Entrusted Assets (“**Entrusted Management**”) for an another period of 5 years' extension based on the *Original Agreement* and the *Supplementary Agreement*.

(II) The signing of the agreement of the Transaction

On 27 March 2025, the Company and Haier Group signed the *Supplementary Agreement (II) on the Entrustment Agreement for Qingdao Haier Optoelectronics Co., Ltd. between Haier Group Corporation and Haier Smart Home Co., Ltd.* (“**Supplementary Agreement (II)**”).

(III) The Transaction constitutes a related-party transaction

As of the Latest Practicable Date, Haier Group directly holds 11.43% of the Company's shares and holds 23.04% of the same through persons acting in concert, totaling 34.47% of the Company's shares, and is the actual controller of the Company; Haier Group is the controlling shareholder of Haier Optoelectronics. Therefore, the signing of the *Supplementary Agreement (II)* between the Company and Haier Group constitutes a related-party transaction (“**Related-party Transaction**”).

The Related-party Transaction does not constitute a significant asset restructuring as stipulated in the *Administrative Measures for the Significant Asset Restructurings of Listed Companies*.

As the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) for the Entrusted Management is less than 0.1% pursuant to the Hong Kong Listing Rules, it is fully exempt from requirements of reporting, announcement, circular and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

LETTER FROM THE BOARD

II General Information of the Target Company of the Related-party Transaction

The target company of the Related-party Transaction is Haier Optoelectronics. As of the Latest Practicable Date, the general information of Haier Optoelectronics is as follows:

Name	Qingdao Haier Optoelectronics Co., Ltd.		
Uniform social credit code	913702125539917992		
Domicile	Haier Industrial Park, No.1 Haier Road, Laoshan District, Qingdao City		
Type of corporation	Limited liability company (wholly owned by a legal person invested or controlled by a natural person)		
Legal representative	Liu Janguang		
Registered capital	RMB347.57 million		
Scope of business	Technology development and application of household appliances, engages in the research and development, production, processing, assembly, maintenance and after-sales service of LCD monitors and their components and parts. (Business projects subject to approval according to laws shall only be carried out after approval by relevant authorities.)		
Date of establishment	18 June 2010		
Substantial shareholder and its shareholding ratio	Name	Capital contribution (RMB0'000)	Shareholding ratio (%)
	Haier COSMO Co., Ltd. (海爾卡奧斯股份有限公司)	34,757	100

III. Performance Arrangements for the Related-party Transaction

(I) Authority, fees, establishment and effectiveness, termination of the entrusted management

Consistent with the *Original Agreement*.

LETTER FROM THE BOARD

(II) Period of entrusted management

Both parties agree that the entrusted management period will be extended by five years on the basis of the *Original Agreement* and the *Supplementary Agreement*, that is, the entrusted management period of the Company for Entrusted Assets will be extended to five (5) years from the date of the review and approval of the *Supplementary Agreement (II)* by the general meeting of shareholders of the Company.

IV. The Purpose of the Related-party Transaction and Its Impact on the Listed Company

The Related-party Transaction of the Company is due to the need to fulfill Haier Group's commitment to solve the problem of horizontal competition and reduce related-party transactions. The Related-party Transaction has no adverse impact on the Company's continuing operation capacity, profit or loss and asset condition.

This resolution has been reviewed and approved by the Board meeting on 27 March 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

20. 2025 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 2025 A Share Core Employee Stock Ownership Plan (Draft) and its Summary.

References are made to the announcement dated 25 May 2021 and the circular dated 4 June 2021 of the Company, in relation to, amongst other things, the A Share Core Employee Stock Ownership Plan (2021–2025), as well as the announcement dated 29 April 2025 of the Company in relation to, amongst other things, the 2025 A Share Core Employee Stock Ownership Plan (the “**2025 A Share ESOP**”).

Considering the continuity of the Company's remuneration appraisal mechanism, the Company has introduced the 2025 A Share ESOP in accordance with its actual operation and future expectation. An amount of RMB757.0 million is intended to be withdrawn for the 2025 A Share ESOP as the incentive funds of the Plan, representing 4.0% of the Company's net profit attributable to the parent company in 2024. The source of shares for the 2025 A Share ESOP shall be the repurchased shares transferred from the Company's repurchase special account. The transfer price of such shares shall be determined according to the average price of all the shares repurchased in the repurchase account.

The full text of the 2025 A Share ESOP is set out in Appendix VI to this circular.

This resolution has been reviewed and approved by the Board meeting on 29 April 2025, and is now proposed at the AGM for review and approval by a special resolution.

LETTER FROM THE BOARD

21. 2025 H 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 2025 H Share Core Employee Stock Ownership Plan (Draft) and its Summary.

References are made to the announcement dated 25 May 2021 and the circular dated 4 June 2021 of the Company, in relation to, amongst other things, the H Share Core Employee Stock Ownership Plan (2021–2025), as well as the announcement dated 29 April 2025 of the Company in relation to, amongst other things, the 2025 H Share Core Employee Stock Ownership Plan (the “**2025 H Share ESOP**”).

Considering the continuity of the Company’s remuneration appraisal mechanism, the Company has introduced the 2025 H Share ESOP in accordance with its actual operation and future expectation. An amount of RMB63.0 million is intended to be withdrawn for the 2025 H Share ESOP as the incentive funds of the Plan, representing 0.3% of the Company’s net profit attributable to the parent company in 2024. The source of shares for the 2025 H Share ESOP shall be H Shares of the Company purchased from the secondary market through the Shanghai-Hong Kong Stock Connect.

The full text of the 2025 H Share ESOP is set out in Appendix VII to this circular.

This resolution has been reviewed and approved by the Board meeting on 29 April 2025, and is now proposed at the AGM for review and approval by a special resolution.

22. Proposed Amendments to the Investment Management System

An ordinary resolution will be proposed at the AGM to consider and approve the proposed amendments to the Investment Management System.

In order to adapt to market changes and improve the efficiency of investment decision-making and management, the Company proposes to amend the Investment Management System in accordance with the related requirements of laws and regulations.

Details of the proposed amendments to the Investment Management System are set out in Appendix VIII to this circular.

This resolution has been reviewed and approved by the Board meeting on 27 March 2025, 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.

LETTER FROM THE BOARD

Reference is made to the Company's announcement dated 29 April 2025 in relation to the proposed amendments to the Articles of Association. In order to further improve corporate governance, promote compliant practice and sound operation of the Company, 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 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 considering the actual conditions of the Company, the Company proposes to amend the existing effective articles of association. Upon the effectiveness of this amendment to the Articles of Association, the Company will no longer have a board of supervisors and the powers and functions of the board of supervisors shall be exercised by the Audit Committee of the Board, etc. The Rules of Procedure for the Board of Supervisors of Haier Smart Home Co., Ltd. shall be repealed accordingly. Prior to the establishment of the Audit Committee of the 12th session of the Board of the Company, the 11th session of the board of supervisors of the Company shall continue to comply with the provisions relating to the board of supervisors as set out in the previous systems and rules of the China Securities Regulatory Commission and others.

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

24. Proposed Amendments to the Rules of Procedure for the General Meeting

A special resolution is to be proposed at the AGM to consider and approve the resolution on amendments to the Rules of Procedure for the General Meeting.

Pursuant to the related requirements of laws and regulations, and considering the proposed amendments to the Articles of Association, the Company proposes to amend the Rules of Procedure for the General Meeting.

The comparison table for the proposed amendments to the Rules of Procedure for the General Meeting is set out in Appendix X to this circular.

25. Proposed Amendments to the Rules of Procedure for the Board of Directors

A special resolution is to be proposed at the AGM to consider and approve the resolution on amendments to the Rules of Procedure for the Board of Directors.

Pursuant to the related requirements of laws and regulations, and considering the proposed amendments to the Articles of Association, the Company proposes to amend the Rules of Procedure for the Board of Directors.

The comparison table for the proposed amendments to the Rules of Procedure for the Board of Directors is set out in Appendix XI to this circular.

26. Proposed Amendments to the Independent Directors System

A special resolution is to be proposed at the AGM to consider and approve the resolution on amendments to the Independent Directors System.

Pursuant to the related requirements of laws and regulations, the Company proposes to amend the Independent Directors System.

The comparison table for the proposed amendments to the Independent Directors System is set out in Appendix XII to this circular.

27. Proposed Amendments to the Fair Decision-Making System for Related-Party (Connected) Transactions

A special resolution is to be proposed at the AGM to consider and approve the resolution on amendments to the Fair Decision-Making System for Related-Party (Connected) Transactions.

Pursuant to the related requirements of laws and regulations, the Company proposes to amend the Fair Decision-Making System for Related-Party (Connected) Transactions.

The comparison table for the proposed amendments to the Fair Decision-Making System for Related-Party (Connected) Transactions is set out in Appendix XIII to this circular.

28. Proposed Amendments to the Management System of External Guarantee

A special resolution is to be proposed at the AGM to consider and approve the resolution on amendments to the Management System of External Guarantee.

Pursuant to the related requirements of laws and regulations, the Company proposes to amend the Management System of External Guarantee.

The comparison table for the proposed amendments to the Management System of External Guarantee is set out in Appendix XIV to this circular.

29. Proposed Amendments to the Regulations on the Management of Fund Raising

A special resolution is to be proposed at the AGM to consider and approve the resolution on amendments to the Regulations on the Management of Fund Raising.

Pursuant to the related requirements of laws and regulations, the Company proposes to amend the Regulations on the Management of Fund Raising.

The comparison table for the proposed amendments to the Regulations on the Management of Fund Raising is set out in Appendix XV to this circular.

30. Proposed Amendments to the Management System of Foreign Exchange Derivative Trading Business

A special resolution is to be proposed at the AGM to consider and approve the resolution on amendments to the Management System of Foreign Exchange Derivative Trading Business.

Pursuant to the related requirements of laws and regulations, the Company proposes to amend the Management System of Foreign Exchange Derivative Trading Business.

The comparison table for the proposed amendments to the Management System of Foreign Exchange Derivative Trading Business is set out in Appendix XVI to this circular.

31. Proposed Amendments to the Management System of Entrusted Wealth Management

A special resolution is to be proposed at the AGM to consider and approve the resolution on amendments to the Management System of Entrusted Wealth Management.

Pursuant to the related requirements of laws and regulations, the Company proposes to amend the Management System of Entrusted Wealth Management.

The comparison table for the proposed amendments to the Management System of Entrusted Wealth Management is set out in Appendix XVII to this circular.

32. Proposed Amendments to the Regulations on the Bulk Raw Materials Hedging Business

A special resolution is to be proposed at the AGM to consider and approve the resolution on amendments to the Regulations on the Bulk Raw Materials Hedging Business.

Pursuant to the related requirements of laws and regulations, the Company proposes to amend the Regulations on the Bulk Raw Materials Hedging Business.

The comparison table for the proposed amendments to the Regulations on the Bulk Raw Materials Hedging Business is set out in Appendix XVIII to this circular.

33. Change of the Board of Directors and Election of Non-independent Directors

An ordinary resolution is to be proposed at the AGM to consider and approve the Election of non-independent Directors, the details are as follows:

Reference is made to the announcement of the Company dated 29 April 2025 in relation to, among other things, proposed election of non-independent Directors.

LETTER FROM THE BOARD

As the term of the 11th session of the Board will expire in June 2025, in accordance with relevant requirements of the Company Law and the Articles of Association and the opinions from the nomination committee of the Board, the list of candidates for the executive Directors and non-executive Directors of the 12th session of the Board, which has been considered and approved by the Board, is set out below:

1. 2 candidates for executive Directors: Mr. LI Huagang and Mr. Kevin Nolan; and
2. 4 candidates for non-executive Directors: Mr. GONG Wei, Mr. YU Hon To, David, Mr. CHIEN Da-Chun and Mr. Li Shaohua.

The Board has agreed to submit the above list of Director candidates for voting at the AGM, which will elect 2 executive Directors and 4 non-executive Directors.

The terms of Directors of the 12th session of the Board of the Company will be three years. The term of office for each Director above-mentioned shall be effective from the date of consideration and approval at the AGM. If appointed, each appointed Director will enter into a service contract with the Company. Mr. LI Huagang, Mr. Kevin Nolan, Mr. GONG Wei and Mr. Li Shaohua will not receive any remuneration from the Company as a Director. The remaining Non-executive Directors will receive a Director fee before tax of RMB360,000 per year.

As at the Latest Practicable Date, save as disclosed in this circular, each Director candidate above-mentioned 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, or served other positions in other subsidiaries of the Company, or held other major appointments or professional qualifications during the past three years. Each Director candidate does not have other relationships with any Directors, Supervisors, senior management, substantial Shareholders or Controlling Shareholders of the Company and do 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 which is required to be disclosed pursuant to the requirements set out in 13.51(2) (h) to (v) of the Listing Rules nor are there any matters which need to be brought to the attention of the Shareholders of the Company.

The biographical details and other relevant information of the Director candidates above-mentioned as at the Latest Practicable Date are set out in Appendix XIX to this circular.

This resolution has been reviewed and approved by the Board meeting on 29 April 2025, and is now proposed at the AGM for review and approval by an ordinary resolution.

34. Change of the Board of Directors and Election of Independent Directors

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

Reference is made to the announcement of the Company dated 29 April 2025 in relation to, among other things, proposed election of Independent Directors.

As the term of the 11th session of the Board will expire in June 2025, in accordance with relevant requirements of the Company Law and the Articles of Association and the opinions from the nomination committee of the Board, the list of candidates for the Independent Non-executive Directors of the 12th session of the Board, which has been considered and approved by the Board, is set out below:

4 candidates for Independent Non-executive Directors: Mr. WONG Hak Kun, Mr. LI Shipeng, Mr. WU Qi and Mr. WANG Hua.

The Board has agreed to submit the above list of Director candidates for voting at the AGM, which will elect 4 independent non-executive directors. The Directors elected at the AGM will form the 12th session of the Board of Directors of the Company together with Ms. Sun Danfeng, the employee director elected at the 1st meeting of the 2025 Employees' Representative Meeting held on 29 April, 2025, constituting a total of 11 Directors. The Company intends to convene the first meeting of the 12th session of the Board after consideration and approval by the Annual General Meeting, and to elect the members of the specialised committees of the 12th session of the Board in accordance with the relevant laws, regulations, regulatory documents, the Articles of Association and the Hong Kong Listing Rules.

The terms of Directors of the 12th session of the Board of the Company will be three years. The term of office for each Director above-mentioned shall be effective from the date of consideration and approval at the AGM. If appointed, each appointed Director will enter into a service contract with the Company. Each Independent Non-executive Director will receive a Director fee before tax of RMB360,000 per year.

As at the Latest Practicable Date, save as disclosed in this circular, each Director candidate above-mentioned 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, or served other positions in other subsidiaries of the Company, or held other major appointments or professional qualifications during the past three years. Each Director candidate does not have other relationships with any Directors, Supervisors, senior management, substantial Shareholders or Controlling Shareholders of the Company and do 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 which is required to be disclosed pursuant to the requirements set out in 13.51(2) (h) to (v) of the Listing Rules nor are there any matters which need to be brought to the attention of the Shareholders of the Company.

LETTER FROM THE BOARD

Each Independent Non-executive Director candidate above-mentioned has confirmed that (i) his/her independence as regards to each of the factors contained in Rule 3.13(1) to (8) of the Listing Rules; (ii) he/she 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 Listing Rules) of the Company; and (iii) there are no other factors that may affect his/her independence at the time of his/her nomination.

The biographical details and other relevant information of the Director candidates above-mentioned as at the Latest Practicable Date are set out in Appendix XIX to this circular.

The above nominations of Director candidates 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.

The Nomination Committee has assessed and reviewed the educational backgrounds, professional knowledge and experience of the Director candidates as set out in Appendix XIX to the Circular, and concluded that each of Mr. WONG Hak Kun, Mr. LI Shipeng, Mr. WU Qi and Mr. WANG Hua is independent.

The Nomination Committee is of the view that the candidates of Independent Non-executive Directors have extensive experience in different fields and professions that are relevant to the Company's business. In addition, their respective educational background, experience and knowledge should allow them to provide relevant and constructive insights and contribute to the diversity of the Board. Accordingly, the Nomination Committee has recommended them to the Board for re-election.

This resolution has been reviewed and approved by the Board on 29 April 2025, and is now proposed at the AGM for review and approval by an ordinary 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, 28 May 2025 at Rendanheyi Research Center, 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 notice of H Share Class Meeting are set out on pages 286 to 293 of this circular.

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

LETTER FROM THE BOARD

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

IV. VOTING BY POLL

According to Rule 13.39(4) of the 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 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 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 resolutions in relation to the New Products and Materials Procurement Framework Agreement and the proposed annual caps, Change in Commitments of Certain Asset Injection by Haier Group Corporation and Continued Entrusted Management of Haier Optoelectronics at the AGM. The Directors, namely Mr. LI Huagang, Ms. SHAO Xinzhi and Mr. GONG Wei are interested in the Company and have relevant interests in Haier Group, consequently, they will abstain from voting on the above resolutions 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) 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 Wednesday, 21 May 2025 to Wednesday, 28 May 2025, 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 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 Tuesday, 20 May 2025 for registration.

LETTER FROM THE BOARD

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 XX to this circular.

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

Qingdao, the PRC
7 May 2025

* *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

7 May 2025

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION — RENEWAL OF
THE PRODUCTS AND MATERIALS PROCUREMENT
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 Products and Materials Procurement Framework Agreement and the proposed annual caps for 2026, 2027 and 2028 thereunder, details of which are set out in the “**Letter from the Board**” in the circular dated 7 May 2025 (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 advice of Somerley, we are of the view that the transactions contemplated under the New Products and Materials Procurement 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 Products and Materials Procurement 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 Products and Materials Procurement Framework Agreement and the proposed annual caps at the AGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

CHIEN Da-Chun
*Independent
Non-executive
Director*

WONG Hak Kun
*Independent
Non-executive
Director*

LI Shipeng
*Independent
Non-executive
Director*

WU Qi
*Independent
Non-executive
Director*

* For identification purpose only

LETTER FROM SOMERLEY CAPITAL LIMITED

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

7 May 2025

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

Dear Sirs,

RENEWAL OF THE PRODUCTS AND MATERIALS PROCUREMENT 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 procurement of certain products, equipment and raw materials from Haier Group and its associates under the New Products and Materials Procurement Framework Agreement (including the proposed annual caps) (the “**Continuing Connected Transactions**”), for which Independent Shareholders’ approval is being sought. Details of the Continuing Connected Transactions are contained in the circular of the Company to its Shareholders dated 7 May 2025 (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 approximately 34% of the voting rights in the Company, and is therefore the Controlling Shareholder and a Connected Person of the Company. Accordingly, the transactions contemplated under the New Products and Materials Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratios in respect of the proposed annual caps of the transactions contemplated under the New Products and Materials Procurement Framework Agreement are higher than 5%, the transactions contemplated under the agreement are subject to the reporting, announcement, annual review, independent financial advisor’s advice and Independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.

LETTER FROM SOMERLEY CAPITAL LIMITED

The Independent Board Committee, comprising all four independent non-executive Directors, namely Mr. CHIEN Da-Chun, Mr. WONG Hak Kun, Mr. LI Shipeng and Mr. WU Qi, has been established to advise the Independent Shareholders on the New Products and Materials Procurement 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 continuing connected transactions, details of which are set out in the circulars of the Company dated 6 June 2023 and 27 November 2024. The above engagements were limited to providing independent advisory services to the then independent board committee and independent shareholders of the Company, for which Somerley received 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, 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, 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 Products and Materials Procurement 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 the research and development, manufacturing and distribution of a wide range of products including refrigerators, freezers, kitchen appliances, air-conditioners, washing machines,

water heaters, water purifiers and small home appliances. In addition to its self-developed brands, namely Haier, Casarte and Leader, the Group has expanded its portfolio of global home appliance brands through a series of overseas acquisitions, including GE Appliances, Candy, Fisher & Paykel and AQUA. In late 2023, the Group announced the acquisition of the commercial refrigeration business of Carrier Global Corporation, creating an additional growth driver for the Company.

In 2024, the Group recorded sales revenue of approximately RMB286.0 billion, representing an increase of approximately 4.3% compared to 2023. The revenue growth was mainly driven by, among others, the Group's multi-brand product lineup, innovative new media marketing strategies and the external acquisitions, including the consolidation of Carrier's commercial refrigeration business and Kwikot's water heater business in late 2024. Profit attributable to owners of the Company was approximately RMB18.7 billion during 2024, representing an increase of approximately 12.9% compared to 2023.

In addition to the Company's H Shares that have been listed on the Main Board of the Hong Kong Stock Exchange since 2020, its A Shares (stock code: 600690.SH) 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\$235 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

Haier Group, an urban collective ownership enterprise incorporated under the laws of the PRC in 1984, is headquartered in Qingdao, Shandong Province, the PRC. Haier Group is the Controlling Shareholder of the Company, holding approximately 34% voting rights in the Company as at the Latest Practicable Date. The scope of operation of Haier Group includes, among others, (i) technology development, technology consultancy, technology transfer, technology services, (ii) data processing, (iii) digital technology, intelligent technology, software technology, (iv) research and development, sales and after-sales services of robots and automation equipment products, (v) logistics information services, (vi) the research and development and sales of intelligent household equipment and solution system software technology, and (vii) the production of household appliances, electronic products, communication equipment, electronic computers and accessories, general machinery, kitchen appliances and robots for industrial purpose.

2. Background to and reasons for the New Products and Materials Procurement Framework Agreement

The Group and Haier Group have a long-term and stable business relationship. Haier Group is familiar with the Group's business processes and needs, quality standards and operational requirements, enabling it to consistently supply products and materials required by the Group. The Directors believe that maintaining this stable and quality business relationship with Haier Group will continue to facilitate the Group's current and future business operations, and that Haier Group and its associates are capable of effectively satisfying the Group's demand for the relevant stable and quality products, equipment and materials, which is in the interests of the Group and the Shareholders as a whole.

The Group has been procuring products and materials from Haier Group and its associates for many years. Such procurements include: (i) products for internal consumption and resale uses, (ii) production and experimental equipment for internal consumption uses and (iii) raw materials and parts required for the Group's production.

Apart from its smart home business, the Group operates a global channel distribution business which primarily offers distribution services for products such as televisions and consumer electronics for Haier Group or third-party brands, leveraging the Group's extensive international and domestic sales network. Under such business model, the Group procures black goods from Haier Group and its associates from time to time and distributes such products to the Group's customers via its own sales network. This collaborative business arrangement not only increases Haier Group and its associates' sales volume, but also generates additional profits for the Group. The New Products and Materials Procurement Framework Agreement allows the Group to secure the products manufactured and procured by Haier Group and its associates, some of which are tailor-made or customised for the Group, and solidifies the basis on which the Group may continue to develop its sales operations.

In terms of equipment purchase, the Group will be able to utilise the resources, design and production advantages of Haier Group and its associates to acquire the relevant equipment needed for the production and development of its products and components at preferential prices and terms, and to utilise the import and export platform of Haier Group and its associates for the procurement of imported equipment.

In terms of material purchase, the Group will be able to leverage the scale and efficiency of the centralised procurement platform of Haier Group and its associates for its production operations across different segments, such as the laundry appliances and water heater manufacturing segments, thereby lowering the Group's procurement costs.

Currently, the transactions between the two groups are governed under an existing framework agreement (the “**Existing Framework Agreement**”), which was approved by the then independent shareholders of the Company at a shareholder’s meeting held on 28 June 2022. The Existing Framework Agreement will expire on 31 December 2025. In view of the upcoming expiry, the New Products and Materials Procurement Framework Agreement has been entered into between the Company and Haier Group on 27 March 2025, to govern and allow the Group’s procurements from Haier Group and its associates for the three years ending 31 December 2026, 2027 and 2028.

3. Principal terms of the New Products and Materials Procurement Framework Agreement

Set out below are the principal terms of the New Products and Materials Procurement Framework Agreement. For further details, please refer to the section headed “New Products and Materials Procurement Framework Agreement” in the letter from the Board.

General

On 27 March 2025, the Company and Haier Group entered into the New Products and Materials Procurement Framework Agreement, pursuant to which the Group has agreed to procure certain products and materials from Haier Group and its associates on a non-exclusive basis from time to time. The non-exclusive basis means that the Group has its own discretion in choosing other suppliers to meet its business needs. The New Products and Materials Procurement Framework Agreement has a term of three years commencing from 1 January 2026 to 31 December 2028, subject to, among others, the Independent Shareholders’ approval at the AGM.

Pursuant to the New Products and Materials Procurement Framework Agreement, the products and materials to be purchased by the Group from Haier Group and its associates mainly include:

- (i) products for internal consumption and resale uses, including televisions and computers manufactured or procured by Haier Group and its associates, together with relevant supporting services such as products warranty services;
- (ii) production and experimental equipment used, idled, procured and/or tailor-made by Haier Group and its associates for the Group’s internal consumption use; and
- (iii) raw materials and parts required for the Group’s production.

Separate underlying agreements will be entered into, with specific terms and conditions according to the principles agreed in the New Products and Materials Procurement Framework Agreement.

Pricing terms

As set out in the letter from the Board, the pricing terms of the relevant products shall be negotiated by the parties at arm's length basis on terms no less favourable than those offered to the Group by Independent Third Parties. In determining the prevailing market price, the Group will collect and review quotes offered by at least two other Independent Third Parties for products of the same or similar quality for comparison and report to the management on quarterly basis.

There is no independent third party quote found for black goods of Haier brand procured from Haier Group and its associates. As there is no alternative Haier brand black goods manufacturer from which the Group can procure, and such black goods are typically tailor-made or customised by Haier Group and its associates in accordance with the Group's requirements, it is not commercially feasible for the Company to conduct third party quote comparison. We understand from the management of the Group that (i) in the event that there are no appropriate Independent Third Parties providing products of the same or similar quality, the Group will require Haier Group and its associates to provide their actual transaction terms to Independent Third Parties in relation to their sale of products of the same or similar quality, together with the pricing terms (Haier Group and its associates have agreed to provide such information), (ii) if there are no appropriate comparable transaction terms, the Group will require Haier Group and its associates to provide an undertaking that they will charge the Group for the lowest price compared with the fee they charge other Independent Third Parties in relation to the same or similar products. Given (i) the actual transaction terms provided by Haier Group and its associates to Independent Third Parties in relation to their sale of the same or similar products should represent arm's length transactions at market rates, and (ii) the Group will only purchase the relevant products from Haier Group and its associates when the prices and terms are no less favourable than those offered by Haier Group and its associates to Independent Third Parties, we consider that there are acceptable benchmark (i.e. terms between Haier Group and its associates and Independent Third Parties) and measure (i.e. abovementioned undertaking from Haier Group and its associates in respect of the lowest price) in place for the Group to evaluate the fairness and reasonableness of the pricing terms between the Group and Haier Group and its associates.

Pricing terms of equipment will be determined based on arm's length negotiation after taking into account various factors including the sources, depreciation, net asset values of such equipment, and relevant cost and expense such as purchase price of such equipment, relevant operational and administrative expenses. For the estimated values and market prices, the Group will make reference to the historical prices paid by the Group to Independent Third Parties in procuring the equipment of similar type and quality, and the quotes from at

least two other Independent Third Parties collected and reviewed by the Group for equipment of similar type and quality for comparison and report to the management on quarterly basis.

Pricing terms of materials will be determined based on the actual cost, such as prices obtained by Haier Group and/or its associates through bidding process (if applicable) or other actual purchase prices, plus a commission fee rate of no more than 1.25%, or based on market prices, whichever is lower. The commission fee rate of 1.25% is for the purpose of covering the relevant operational and administrative expenses (including costs in relation to human resources, transportation, storage and system maintenance) to be borne by Haier Group and its associates in providing the materials to the Group, and such rate is largely consistent with the commission rate charged by the Group for similar sales of materials to Haier Group and its associates. When negotiating the terms of transactions (inclusive of the commission rate) with Haier Group and its associates, the Group will obtain quotes from at least three Independent Third Parties for similar transactions for comparison and report to the management on quarterly basis.

In any event, the consideration terms for the procurement shall be no less favourable than terms offered by Independent Third Parties to the Group with regard to the same quantity and quality of comparable products, equipment and materials at similar time.

As advised by the management of the Group, the commission fee rate charged for purchase of materials from Haier Group and its associate under the Existing Framework Agreement for the two years ended 31 December 2023 and 2024 ranged from approximately 1.0% to 1.25%. We have obtained the cost breakdown (mainly comprising cost related to human resources, transportation, storage and system maintenance) for the commission fee charged in the past two years, and note that the total costs borne by Haier Group and its associates accounted for approximately 1.0% of the total amount of materials procured by the Group for each of 2023 and 2024 and the final commission fee rates were mainly determined on the basis of such costs. Having considered the above, in particular the commission is mainly to cover operational and administrative expenses and the comparison with independent quotes in coming years, we consider the maximum commission fee rate of 1.25% to be fair and reasonable and in the interests of the Company and its shareholders as a whole.

Comparison of terms with other Independent Third Parties

We have discussed with the management of the Group and reviewed lists of contracts entered into between the Group and Haier Group and its associates during the period from 1 January 2023 to 31 December 2024. We have selected, on a random basis, five sample contracts for the procurements of products and materials under the Existing Framework Agreement (as further discussed below), and on the basis that there is at least one sample contract relating to each major

category of products (including black goods, equipment and raw materials) under the Existing Framework Agreement, which are executed at different times throughout the review period, we consider the selected sample contracts to be fair and representative.

In respect of purchase of black goods, we understand from the management that the Group only distributes black goods under brands developed by Haier Group and its associates, and it does not purchase or distribute black goods from other brands. As a result, there are no contracts or quotes available from Independent Third Parties for comparison against the purchase of black goods from Haier Group and its associates. In this regard, we have selected two sample contracts for the purchase of Haier brand black goods from Haier Group, and compared that against the pricing terms of products of the same or similar quality provided by Haier Group to two other Independent Third Parties. We note from the above that the pricing terms were in line with those Haier Group offered to the Group.

In respect of purchase of equipment, we have selected one sample contract for the purchase of used equipment from Haier Group. We understand from the management of the Group that the underlying equipment had customised specifications and therefore there were no appropriate contracts from Independent Third Parties for direct comparison purpose. As part of the procurement process, the Group engaged an independent valuer to assess the estimated value of the underlying equipment and also obtained the relevant price quotations of the underlying equipment offered by Independent Third Parties to Haier Group. Based on our review of the sample contract, the independent valuation report and related supporting documentation, we note that the pricing terms were in line with the estimated values assessed by the independent valuer and those offered by Independent Third Parties.

In respect of purchase of raw materials, we have selected two sample contracts for the purchase of raw materials from Haier Group. We note that the relevant parties entered into an implementation agreement, setting out an agreed commission rate that fell within the cap of 1.25% under the Existing Framework Agreement.

On the basis of our review, we consider that the pricing terms of the selected sample contracts under the Existing Framework Agreement were on normal commercial terms when compared to the transaction terms among the Group, Haier Group and/or Independent Third Parties.

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4. The proposed annual caps

(i) Review of historical figures

Set out below are the historical transaction amounts under the Existing Framework Agreement and the corresponding annual caps for the two years ended 31 December 2023 and 2024, and for the two months ended 28 February 2025:

	For the year ended 31 December		For the two months ended
	2023	2024	28 February 2025
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Procurement amount paid by the Group to Haier Group and its associates	14,801	13,046	2,182
Relevant annual cap	19,090	20,040	20,000
Utilisation rates	77.5%	65.1%	65.5%
			<i>(Note)</i>

Note: Utilisation rate for the two months ended 28 February 2025 is based on the relevant two-month transaction amount and the pro rata annual cap amount.

As shown in the table above, the historical procurement amounts decreased by approximately 11.9% from approximately RMB14,801 million in 2023 to approximately RMB13,046 million in 2024, and amounted to approximately RMB2,182 million in the first two months of 2025. The relevant annual caps in 2023 and 2024 had been fairly utilised, being approximately 77.5% and 65.1% respectively. Based on our discussions with the management of the Group, the decline in procurement of products and materials from Haier Group and its associates in 2024 were mainly due to the optimisation and coordination of the Group's global procurement activities in recent years, leading to an increase in the procurements of products and materials from third-party partners and suppliers across industries and regions through the Group's own platforms, thereby reducing the reliance on the procurement through Haier Group and its associates.

LETTER FROM SOMERLEY CAPITAL LIMITED

(ii) Assessment of the proposed annual caps

Set out below are the proposed annual caps under the New Products and Materials Procurement Framework Agreement for the three years ending 31 December 2026, 2027 and 2028:

	For the year ending 31 December		
	2026	2027	2028
	(RMB million)	(RMB million)	(RMB million)
Procurement amount to be paid by the Group to Haier Group and its associates	15,386	16,617	17,946

The proposed annual cap for 2026 represents a compound annual growth rate of approximately 8.6% compared to the actual transaction amount of approximately RMB13,046 million in 2024. The proposed annual cap for each of 2027 and 2028 represents a further increase of approximately 8.0% compared to the previous year. In order to assess the reasonableness of the proposed annual caps, we have obtained and discussed with the management of the Group the underlying projections for the procurement of products and materials from Haier Group and its associates, including the related bases and assumptions. When determining the proposed annual caps, the Group has mainly taken into account, among other things, (i) the historical transaction amounts, as explained in the sub-section above, and the average transaction amount of approximately RMB14,853 million for the three years ended 31 December 2024, (ii) the increasing demand for the products and materials procured by the Group for its future growth prospects as well as the expected development trend of retail volume, and (iii) other factors, including the anticipated increase in the unit price of the products, equipment and materials and parts.

Based on our discussions with the management of the Group, the optimisation and coordination of the Group's global procurement activities mentioned in the sub-section above has largely been completed, and the future transactions with Haier Group and its associates are expected to be primarily based on the future growth of the Group's business.

In respect of the proposed annual caps for each of 2026, 2027 and 2028, the Group's demand for the products and materials is expected to grow at approximately 8% to 9% annually, broadly aligning with its anticipated future sales growth, which in turn is estimated with reference to its historical sales performance.

We note from the Company's annual reports that the overall revenue of the Group increased at a compound annual growth rate of approximately 8.1% from 2020 to 2024, from approximately RMB209.7 billion in 2020 to approximately

RMB286.0 billion in 2024. Such growth rate is not materially different from the anticipated annual growth rates of approximately 8% to 9% for the proposed annual caps of 2026, 2027 and 2028. As advised by the management of the Group, purchases of products and materials under the New Products and Materials Procurement Framework Agreement are intended to support the production and sales across all smart home business segments of the Group, which account for the vast majority of the Group's revenue. As such, we consider that the revenue growth for the Group's entire business serves as an appropriate proxy for the expected growth rate under the New Products and Materials Procurement Framework Agreement.

The management of the Group further advised us that the Group anticipates an increase in the unit price of the products, equipment and materials and parts in the coming years, driven by the rising labour costs and other operating expenses, as well as the prevailing market trends. To substantiate this, we have reviewed the inflation estimates published in December 2024 by The Organisation for Economic Co-operation and Development (retrieved from its website at https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html on the Latest Practicable Date), indicating that the expected annual consumer price inflation rates in the G20 countries are approximately 3.5% and 2.9% for 2025 and 2026 respectively, and the corresponding inflation rates in China are expected to be 1.1% and 1.4% during the respective year.

In our opinion, it is in the interests of the Group and the Shareholders to determine the proposed annual caps under the New Products and Materials Procurement Framework Agreement in a way that can accommodate the Group's business growth. Having considered (i) the historical transaction amount between the parties, (ii) the Group's sales growth in the coming three years, leading to the higher demand for procurement of products and materials from Haier Group and its associates, and (iii) the anticipated increase in the unit price of the relevant products and materials, as discussed above, we consider the proposed annual caps under the New Products and Materials Procurement Framework Agreement to be fair and reasonable.

INTERNAL CONTROL MEASURES

In order to safeguard the interest of the Company and the Shareholders as a whole, the Company has adopted a number of guidelines and principles in monitoring the transactions between the Group and Haier Group and its associates under the New Products and Materials Procurement Framework Agreement, and a series of measures and policies to ensure that the underlying transactions will be conducted in accordance with the terms of the above agreement. Below are the key controls and procedures summarised from the letter from the Board:

- (a) the Company will report the Continuing Connected Transactions with Haier Group and its associates to the independent non-executive Directors during the audit committee meetings (if necessary);

- (b) the Company will review the transactions with Haier Group and its associates to identify any transactions that may be at risk of exceeding the proposed annual caps, and any measures to be taken in respect of such transactions. The Group has established a series of measures to ensure that the transactions will be conducted in accordance with the terms of the New Products and Materials Procurement Framework Agreement. These measures include:
- (i) the Company will have specifically designated personnel from the relevant departments to monitor the transactions under the relevant agreements and will report to the management of the Company on quarterly basis and to the Board on semi-annual basis in relation to the transactions;
 - (ii) the Company will review the fee quote and terms provided by Independent Third Parties, Haier Group and its associates. With regard to the approval process of obtaining quotations, the business departments will raise their requests in relation to the procurement transaction in the Company's Connected Transaction IT Management System, together with the draft agreement and quotations from Independent Third Parties, which will be reviewed, discussed and approved by the head of the relevant business department, the person in charge of the accounting department and the Board Secretary;
 - (iii) to ensure the effective implementation of the undertaking provided by Haier Group and its associates where there are no appropriate Independent Third Parties providing products of the same or similar quality, the finance department and the internal audit department of the Company have been entrusted with access to the financial system of Haier Group in relation to its black goods operation and the persons can therefore check Haier Group's selling price of the same or similar products to other third parties. Further, the business department of the Company will monitor the market price of the same and similar products from time to time to ensure the Group's selling price and the price obtained from Haier Group and its associates are fair and reasonable;
 - (iv) the Group will conduct random internal checks to ensure that the internal control measures in respect of the Continuing Connected Transactions remain complete and effective; and
- (c) the independent non-executive Directors will review the Continuing Connected Transactions annually to check and confirm in the annual reports of the Company whether the Continuing Connected Transactions have been conducted in the ordinary and usual course of business of the Company, on normal commercial terms or better, in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and whether the internal control procedures put in place by the Company

LETTER FROM SOMERLEY CAPITAL LIMITED

are adequate and effective to ensure that the Continuing Connected Transactions are conducted in accordance with the pricing policy set out in the relevant agreements.

As confirmed by the management of the Group, there is a proper and complete segregation of duties between the internal control department and the finance department of the Group. In addition, no common staff, senior management or director of the Group or Haier Group and its associates will be involved in the internal control and risk management procedures.

The Directors consider that the above internal control measures and internal review policies adopted by the Group are appropriate and sufficient to ensure that the Continuing Connected Transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

REPORTING REQUIREMENTS AND CONDITIONS OF THE CONTINUING CONNECTED TRANSACTIONS

Pursuant to Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules, the Continuing Connected Transactions are subject to the following annual review requirements:

- (a) the independent non-executive Directors must review the Continuing Connected Transactions every year and confirm in the annual report and accounts that the Continuing Connected Transactions have 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 Continuing Connected Transactions 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 Continuing Connected Transactions:
 - (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 Continuing Connected Transactions; and
 - (iv) has exceeded the proposed annual caps;

LETTER FROM SOMERLEY CAPITAL LIMITED

- (c) the Company must allow, and ensure that the counterparties to the Continuing Connected Transactions allow, the Company's auditors sufficient access to their records for the purpose of reporting on the Continuing Connected Transactions as set out in paragraph (b); and
- (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 Continuing Connected Transactions, in particular, (i) the restriction of the value of the Continuing Connected Transactions 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 Products and Materials Procurement 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 transactions contemplated under the New Products and Materials Procurement 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 Products and Materials Procurement 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 Products and Materials Procurement 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. (2025) No. 000287

<u>Contents</u>	<u>Pages</u>
I. Internal Control Audit Report	1–2



Hexin Certified Public Accountants LLP

27 March 2025

INTERNAL CONTROL AUDIT REPORT

Hexin Shen Zi. (2025) No. 000287

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 2024.

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

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 2024 in accordance with the Basic Standards for Enterprise Internal Control and relevant requirements.

**Hexin Certified Public
Accountants LLP**

Jinan, China

**Chinese Certified Public Accountant: Zuo Wei
(Engagement Partner)**

Chinese Certified Public Accountant: Li Xiang Zhi

27 March 2025



I. SUMMARY 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 2025, with a cap amount of RMB38,500 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 2024 Annual General Meeting, and ends on the date of consideration of the estimated guarantees amounts to be provided to the Company and its subsidiaries in the next annual general meeting.

II. THE ANTICIPATED PROVISION OF GUARANTEES IN 2025

Based on the development needs and budget on capital need of the subsidiaries in 2025, the Company intends to provide guarantees of no more than RMB38,500 million in aggregate to the following subsidiaries in the guarantee period. Particulars of the relevant subsidiaries (the guaranteed parties) and estimated guarantee amounts are as follows:

No.	Company name	Percentage of shareholding (%)	Registered capital (RMB0'000)	Legal representative	Overview of principal business	Estimated quota on the provision of guarantee (RMB0'000)
1	Qingdao Haier Air Conditioner Gen Corp., Ltd.	98	93,638	SONG Yujun	Research and development of household appliances; installation services for household appliances	52,000
2	Qingdao Haier HVAC Equipment Co., Ltd.	99	40,000	ZHAO Ligu	Refrigeration, air conditioning equipment manufacturing	52,000
3	Qingdao Hailvyuan Recycling Technology Co., Ltd.	89	5,500	WANG Jun	Disposal of waste electrical and electronic products	52,000
4	Qingdao Haier Cooling Appliances Co., Ltd.	100	30,000	LI Weijie	Manufacture of household appliance; retail of daily household appliances; import and export of goods	608,000
5	Qingdao Feisheng Supply Chain Management Co., Ltd.	Consolidated ^{1(note)}	4,000	WANG Yanfeng	Road goods transportation (excluding hazardous goods)	52,000
6	Qingdao Haier HVAC Technology Co., Ltd.	99	10,000	LI Xiwu	Manufacture of refrigeration and air-conditioning equipment	206,000
7	Qingdao Haier Smart Dishwasher Co., Ltd.	99.59	5,000	LIU Xiaobo	Manufacture of household appliance	103,000

No.	Company name	Percentage of shareholding (%)	Registered capital (RMB'000)	Legal representative	Overview of principal business	Estimated quota on the provision of guarantee (RMB'000)
8	Qingdao Haier Smart Washing Machine Co., Ltd.	99	10,000	LIU Xiaobo	Manufacture of household appliance	258,000
9	Fisher & paykel Appliances Limited	100	/ /		Manufacture of household appliance	120,000
10	HAIER NEW ZEALAND INVESTMENT HOLDING COMPANY LIMITED	100	/ /		Holding company	110,000
11	Candy S.P.A.	100	/ /		Holding company	563,000
12	Candy Hoover Group S.r.l	100	/ /		Procurement, wholesale, retail, import and export of household appliances	194,000
13	Haier Singapore Investment Holding Pte. Ltd.	100	/ /		Procurement, wholesale, retail, import and export of household appliances	750,000
14	Haier Electronics Group Co., Ltd.	100	/ /		Holding company	250,000
15	Qingdao Haier Special Refrigerator Co., Ltd.	100	26245.9	LI Weijie	Production of special fluorine-free refrigerators and their after-sales service	480,000
	Total	/	/ /		/	3,850,000

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.

Subject to the approval of the above-mentioned guarantees by the General Meeting of shareholders, the Board of Directors authorizes the president office to decide the particular issues on each of the above guarantees provided by the Company, adjust the guarantee quota among each level of the subsidiaries and among the subsidiaries in accordance with the actual operation needs of the Company, and execute the relevant legal documents on behalf of the Board of Directors. There is no need to convene additional Board meetings or general meetings to consider the adjustment of above-mentioned guarantees amounts for subsidiaries. If the actual amount incurred and the status of performance has changed, the Company will disclose the progress as required.

III. GENERAL INFORMATION ON THE GUARANTEED PARTIES (TABLE 2)

Unit: RMB

No.	Company name	Total assets	Total liabilities	Current liabilities	Bank borrowings	Net assets	Gearing ratio	Operating revenue
1	Qingdao Haier Air Conditioner Gen Corp., Ltd.	7,458,455,532.49	4,370,642,646.44	4,326,808,368.85	36,500,000.00	3,087,812,886.05	58.6%	1,895,453,241.43
2	Qingdao Haier HVAC Equipment Co., Ltd.	849,531,159.19	494,631,769.34	325,238,184.34	150,000,000.00	354,899,389.85	58.2%	13,846,215.36
3	Qingdao Hailiyuan Recycling Technology Co., Ltd.	674,833,949.57	575,055,904.65	338,247,465.38	158,146,628.00	99,778,044.92	85.2%	893,704,751.22
4	Qingdao Haier Cooling Appliances Co., Ltd.	5,294,321,346.42	4,981,496,833.76	4,254,624,433.76	700,000,000.00	312,824,512.66	94.1%	2,062,032,612.39
5	Qingdao Feisheng Supply Chain Management Co., Ltd.	360,904,837.34	332,173,289.75	332,173,289.75	257,696,816.80	28,731,547.59	92.0%	588,681,839.33
6	Qingdao Haier HVAC Technology Co., Ltd.	155,915,686.15	62,671,500.15	62,671,500.15	—	93,244,186.00	40.2%	—
7	Qingdao Haier Smart Dishwasher Co., Ltd.	32,089,038.00	32,089,743.62	32,089,743.62	—	-705.62	100.0%	—
8	Qingdao Haier Smart Washing Machine Co., Ltd.	107,486,777.00	7,488,586.09	7,488,586.09	—	99,998,190.91	7.0%	—
9	Fisher & paykel Appliances Limited	6,761,240,472.50	2,496,760,142.50	1,757,694,403.50	—	4,264,480,330.00	36.9%	7,028,854,708.90
10	HAIER NEW ZEALAND INVESTMENT HOLDING COMPANY LIMITED	7,703,504,548.79	3,738,241,689.85	2,705,493,775.47	945,927,249.18	3,965,262,858.94	48.5%	7,045,229,472.99
11	Candy S.P.A.	18,400,566,479.91	17,644,465,682.81	16,053,750,037.51	5,265,310,677.70	756,100,797.10	95.9%	16,013,255,968.28
12	Candy Hoover Group S.r.l	10,077,605,025.63	8,896,964,893.74	8,652,858,805.05	164,437,523.34	1,180,640,131.90	88.3%	12,544,451,594.34
13	Haier Singapore Investment Holding Pte. Ltd.	36,500,674,557.89	20,641,690,147.83	20,641,690,147.83	9,063,946,477.83	15,858,984,410.06	56.6%	23,171,421,281.31
14	Haier Electronics Group Co., Ltd.	51,816,325,878.95	41,324,281,959.46	40,346,263,437.06	3,207,917,345.29	10,492,043,919.49	79.8%	49,350,132,456.94
15	Qingdao Haier Special Refrigerator Co., Ltd.	2,287,242,423.46	1,155,550,063.34	1,135,047,167.06	—	1,131,692,360.12	50.5%	5,393,385,709.58

IV. PARTICULARS OF THE ANTICIPATED PROVISION OF GUARANTEES FOR
THE YEAR

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.

V. THE STATUS OF GUARANTEES IN 2024

As of 31 December 2024, the balance of guarantees provided by the Company and its subsidiaries to the subsidiaries amounted to RMB12,803.83 million, representing 11.5% of the latest audited net assets of the Company, and 4.4% of the latest audited total assets of the Company. Apart from that, there is no other external guarantee or past-due guarantees provided by the Company and the subsidiaries. To sum up, the above guarantees are in line with the operational development needs of the Company. All the guaranteed parties are subsidiaries in the scope of the Company's consolidated statements, and the internal review procedures have been duly conducted when the guarantees actually took place, which effectively control and prevent the risks on these guarantees. The guarantees and relevant amounts provided by the Company to the subsidiaries which remain in the guarantee term are all executions of guarantees approved by the previous general meeting, thus there is no

need for the Company to otherwise perform internal review procedures on such guarantees, the validity of which is subject to the conventions under the agreements entered into between the subsidiaries and the counter-parties.

VI. OPINIONS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company is of the view that, the provision of the guarantee quota to the subsidiaries in 2025 is in line with the actual situations of the Company and comply 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 production and operation and long-term development of the Company. As such, it is approved that the Company and the subsidiaries provide a total of not more than RMB38,500 million guarantees to each other for banks and other various financing projects in 2025.

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 2025 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 2025 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 2025 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.

APPENDIX IV EXPLANATORY STATEMENT FOR THE REPURCHASE OF H SHARES

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 RMB9,382,913,334, comprising 2,857,398,266 H Shares of RMB1.00 each, 6,254,501,095 A Shares of RMB1.00 each and 271,013,973 D Shares of RMB1.00 each.

If the special resolutions are approved at the AGM and the Class Meetings, respectively, the Board will be granted the repurchase mandate until the earlier of (a) the conclusion of the 2025 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 2,857,398,266 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 285,739,826 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 2024 results announcement of the Company dated 27 March 2025) 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	Lowest
	Trading Price <i>HK\$</i>	Trading Price <i>HK\$</i>
2024		
May	32.00	28.10
June	30.40	25.85
July	26.45	22.95
August	25.95	22.25
September	32.15	22.40
October	36.45	28.15
November	29.05	25.70
December	30.00	26.05
2025		
January	27.60	24.30
February	26.50	23.85
March	27.65	23.80
April	25.40	19.24
May (up to the Latest Practicable Date)	23.25	22.60

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 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

No repurchase of H Shares and D Shares has been made but the Company has made repurchases of 6,071,800 A Shares during the six months prior to the Latest Practicable Date.

APPENDIX IV EXPLANATORY STATEMENT FOR THE REPURCHASE OF 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)	
7 April 2025	610,000	23.95	23.60	14,479,454.00
8 April 2025	820,100	24.35	24.02	19,840,349.00
9 April 2025	810,000	24.73	24.41	19,907,509.00
10 April 2025	200,000	25.29	25.21	5,051,993.00
11 April 2025	320,000	24.89	24.72	7,938,760.36
14 April 2025	130,000	24.82	24.75	3,218,400.00
15 April 2025	330,000	24.69	24.62	8,129,100.00
16 April 2025	600,000	24.78	24.25	14,609,176.00
17 April 2025	460,000	24.60	24.49	11,292,866.00
18 April 2025	381,700	24.52	24.45	9,346,065.00
22 April 2025	200,000	24.78	24.57	4,931,370.00
24 April 2025	210,000	24.85	24.79	5,211,727.00
30 April 2025	1,000,000	24.86	24.79	24,835,861.00

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.

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 RMB9,382,913,334, comprising 2,857,398,266 H Shares of RMB1.00 each, 6,254,501,095 A Shares of RMB1.00 each and 271,013,973 D Shares of RMB1.00 each.

If the special resolutions are approved at the AGM and the Class Meetings, respectively, the Board will be granted the repurchase mandate until the earlier of (a) the conclusion of the 2025 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

Since the listing of the Company’s D Shares, and compared to its A Shares and H Shares, the market trading and circulating of the former has consistently remained low with their share price reflecting a significant discount of 46% as of the 2 April 2025, relative to the latter. Through direct engagement with the Company, Shareholders of D Shares expressed a strong expectation of the Company to repurchase a higher level of D Shares this year compared to in the past. It was noted that the lower price of D Shares compared to that of A Shares and H Shares makes the repurchase of the former more advantageous to the overall interests of Shareholders. The Company is therefore directly responding to such expectations, and proposing to implement a share repurchase plan that encapsulates the repurchase of a higher quantity of D Shares to enhance the value of shares held by all Shareholders.

In line with Shareholder interests, the Directors believe that the flexibility offered by a repurchase mandate with a higher limit 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.

When formulating the D Share repurchase plan in previous years where the proposed limit was 10%, the Company encountered various constraints, including but not limited to the permissible number of D Shares that may be repurchased on each trading day, the annual window periods available for share repurchases, the associated costs of executing the repurchases of such limited size, and other limitations imposed by market factors and regulatory requirements. The Company therefore thoroughly assessed the impact of these

constraints on the effectiveness of the D Share repurchase and, accordingly, prudently proposes to increase the repurchased limit to 30% this year to provide itself with more flexibility in selecting the most appropriate and feasible repurchase methods in line with the Company and Shareholder interests. Such methods may include, but are not limited to, repurchasing shares through the stock exchange (buy back via stock exchange) and acquiring shares via a public tender offer (tender offer).

The various methods of executing the D Share repurchase differ in terms of associated costs, time efficiency, and the ultimate quantity of shares that may be successfully repurchased. To ensure that the Company can successfully repurchase an appropriate number of D Shares within a reasonable timeframe and acceptable transaction costs, thereby achieving the desired outcomes and cost-effectiveness, it is deemed necessary to secure a higher authorization limit from Shareholders for the repurchase quantity of D Shares. This will afford the Company greater flexibility and operational scope in selecting the repurchase method most beneficial to the Company and its shareholders.

To this end, the Company proposes to set the D Share repurchase authorization limit at 30%, representing a maximum of 81,304,191 D Shares, which accounts for 0.87% of the Company's total issued share capital. The maximum number of shares of the Company to be repurchased by the Company pursuant to the approval in the repurchase mandate of D shares (30%) and H shares (10%), represents 3.91% of the Company's total issued share capital.

EXERCISE OF THE REPURCHASE MANDATE

The exercise in full of the repurchase mandate would not result in repurchasing more than 30% 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 271,013,973 D Shares in issue 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 81,304,191 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 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 position disclosed in the audited accounts contained in the 2024 results announcement of the Company dated 27 March 2025) 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:

Month	D Shares	
	Highest Trading Price (EUR)	Lowest Trading Price (EUR)
2024		
May	1.7354	1.5460
June	1.6512	1.5432
July	1.6178	1.5100
August	1.6098	1.4976
September	1.8322	1.4350
October	1.8990	1.7000
November	1.8002	1.5700
December	1.8490	1.5500
2025		
January	1.8690	1.7700
February	1.9150	1.8004
March	1.9250	1.8500
April	1.8600	1.4524
May (up to the Latest Practicable Date)	1.7996	1.6850

GENERAL INFORMATION

So far as the same may be applicable, the Directors will exercise the powers to make repurchases pursuant to the proposed special resolution to approve 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 takeover offer for 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

No repurchase of H Shares and D Shares has been made but the Company has made repurchases of 6,071,800 A Shares during the six months prior to the Latest Practicable Date. Please refer to Appendix IV to this circular for details.

2025 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 follows the principle of the Company’s independent decision and 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.
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. The total number of the Participants of the ESOP shall not exceed 2,570. 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 RMB757.0 million.
5. The source of shares of the ESOP shall be 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 of disclosure of the announcement on completion of transfer of the repurchased shares of the Company from the repurchase special account.

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 appraisal period is two years, upon the expiration of the lock-up period of the ESOP, 40% and 60% of the corresponding Underlying Shares shall be vested to the Participants in two 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. Participants of the ESOP voluntarily waive their voting rights to indirectly hold the Company's shares as a result of their participation in the ESOP.
12. 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.
13. The ESOP shall be implemented after it is approved by the general meeting upon deliberation.

TABLE OF CONTENTS

I. Interpretation	90
II. Purpose of the ESOP	91
III. Basis for Determining the Participants and Scope of the ESOP	92
IV. Source of Funds	92
V. Source and Number of Shares	92
VI. Status of the Participants and Shares Allocation	93
VII. Duration, Lock-up Period, Vesting Period and Change and Termination of the ESOP	93
VIII. Vesting and Disposal of the Interests of the Shares under the ESOP	96
IX. Participants' Meeting, Responsibilities of the Management Committee, Convening and Voting Procedures	97
X. Management Mode, Selection of Asset Management Institution, and Management Agreement	102
XI. Composition and Measures for Disposing of the ESOP Assets	103
XII. Procedures for Implementing the ESOP	104
XIII. Disposal Measures when the Circumstances of the Company and the Participants Change	104
XIV. Supplementary Provisions	108

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	2025 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 Appraisal Committee	refer(s) to	the Remuneration and Appraisal 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 ESOP	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 full implementation of the Company’s IoT smart home ecological brand 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 short-term or medium and long-term ESOP is conducive to drive employees to undertake the Company’s development strategic objectives, and promote the Company to achieve industry leadership.

2. To enhance corporate governance mechanism 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. 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 RMB757.0 million. These incentive funds are part of the Company's employee compensation structure.

V. SOURCE AND NUMBER OF SHARES

(I) Source of the ESOP shares

The source of shares for the ESOP shall be the repurchased shares of the Company in the repurchase special account. If the Company adopts the ways of allotment of shares for financing, the ESOP shall have the right to participate in the subscription fairly.

(II) Number of Underlying Shares involved in the ESOP

The total amount of funds to be withdrawn for the ESOP shall be RMB757.0 million, and the shares shall be sourced from the repurchased shares of the Company in the repurchase special account. Such shares are shares repurchased from the secondary market at market price, the transfer price of which shall be determined according to the average price of all the shares repurchased in the Securities Account (the average price shall be determined according to the total price of shares repurchased in the Securities Account divided by the total number of shares in the Securities Account), and the specific quantity shall be determined according to the average transaction price of the

shares repurchased at that time. The ESOP will obtain shares of the Company held in the Securities Account through non-trading transfer and other legal and regulatory means.

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 of the existing ESOPs) 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.

There should be no more than 2,570 employees participating in the ESOP. The total amount of funds to be used to participate in the ESOP shall be RMB757.0 million (inclusive), with "shares" as the subscription unit, and each share is RMB1. There are 10 directors and senior officers, including LI Huagang, SHAO Xinzhi, GONG Wei, LI Pan, ZHAO Yanfeng, LI Yang, SONG Yujun, GUAN Jiangyong, WU Yong, LIU Xiaomei, with a total share of RMB31.34 million, accounting for 4.1% of the ESOP. There are 2,560 core technical (business) personnel of the Company and its subsidiaries, with a total share of RMB725.66 million, accounting for 95.9% 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 of the current plan 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 ESOP shall establish a lock-up period of 12 months from the date of disclosure of the announcement on completion of transfer of the repurchased shares of the Company from the repurchase special account.

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 appraisal period is two years. During the duration of the ESOP, the Management Committee shall have the right to extend or shorten the appraisal period and adjust the corresponding proportion of vesting.

The Underlying Shares of the ESOP will be vested to the Participants in two phases. After the end of the lock-up period of the ESOP, the corresponding Underlying Shares shall be vested to the Participants in two phases (40% and 60% 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 appraisal rules for 2025 and 2026 are based on the completion rate of return on equity (ROE). The specific appraisal objectives and rules are as follows:

Return on equity (*Note*)

Performance appraisal indicators for 2025	<ul style="list-style-type: none"> ● If ROE exceeds 17.7% (inclusive), 40% of the interest of the Underlying Shares under the ESOP shall be vested to the Participants.
Performance appraisal indicators for 2026	<ul style="list-style-type: none"> ● If ROE is between 16.8% (inclusive) to 17.7%, vesting shall be made after the proportion of vesting is determined by the Management Committee and submitted to the Remuneration and Appraisal Committee for approval. ● If ROE is below 16.8%, 40% of the Underlying Shares under the ESOP will not be vested.

Note: (1) Excluding the impact of refinancing on ROE: 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) Excluding the impact of mergers and acquisitions on ROE: The impact of mergers and acquisitions occurring in the appraisal year on the appraisal indicators shall be excluded in the appraisal year; (3) Exclusion of the impact of asset sales on ROE: The impact of asset sales (including equity asset sales) occurring in the appraisal year on the appraisal indicators is excluded in the appraisal year.

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% and 60% 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 2025 and 2026 are up to the standard.

(IV) Change of the ESOP

During the duration, changes to the ESOP must be approved by more than two-thirds (inclusive) of the shares held by the Participants 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, unless such duration is extended by the resolution of the board of directors;
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.

- (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 shares 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 two years, the proportion of the interest of the Underlying Shares corresponding to each vesting period shall be determined by the Management Committee.

(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. For the shares without objects to be vested due to the unqualified performance appraisal and termination of labour contracts/employment agreements, the Management Committee shall decide to vest the interests of the Underlying Shares to the Company or use it to encourage other employees with greater contribution.

- (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 ESOP
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 ESOP
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.

(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 2025 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 Appraisal 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 Appraisal 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

During the vesting period, the Participants shall be assessed for each vesting period. The Management Committee shall dispose of the ESOP shares held by the Participants who fail to pass the assessment (including but not limited to granting to other Participants, the same below).

(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 or core technical (business) personnel of the Company 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 Management Committee shall dispose of the ESOP shares granted but not vested.

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 Management Committee shall dispose of the ESOP shares granted to but not vested in the Participants from the date of termination, including but not limited to vesting the shares in the Participants based on their actual contributions, or taking back the ESOP shares granted but not vested for disposal by the Management Committee.

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 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) the Management Committee shall dispose of his ESOP shares granted but not vested provided that he failed to pass the performance assessment in the year of his retirement.

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, his ESOP shares granted but not vested shall not be affected. Otherwise, the Management Committee shall dispose of the ESOP shares granted but not vested.

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 shares granted but not vested shall be fully vested in his legal successors during the first vesting period. Otherwise, the Management Committee shall dispose of the ESOP shares granted but not vested.

(IV) Special Circumstances

1. Unless the Company decides otherwise, the ESOP shares held by the Participants will be disposed of by the Management Committee in the event of any of the following circumstances:
 - (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 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 29, 2025

2025 H 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, and other relevant laws, administrative regulations, rules, normative documents of China, as well as the Articles of Association of the Company.
2. The ESOP follows the principle of the Company’s independent decision and 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.
3. Participants of the ESOP shall include the directors and senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries. The total number of the Participants of the ESOP shall not exceed 27. 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 RMB63.0 million.
5. The source of shares of the ESOP shall be H shares of the Company purchased from the secondary market through the Shanghai-Hong Kong Stock Connect.
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 last of Underlying Shares obtained 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 A share ESOP etc.) 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.

Where the lock-up period of the Underlying Shares acquired under the ESOP is the Underlying Shares purchased through the secondary market or by means of allotment of shares, the lock-up period is 12 months, calculated from the date when the Company announces that the last of Underlying Shares purchased are recorded in the ESOP.

After the end of the lock-up period, the Participants of the ESOP shall be assessed according to the performance assessment system of the Company. The assessment period is for two years, and upon the expiration of the lock-up period of the ESOP, 40% and 60% of the corresponding Underlying Shares shall be vested to the Participants in two phases. The specific vesting time shall be determined by the Management Committee upon the expiration of the lock-up period.

7. If the Underlying Shares are purchased from the secondary market, the purchase shall be completed within 6 months after it is approved by the general meeting.
8. 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.
9. Shareholders holding more than 5% of the shares and the actual controller shall not participate in the ESOP.
10. 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.
11. 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.
12. Participants of the ESOP voluntarily waive their voting rights to indirectly hold the Company's shares as a result of their participation in the ESOP.

13. 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.
14. The ESOP shall be implemented after it is approved by the general meeting upon deliberation.

TABLE OF CONTENTS

I. Interpretation	113
II. Purpose of the ESOP	114
III. Scope of the ESOP	115
IV. Source of Funds	115
V. Source and Number of Shares	115
VI. Status of the Participants and Shares Allocation	116
VII. Duration, Lock-up Period, Vesting Period and Change and Termination of the ESOP	116
VIII. Vesting and Disposal of the Interests of the Shares under the ESOP	118
IX. Participants' Meeting, Responsibilities of the Management Committee, Convening and Voting Procedures	120
X. Management Mode, Selection of Asset Management Institution	124
XI. Composition and Measures for Disposing of the ESOP Assets	125
XII. Procedures for Implementing the ESOP	126
XIII. Disposal Measures when the Circumstances of the Company and the Participants Change	126
XIV. Supplementary Provisions	130

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	2025 H 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	H 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 ESOP	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
Company's Shares	refer(s) to	H 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
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 full implementation of the Company's IoT smart home ecological brand 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 short-term or medium and long-term ESOP is conducive to drive employees to undertake the Company's development strategic objectives, and promote the Company to achieve industry leadership.

2. To enhance corporate governance mechanism 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. SCOPE OF THE ESOP

Participants of the ESOP shall be the directors (except for independent directors) and senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries. 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 RMB63.0 million. These incentive funds are part of the Company's employee compensation structure.

V. SOURCE AND NUMBER OF SHARES

(I) Source of the ESOP shares

The source of shares of the ESOP shall be H shares of the Company purchased from the secondary market through the Shanghai-Hong Kong Stock Connect. The ESOP shall complete the purchase of the Underlying Shares within 6 months after the approval of the general meeting.

(II) Number of Underlying Shares involved in ESOP

The total amount of funds to be used to participate in the ESOP shall be RMB63.0 million. In view of the uncertainty of the date and price of the shares actually purchased under the ESOP, the number of shares held by the ESOP is still uncertain.

The ESOP shall be independent of other ESOPs, but the total number of shares held by established and existing ESOP (including A 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 of the existing ESOPs) 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) and senior officers of the Company, and core technical (business) personnel of the Company and its subsidiaries, totaling 27. The total amount of funds to be used to participate in the ESOP shall be RMB63.0 million (inclusive), with “shares” as the subscription unit, and each share is RMB1. There are 10 directors and senior officers, including LI Huagang, SHAO Xinzhi, GONG Wei, LI Pan, ZHAO Yanfeng, LI Yang, SONG Yujun, GUAN Jiangyong, WU Yong, HUANG Xiao Wu, with a total share of RMB34.56 million, accounting for 54.9% of the ESOP. There are 17 other core management personnel of the Company, with a total share of RMB28.44 million, accounting for 45.1% 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 of the current plan 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, calculated from the date when the Company announces that the Underlying Shares purchased in the last time are recorded in 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 assessment system of the Company. The assessment period is for two 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.

The Underlying Shares of the ESOP will be vested to the Participants in two phases. After the end of the lock-up period of the ESOP, the corresponding Underlying Shares shall be vested to the Participants in two phases (40% and 60% 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 assessment indicators under the ESOP are as follows:

1. Where the Participants under the ESOP are the directors, president and platform personnel of the Company, the appraisal rules for 2025 and 2026 are based on the completion rate of return on equity (ROE). The specific appraisal objectives and rules are as follows:

Return on equity (*Note*)

Performance appraisal indicators for 2025	<ul style="list-style-type: none"> ● If ROE exceeds 17.7% (inclusive), 40% of the interest of the Underlying Shares under the ESOP shall be vested to the Participants.
Performance appraisal indicators for 2026	<ul style="list-style-type: none"> ● If ROE is between 16.8% (inclusive) to 17.7%, vesting shall be made after the proportion of vesting is determined by the Management Committee and submitted to the Remuneration and Appraisal Committee for approval. ● If ROE is below 16.8%, 40% of the Underlying Shares under the ESOP will not be vested.

Note: (1) Excluding the impact of refinancing on ROE: 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) Excluding the impact of mergers and acquisitions on ROE: The impact of mergers and acquisitions occurring in the appraisal year on the appraisal indicators shall be excluded in the appraisal year; (3) Exclusion of the impact of asset sales on ROE: The impact of asset sales (including equity asset sales) occurring in the appraisal year on the appraisal indicators is excluded in the appraisal year.

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% and 60% 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 2025 and 2026 are up to the standard.

(IV) Change of the ESOP

During the duration, changes to the ESOP must be approved by more than two-thirds (inclusive) of the shares held by the Participants 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, unless such duration is extended by the resolution of the board of directors;
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.

(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 assessment mechanism during the vesting period. If the assessment is qualified and the conditions for vesting are met, one of the following treatment methods can be selected after an application is submitted by the Management Committee:

1. To entrust the Management Committee to sell the Underlying Shares purchased for the ESOP during the duration of the ESOP;
2. 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 two years, and the proportion of the interest of the Underlying Shares corresponding to each vesting period shall be determined by the Management Committee.

(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. For the shares without objects to be vested due to the unqualified performance assessment and termination of labour contracts/employment agreements, the Management Committee shall decide to vest the interests of the Underlying Shares to the Company or use it to encourage other employees with greater contribution.

(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, if the Management Committee is obliged to withhold relevant taxes and fees according to laws and regulations, the shares or interests of the ESOP granted to but not vested to the Participants shall be distributed after the Management Committee withholds the said taxes and fees according to law.

(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 SFC, 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, the SFC and the stock exchange in the place where the Company's securities are listed 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.
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

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.

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.

(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 2025 H 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 the 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 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 board of directors shall, after reviewing and approving the ESOP, promptly publish relevant documents concerning the ESOP.
- (VI) The general meeting shall review and approve the ESOP and relevant proposals.
- (VII) A Participants' meeting shall be held to elect the Management Committee and define the specific matters concerning the implementation of the ESOP.
- (VIII) 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

During the vesting period, the Participants shall be assessed for each vesting period. The Management Committee shall dispose of the ESOP shares held by the Participants who fail to pass the assessment (including but not limited to granting to other Participants, the same below).

(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 or core technical (business) personnel of the Company 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 Management Committee shall dispose of the ESOP shares granted but not vested.

2. Termination of labour relationship/employment relationship

Except in the case of termination of labour contracts due to reaching the retirement age, regardless of the reasons for termination of labour relationship/employment relationship with the Company or its subsidiaries, the Management Committee shall dispose of the ESOP shares granted to but not vested in the Participants from the date of departure, including but not limited to vesting the shares in the Participants based on their actual contributions, or taking back the ESOP shares granted but not vested for disposal by the Management Committee.

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 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) the Management Committee shall dispose of his ESOP shares granted but not vested provided that he failed to pass the performance assessment in the year of his retirement.

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, his ESOP shares granted but not vested shall not be affected. Otherwise, the Management Committee shall dispose of the ESOP shares granted but not vested.

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 shares granted but not vested shall be fully vested in his legal successors during the first vesting period. Otherwise, the Management Committee shall dispose of the ESOP shares granted but not vested.

(IV) Special Circumstances

1. Unless the Company decides otherwise, the ESOP shares held by the Participants will be disposed of by the Management Committee in the event of any of the following circumstances:
 - (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 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 29, 2025

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	Article 1 This system 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 (hereinafter referred to as the "Listing Rules of 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 relevant laws and regulations for the purposes of regulating the investment behavior of Haier Smart Home Co., Ltd. (hereinafter referred to as the "Listed Company"), establishing a scientific investment management mechanism, ensuring the scientific nature of investment decisions, effectively preventing various risks, ensuring the safety of funds, improving investment efficiency, and safeguarding the interests of the Company and shareholders.	Article 1 This system 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 (hereinafter referred to as the "Shanghai Stock Exchange Listing Rules"), 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 relevant laws and regulations for the purposes of regulating the investment behavior of Haier Smart Home Co., Ltd. (hereinafter referred to as the "Company" or the "Listed Company"), establishing a scientific investment management mechanism, ensuring the scientific nature of investment decisions, effectively preventing various risks, ensuring the safety of funds, improving investment efficiency, and safeguarding the interests of the Company and shareholders.	Improved the accuracy of expression
2	Article 4 The "investment" mentioned in this system refers to the Company and its subsidiaries: (I) Investing in fixed assets within the production category, major technological advancement, research and development and other daily production or operation related investments of the Company and its subsidiaries, the form of capital contribution including: currency, goods, intangible assets or other rights with economy value and are not subject to the prohibition or restriction of the laws and regulations; (II) Providing financial assistance (including granting credit, lending money interest-bearing or non-interest bearing borrowings, entrusted loans) to institutions or entities that has no related relationship with the Company and its subsidiaries (except the provision of mutual entrusted loan amongst the Company and its subsidiaries or the Company providing financial assistance to its subsidiaries and the other shareholders of the subsidiaries being financed do not include the controlling shareholder, the person in actual control and their connected parties of the listed company); (III) Investing in securities, including but not limited to investing in shares and bonds; (IV) Investments made in other enterprises or entities with disposable resources or interests, such as currency, goods, intangible assets, equities, bonds, provident funds, undistributed profits and any other legal assets or interests, through sole proprietorship, joint venture, cooperation, associate, merger, reorganisation, subscription of capital increases or purchase of equities, subscription of bonds (including convertible bonds), subscription of interests or gains with the direct objective of obtaining short-term or long-term returns; (V) Entering into any arrangement or agreement that involves the formation of a joint venture entity (whether in the form of partnership, company or any other form) (except for the circumstances as otherwise provided under Rule 14.03 (f) of the Hong Kong Listing Rules); (VI) Disposal, either directly or indirectly (including by exercising the voting rights), of the above investments or the interests or assets arising from such investments. The specific forms of disposal including but not limited to transfer, entrustment of management or exercise of control to other parties, gift, lease, mortgage, pledge, exchange, or any other means of transfer of interests or realisation of assets as permitted by the prevailing laws and regulations;	Article 4 The "investment" mentioned in this system refers to the Company and its subsidiaries: (I) Investing in fixed assets within the production category, major technological advancement, research and development and other daily production or operation related investments of the Company and its subsidiaries, the form of capital contribution including: currency, goods, intangible assets or other rights with economy value and are not subject to the prohibition or restriction of the laws and regulations; (II) Providing financial assistance (including granting credit, lending money interest-bearing or non-interest bearing borrowings, entrusted loans) to institutions or entities that has no related relationship with the Company and its subsidiaries (except the provision of mutual entrusted loan amongst the Company and its subsidiaries or the Company providing financial assistance to its subsidiaries and the other shareholders of the subsidiaries being financed do not include the controlling shareholder, the person in actual control and their connected parties of the listed company); (III) Investing in securities, including but not limited to investing in shares and bonds; (IV) Investments made in other enterprises or entities with disposable resources or interests, such as currency, goods, intangible assets, equities, bonds, provident funds, undistributed profits and any other legal assets or interests, through sole proprietorship, joint venture, cooperation, associate, merger, reorganisation, subscription of capital increases or purchase of equities, subscription of bonds (including convertible bonds), subscription of interests or gains with the direct objective of obtaining short-term or long-term returns; (V) Entering into any arrangement or agreement that involves the formation of a joint venture entity (whether in the form of partnership, company or any other form) (except for the circumstances as otherwise provided under Rule 14.03(1) (f) of the Hong Kong Listing Rules); (VI) Disposal, either directly or indirectly (including by exercising the voting rights), of the above investments or the interests or assets arising from such investments. The specific forms of disposal including but not limited to transfer, entrustment of management or exercise of control to other parties, gift, lease, mortgage, pledge, exchange, or any other means of transfer of interests or realisation of assets as permitted by the prevailing laws and regulations;	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>(VII) Other acquisition or disposal of assets (including deemed disposal as a result of a reduction in the equity interest held by the Company arising from the share capital allotment by a subordinate entity of the Company (whether or not consolidated));</p> <p>(VIII) An option granted, accepted, transferred, exercised or terminated by the Company for the purpose of acquiring or disposing assets or subscribing for securities (termination of an option is not considered a transaction if the option is terminated in accordance with the terms of the original agreement and the Company has no discretion over such termination);</p> <p>(IX) Entering into or terminating finance leases which have a financial impact on the Company's balance sheet and/or profit or loss statement;</p> <p>(X) Entering into or terminating operating leases which have a significant impact on the Company's business operations due to their size, nature or amount (an operating lease, or a transaction involving multiple operating leases, would generally be considered have a "significant impact" if the size of the Company's existing business operations under an operating lease arrangement would be increased by 200% or more as a result of the amount or value of such lease(s)); and</p> <p>(XI) Circumstances specified in the listing rules of other places where the securities of the Company are listed.</p> <p>The investment mentioned in this system does not include providing guarantees and related party transactions. The Company and its subsidiaries should adhere to the respective requirements under the Management Rules on External Guarantees of Haier Smart Home Co., Ltd. and the Fair Decision-Making System for Related-Party Transactions of Haier Smart Home Co., Ltd. as and when dealing with the above matters.</p>	<p>(VII) Other acquisition or disposal of assets (including deemed disposal as a result of a reduction in the equity interest held by the Company arising from the share capital allotment by a subordinate entity of the Company (whether or not consolidated));</p> <p>(VIII) An option granted, accepted, transferred, exercised or terminated by the Company for the purpose of acquiring or disposing assets or subscribing for securities (termination of an option is not considered a transaction if the option is terminated in accordance with the terms of the original agreement and the Company has no discretion over such termination);</p> <p>(IX) Entering into or terminating finance leases which have a financial impact on the Company's balance sheet and/or profit or loss statement;</p> <p>(X) Entering into or terminating operating leases which have a significant impact on the Company's business operations due to their size, nature or amount (an operating lease, or a transaction involving multiple operating leases, would generally be considered have a "significant impact" if the size of the Company's existing business operations under an operating lease arrangement would be increased by 200% or more as a result of the amount or value of such lease(s)); and</p> <p>(XI) Circumstances specified in the listing rules of other places where the securities of the Company are listed.</p> <p>The investment mentioned in this system does not include providing guarantees and related party transactions. The Company and its subsidiaries should adhere to the respective requirements under the Management Rules on External Guarantees of Haier Smart Home Co., Ltd. and the Fair Decision-Making System for Related-Party (Connected) Transactions of Haier Smart Home Co., Ltd. as and when dealing with the above matters.</p>	
3	<p>Article 5 Unless otherwise specified, the general meeting of the Company decides to invest in following projects:</p> <p>(I) Where the total assets involved in the transaction (where there are both book value and estimated value, the higher shall be used) is more than 25% of the Company's latest audited total assets;</p> <p>(II) Where the net assets involved in the subject matter of the transaction (such as equity interest) (where there are both book value and estimated value, the higher one shall be used) is more than 50% of the Company's latest audited net assets, and the absolute amount exceeds RMB50 million;</p> <p>(III) Where the amount/transaction amount (including liabilities and fees assumed) is more than 50% of the Company's latest audited net assets, and the absolute amount exceeds RMB50 million;</p> <p>(IV) Where the profit arising from the transaction is more than 50% of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB5 million;</p>	<p>Article 5 Unless otherwise specified, the general meeting of the Company decides to invest in following projects:</p> <p>(I) Where the total assets involved in the transaction (where there are both book value and estimated value, the higher shall be used) is more than 25% of the Company's latest audited total assets;</p> <p>(II) Where the net assets involved in the subject matter of the transaction (such as equity interest) (where there are both book value and estimated value, the higher one shall be used) is more than 50% of the Company's latest audited net assets, and the absolute amount exceeds RMB50 million;</p> <p>(III) Where the amount transaction amount (including liabilities and fees assumed) is more than 50% of the Company's latest audited net assets, and the absolute amount exceeds RMB50 million;</p> <p>(IV) Where the profit arising from the transaction is more than 50% of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB5 million;</p>	Adjusted in accordance with the Chapter 14 of the Hong Kong Listing Rules and the provisions of Article 6.1.15 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (Revised in April 2024)

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>(V) Where the operation income arising from the subject matter of the transaction (such as equity interest) in the latest accounting year exceeds 50% of the Company's audited operation income for the latest accounting year, and the absolute amount exceeds RMB50 million or the income attributable to the assets involved in the transaction accounts for more than 25% of the Company's audited income for the latest accounting year;</p> <p>(VI) Where the net profit arising from the subject matter of the transaction (such as equity interest) in the latest accounting year exceeds 50% of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB5 million, or the profit attributable to the assets involved in the transaction accounts for more than 25% of the Company's audited total profit before tax for the latest accounting year;</p> <p>(VII) Where the consideration paid by the investment accounts for more than 25% of the Company's total market value (calculated based on the average closing price of the stock of a listed company for 5 trading days before the transaction);</p> <p>(VIII) Where other investment stipulated in the Articles of Association and the listing rules in place where the Company's securities are listed shall be reviewed and approved by the general meeting and fulfill the disclosure obligations.</p> <p>Any transaction with a subject of acquisition or disposal of assets involving a total amount of assets or a transaction amount (whichever is higher) is used as a calculation basis, and any matters exceed 30% of the Company's latest audited total assets shall be audited or evaluated according to the Shanghai Stock Exchange Listing Rules and pass by more than two-thirds of the voting rights held by the shareholders present at the general meeting. For transactions the relevant obligations of which have been discharged in accordance with the above Article, the same shall not be included in the scope of accumulative calculation.</p> <p>In the event of a financial assistance transaction referred to in item (2) of Article 4, apart from being considered and approved by a majority of all Directors, it shall also be considered and approved by more than two-thirds of the Directors present at the Board of Directors meeting and shall be disclosed in a timely manner.</p> <p>The financial assistance referred to in item (2) of Article 4 shall also be submitted to the general meeting for consideration after being considered and approved by the Board of Directors if they fall under one of the following circumstances:</p> <p>(I) the amount of a single financial assistance exceeding 10% of the Company's audited net assets in the latest period;</p> <p>(II) the gearing ratio of the companies for which the assistance is provided exceeding 70% as shown in their latest financial statements;</p> <p>(III) the cumulative amount of financial assistance in recent 12 months exceeding 10% of the Company's audited net assets in the latest period;</p> <p>(IV) the amount of financial assistance is more than 25% of the Company's latest audited total assets;</p>	<p>(V) Where the operation income arising from the subject matter of the transaction (such as equity interest) in the latest accounting year exceeds 50% of the Company's audited operation income for the latest accounting year, and the absolute amount exceeds RMB50 million or the income attributable to the assets involved in the transaction accounts for more than 25% of the Company's audited income for the latest accounting year;</p> <p>(VI) Where the net profit arising from the subject matter of the transaction (such as equity interest) in the latest accounting year exceeds 50% of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB5 million, or the profit before tax attributable to the assets involved in the transaction accounts for more than 25% of the Company's audited total profit before tax for the latest accounting year;</p> <p>(VII) Where the consideration paid by the investment accounts for more than 25% of the Company's total market value (calculated based on the average closing price of the stock of a listed company for 5 trading days before the transaction);</p> <p>(VIII) Where other investment stipulated in the Articles of Association and the listing rules in place where the Company's securities are listed shall be reviewed and approved by the general meeting and fulfill the disclosure obligations.</p> <p>For Any transaction with a subject of acquisition or disposal of assets, if the involving a total amount of assets or a transaction amount (whichever is higher) is used as a calculation basis, and any matters exceed 30% of the Company's latest audited total assets calculated cumulatively within 12 consecutive months, it shall be audited or evaluated according to the Shanghai Stock Exchange Listing Rules and passed by more than two-thirds of the voting rights held by the shareholders present at the general meeting. For transactions the relevant obligations of which have been discharged in accordance with the above Article, the same shall not be included in the scope of accumulative calculation.</p> <p>In the event of a financial assistance transaction referred to in item (2) of Article 4, apart from being considered and approved by a majority of all Directors, it shall also be considered and approved by more than two-thirds of the Directors present at the Board of Directors meeting and shall be disclosed in a timely manner.</p> <p>The financial assistance referred to in item (2) of Article 4 shall also be submitted to the general meeting for consideration after being considered and approved by the Board of Directors if they fall under one of the following circumstances:</p> <p>(I) the amount of a single financial assistance exceeding 10% of the Company's audited net assets in the latest period;</p> <p>(II) the gearing ratio of the companies for which the assistance is provided exceeding 70% as shown in their latest financial statements;</p> <p>(III) the cumulative amount of financial assistance in recent 12 months exceeding 10% of the Company's audited net assets in the latest period;</p> <p>(IV) the amount of financial assistance is more than 25% of the Company's latest audited total assets;</p>	

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>(V) the revenue attributable to the financial assistance (usually interest bearing) is more than 25% of the Company's audited revenue for the most recent fiscal year;</p> <p>(VI) the profits attributable to the financial assistance (usually interest bearing) account for more than 25% of the Company's total audited pre-tax profits for the most recent fiscal year;</p> <p>(VII) the amount of financial assistance accounts for more than 25% of the Company's total market value (calculated based on the average closing price of the listed company's stocks 5 trading days before the transaction);</p> <p>(VIII) other circumstances stipulated in the listing rules in place where the Company's securities are listed or the Articles of Association of the Company.</p> <p>When considering the financial assistance, the Board of Directors of the Company shall pay due attention to the reasons for providing the financial assistance and disclose the risks and fairness of the financial assistance and the judgment of the Board of Directors on the ability of the grantee to repay the debts on the basis of a comprehensive assessment of the grantee's asset quality, operating conditions, industry prospect, solvency, credit standing, third party guarantee and performance ability.</p> <p>The independent directors of the Company shall express independent opinions on the necessity, legality and compliance, fairness, impact on the rights and interests of the listed company and the small and medium shareholders and the risks involved in the financial assistance.</p> <p>The sponsor or independent financial adviser (if any) should give an opinion on the legality and compliance, fairness and risks involved in the financial assistance.</p> <p>Any figures involved in above shall be calculated according to the regulations of the listing rules in place where the Company's securities are listed.</p>	<p>(V) the revenue attributable to the financial assistance (usually interest bearing) is more than 25% of the Company's audited revenue for the most recent fiscal year;</p> <p>(VI) the profits attributable to the financial assistance (usually interest bearing) account for more than 25% of the Company's total audited pre-tax profits for the most recent fiscal year;</p> <p>(VII) the amount of financial assistance accounts for more than 25% of the Company's total market value (calculated based on the average closing price of the listed company's stocks 5 trading days before the transaction);</p> <p>(VIII) other circumstances stipulated in the listing rules in place where the Company's securities are listed or the Articles of Association of the Company.</p> <p>When considering the financial assistance, the Board of Directors of the Company shall pay due attention to the reasons for providing the financial assistance and disclose the risks and fairness of the financial assistance and the judgment of the Board of Directors on the ability of the grantee to repay the debts on the basis of a comprehensive assessment of the grantee's asset quality, operating conditions, industry prospect, solvency, credit standing, third party guarantee and performance ability.</p> <p>The independent directors of the Company shall express independent opinions on the necessity, legality and compliance, fairness, impact on the rights and interests of the listed company and the small and medium shareholders and the risks involved in the financial assistance.</p> <p>The sponsor or independent financial adviser (if any) should give an opinion on the legality and compliance, fairness and risks involved in the financial assistance.</p> <p>Any figures involved in above shall be calculated according to the regulations of the listing rules in place where the Company's securities are listed.</p>	
4	<p>Article 7 For each accounting year, the total amount of investments that may be determined by the Company's president and management team, as authorised by the Company's Board of Directors within the scope of its approval authority, shall not in aggregate exceed 15% of the Company's latest audited net assets. The specific investment projects must meet all of the following criteria:</p> <p>(I) the total assets (where both book value and appraisal value exist, the higher value shall apply) involved in a single investment project shall be less than 5% of the Company's latest audited total assets (in the case of multiple investments in the same project or related investments, the aggregate investments over a consecutive twelve-month period shall be less than 5% of the Company's latest audited total assets);</p> <p>(II) the amount or transaction value of a single investment project (including assumed liabilities and expenses) shall not exceed 5% of the Company's latest audited net assets (in the case of multiple investments in the same project, the aggregate investments over a consecutive twelve-month period shall not exceed 5% of the Company's latest audited net assets);</p>	<p>Article 7 For each accounting year, the total amount of investments that may be determined by the Company's president and management team, as authorised by the Company's Board of Directors, within the scope of its approval authority, shall not in aggregate exceed 15% of the Company's latest audited net assets. The specific investment projects must meet all of the following criteria:</p> <p>(I) the total assets (where both book value and appraisal value exist, the higher value shall apply) involved in a single investment project shall be less than 5% of the Company's latest audited total assets (in the case of multiple investments in the same project or related investments, the aggregate investments over a consecutive twelve-month period shall be less than 10% of the Company's latest total assets);</p> <p>(II) the net assets (where both book value and appraisal value exist, the higher value shall apply) involved in a single investment project shall be less than 10% of the Company's latest audited net assets (in the case of multiple investments in the same project or related investments, the aggregate investments over a consecutive twelve-month period shall be less than 10% of the Company's latest audited total assets), or the absolute amount thereof shall be less than RMB10 million;</p>	Adjusted in accordance with Article 6.1.2 of the Rules Governing the Listing of Stock on the Shanghai Stock Exchange (revised in April 2024) and the Hong Kong Listing Rules

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(III) the profit attributable to the assets involved in a single investment project shall be less than 5% of the Company's audited gross profit before tax for the latest accounting year (in the case of multiple investments in the same project or related investments, the profit attributable to the assets involved in the aggregate investments over a consecutive twelve-month period shall be less than 5% of the Company's audited gross profit before tax for the latest accounting year);	(III) the amount or transaction value of a single investment project (including assumed liabilities and expenses) shall not exceed 105% of the Company's latest audited net assets (in the case of multiple investments in the same project, the aggregate investments over a consecutive twelve-month period shall not exceed 105% of the Company's latest audited net assets), or the absolute amount thereof shall be less than RMB10 million and 5% of the Company's total market capitalisation, calculated based on the average closing price of the listed company's shares over the five trading days prior to the transaction;	
	(IV) the revenue attributable to the assets involved in a single investment project shall be less than 5% of the Company's audited revenue for the latest accounting year (in the case of multiple investments in the same project or related investments, the revenue attributable to the assets involved in the aggregate investments over a consecutive twelve-month period shall be less than 5% of the Company's audited revenue for the latest accounting year);	(IV) the profit generated from attributable to the assets involved in a single investment project shall be less than 105% of the Company's audited net gross profit before tax for the latest accounting year (in the case of multiple investments in the same project or related investments, the profit generated from attributable to the assets involved in the aggregate investments over a consecutive twelve-month period shall be less than 105% of the Company's audited net gross profit before tax for the latest accounting year) or the absolute amount thereof shall be less than RMB1 million;	
	(V) the consideration paid for a single investment shall be less than 5% of the Company's total market capitalisation, calculated based on the average closing price of the listed company's shares over the five trading days prior to the transaction (in the case of multiple investments in the same project or related investments, the aggregate consideration paid shall be less than 5% of such value);	(V) the operating revenue generated in the latest accounting year by attributable to the assets (such as equity interests) involved in a single investment project shall be less than 5% of the Company's audited operating revenue for the latest accounting year (in the case of multiple investments in the same project or related investments, the operating revenue attributable to generated in the latest accounting year by the assets (such as equity interests) involved in the aggregate investments over a consecutive twelve-month period shall be less than 5% of the Company's audited operating revenue for the latest accounting year), or the absolute amount thereof shall be less than RMB10 million;	
	(VI) other circumstances that do not require approval by the Shareholders' General Meeting or the Board of Directors and do not trigger the disclosure obligations under the listing rules of the place where the Company's securities are listed.	(VI) the net profit generated in the latest accounting year by the assets (such as equity interests) involved in consideration paid for a single investment shall be less than 105% of the Company's audited net profit for the latest accounting year total market capitalisation, calculated based on the average closing price of the listed company's shares over the five trading days prior to the transaction (in the case of multiple investments in the same project or related investments, the profit generated by the assets (such as equity interests) involved in the aggregate investments over a consecutive twelve-month period shall be less than 10% of the Company's audited net profit for the latest accounting year), or the absolute amount thereof shall be less than RMB1 million and the relevant profit before tax for the latest accounting period shall be less than 5% of the Company's audited gross profit before tax for the latest accounting year the aggregate consideration paid shall be less than 5% of such value ;	
	(VI) other circumstances that do not require approval by the Shareholders' General Meeting or the Board of Directors and do not trigger the disclosure obligations under the listing rules of the place where the Company's securities are listed.	(VII) other circumstances that do not require approval by the Shareholders' General Meeting or the Board of Directors and do not trigger the disclosure obligations under the listing rules of the place where the Company's securities are listed.	
		In the event of negative values in the data associated with the above indicators, the absolute values shall be used for calculation.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
5	Article 8 In order to adapt to the demands of the Internet era, facilitate the Company's transformation into an IoT smart home solution provider, seize business opportunities promptly, cultivate new business drivers, and build a smart living ecosystem, the Board of Directors of the Company, within its approval authority, specially authorises the president and the management team of the Company to participate in incubation projects and equity investments that carry higher risks but greater potential, including, among others, investments in the research and development of frontier products and technologies, venture investments, participation in the initiation and establishment of any venture capital fund, and strategic investments in the establishment of a smart living ecosystem, provided that such investments shall fall within the authorised scope referred to in Article 7 above, and the total amount of investment for each accounting year shall not in aggregate exceed 5% of the Company's latest audited net assets, and the amount of any single investment shall not exceed 1% of the Company's latest audited net assets.	Article 8 In order to adapt to the demands of the Internet era, facilitate the Company's transformation into an IoT smart home solution provider, seize business opportunities promptly, cultivate new business drivers, and build a smart living ecosystem, the Board of Directors of the Company, within its approval authority, specially authorises the president and the management team of the Company to participate in incubation projects and equity investments that carry higher risks but greater potential, including, among others, investments in the research and development of frontier products and technologies, venture investments, participation in the initiation and establishment of any venture capital fund, and strategic investments in the establishment of a smart living ecosystem, provided that such investments shall fall within the authorised scope referred to in Article 7 above, and the total amount of investment for each accounting year shall not in aggregate exceed 5% of the Company's latest audited net assets, and the amount of any single investment shall not exceed 1% of the Company's latest audited net assets.	Combined with Article 7, and all subsequent serial numbers are adjusted in sequence.
6	Article 9 Subject to the relevant regulations of the securities regulators and stock exchanges where the Company's securities are listed, the Board of Directors of the Company may, within the scope of its approval authority, specifically authorise the president and the management team of the Company to make other investments in addition to those outlined in Article 7 of this regime.	Article 8 9 Subject to the relevant regulations of the securities regulators and stock exchanges where the Company's securities are listed, the Board of Directors of the Company may, within the scope of its approval authority, specifically authorise the president and the management team of the Company to make other investments in addition to those outlined in Article 7 and Article 8 of this regime.	Corresponding adjustment is made as the original Article 8 is deleted.
7	Article 39 Where the Company's investment involves related-party transactions, it shall be executed in strict accordance with the Company's "Fair Decision-making System for Related-Party Transactions". Where the Company's investment involves guarantee matters, it shall be implemented in strict compliance with the provisions of the Company's Articles of Association and the regulatory rules of the place where the Company's securities are listed. The use of proceeds shall be carried out in strict accordance with the Company's "Measures for the Administration of Proceeds".	Article 38 9 Where the Company's investment involves related-party transactions, it shall be executed in strict accordance with the Company's "Fair Decision-making System for Related-Party (Connected) Transactions of Haier Smart Home Co., Ltd.". Where the Company's investment involves guarantee matters, it shall be implemented in strict compliance with the provisions of the Company's Articles of Association and the regulatory rules of the place where the Company's securities are listed. The use of proceeds shall be carried out in strict accordance with the Company's "Measures for the Administration of Proceeds of Haier Smart Home Co., Ltd.".	Improve the accuracy of expression
8	Other amendments	All references to "supervisor" and "supervisors" have been removed.	Adjusted to reflect changes in the Company's governance structure

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	<p>Article 1 The Articles of Association is formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Guidelines on Articles of Association of Listed Companies, the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations, the Reply of the State Council on the Adjustment of the Notice Period of the Shareholders' General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Guidelines for Corporate Governance of Listed Companies, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, the Guidelines for the Application of Regulatory Rules — Overseas Issuance and Listing No. 1, the German Securities Trading Act, the Listing Rules of the Frankfurt Stock Exchange (hereinafter referred to as the "Listing Rules of the FSE") (the German Securities Trading Act, the Listing Rules of the FSE and relevant EU regulations on securities issuance and trading are hereinafter collectively referred to as the "relevant listing regulations of Frankfurt 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") and other relevant provisions for the purposes of protecting the legitimate rights and interests of Haier Smart Home Co., Ltd. (hereinafter referred as the "Company"), its shareholders and creditors, and regulating organization and acts of the Company.</p>	<p>Article 1 The Articles of Association is formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Guidelines on Articles of Association of Listed Companies, the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations, the Reply of the State Council on the Adjustment of the Notice Period of the Shareholders' General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Guidelines for Corporate Governance of Listed Companies, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, the Guidelines for the Application of Regulatory Rules — Overseas Issuance and Listing No. 1, the German Securities Trading Act, the Listing Rules of the Frankfurt Stock Exchange (hereinafter referred to as the "Listing Rules of the FSE") (the German Securities Trading Act, the Listing Rules of the FSE and relevant EU regulations on securities issuance and trading are hereinafter collectively referred to as the "relevant listing regulations of Frankfurt 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") and other relevant provisions for the purposes of protecting the legitimate rights and interests of Haier Smart Home Co., Ltd. (hereinafter referred as the "Company"), its shareholders, <u>employees</u>, and creditors, and regulating organization and acts of the Company.</p>	Amended in accordance with Article 1 of the Guidelines on Articles of Association of Listed Companies to improve the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
2	Article 3 As approved by [1989] No.3 Circular issued by Qingdao Economic Systems Restructuring Commission, on the basis of the restructuring of the previous Qingdao Refrigerator General Factory (青島電冰箱總廠), Qingdao Qingdao Haier Refrigerator Co., Ltd. (青島琴島海爾電冰箱股份有限公司) was established through fund raising by private placement (the Company name changed into Qingdao Haier Refrigerator Co., Ltd. when it was listed. In 2001, its name was changed into Qingdao Haier Co., Ltd. and in 2019 it was changed into its current name, i.e. Haier Smart Home Co., Ltd.). The Company has been registered with and has obtained a business license from Qingdao Market Supervision and Regulation Department. The Company's unified social credit code as indicated in the business license is 91370200264574251E.	Article 3 As approved by [1989] No.3 Circular issued by Qingdao Economic Systems Restructuring Commission, on the basis of the restructuring of the previous Qingdao Refrigerator General Factory (青島電冰箱總廠), Qingdao Qingdao Haier Refrigerator Co., Ltd. (青島琴島海爾電冰箱股份有限公司) was established through fund raising by private placement (the Company name changed into Qingdao Haier Refrigerator Co., Ltd. when it was listed. In 2001, its name was changed into Qingdao Haier Co., Ltd. and in 2019 it was changed into its current name, i.e. Haier Smart Home Co., Ltd.). The Company has been registered with and has obtained a business license from Qingdao Market Supervision and Regulation Department. The Company's unified social credit code as indicated in the business license is 91370200264574251E.	Amended in accordance with Article 2 of the Guidelines on Articles of Association of Listed Companies
3	Article 7 The Company's registered capital is RMB9,438,114,893.	Article 7 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) 9,438,114,893.	Adjusted according to the amount of the Company's registered capital
4	Article 9 The Chairman of the Board of Directors is the Company's legal representative.	Article 9 The director or president <u>The Chairman of the Board of Directors</u> , who executes corporate affairs on behalf of the Company, is the Company's legal representative and shall be determined by more than half of all directors. <u>The resignation of a director or president who serves as the legal representative shall be deemed to have resigned as the legal representative at the same time.</u> <u>If the legal representative resigns, the Company will determine a new legal representative within thirty days from the date of the resignation of the legal representative.</u>	Amended pursuant to Article 8 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
5	Newly added	<p><u>Article 10</u> The legal consequences of the civil activities engaged in by the legal representative in the name of the Company shall be borne by the Company.</p> <p><u>Restrictions on the authority of the legal representative imposed by the Articles of Association or the shareholders' meeting shall not be imposed against bona fide counterparts.</u></p> <p><u>If the legal representative causes damage to others in the course of his/her duties, the Company shall assume the civil liability. The Company may, after assuming such civil liability, claim reimbursement from the legal representative at fault in accordance with the provisions of the law or the Articles of Association.</u></p>	Amended pursuant to Article 9 of the Guidelines on Articles of Association of Listed Companies
6	<p>Article 11 All assets of the Company are divided into equal shares, the liability of the shareholders of the Company shall be limited to the shares held by them respectively, and the Company shall be liable for its debt with all of its assets. The Company may invest in other limited liability companies and joint stock limited companies. It shall be liable for such invested companies to the extent of the investment amounts or subscribed shares.</p> <p>Pursuant to the requirements under the Constitution of the Communist Party of China, the Company set up organizations and carries out activities of the Party. The Company provides the necessary conditions for the activities of the Party organizations.</p>	<p>Article 11-12 All assets of the Company are divided into equal shares, the the liability of the shareholders of the Company shall be limited to the shares held subscribed by them respectively, and the Company shall be liable for its debt with all of its assets property. The Company may invest in other limited liability companies and joint stock limited companies. It shall be liable for such invested companies to the extent of the investment amounts or subscribed shares.</p> <p>Pursuant to the requirements under the Constitution of the Communist Party of China, the Company set up organizations and carries out activities of the Party. The Company provides the necessary conditions for the activities of the Party organizations.</p>	Amended in accordance with Article 10 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
7	<p>Article 12 Since the date of the Articles of Association taking effect, it shall become a legally binding document that regulates the Company's organization and activities, the rights and obligations among the Company and each shareholder as well as among the shareholders themselves. The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, managers and other senior management; and the aforesaid persons may make any claims and propositions related to the matters of the Company in accordance with the Articles of Association.</p> <p>The shareholders are entitled to sue the Company in accordance with the Articles of Association; the Company is entitled to sue the shareholders, directors, supervisors, presidents and other senior management in accordance with the Articles of Association; any shareholder is entitled to sue other shareholders in accordance with the Articles of Association; and the shareholders are also entitled to sue the directors, supervisors, presidents and other senior management of the Company in accordance with the Articles of Association. The term "sue" mentioned above shall include filing of a lawsuit at a court or applying for arbitration at an arbitral institution.</p> <p>Other senior management referred to in the Articles of Association means the vice-president, secretary to the Board and the chief financial officer of the Company.</p>	<p>Article 12–13 Since the date of the Articles of Association taking effect, it shall become a legally binding document that regulates the Company's organization and activities, the rights and obligations among the Company and each shareholder as well as among the shareholders themselves. The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, managers and other senior management; and the aforesaid persons may make any claims and propositions related to the matters of the Company in accordance with the Articles of Association.</p> <p>The shareholders are entitled to sue the Company in accordance with the Articles of Association; the Company is entitled to sue the shareholders, directors, supervisors, presidents and other senior management in accordance with the Articles of Association; any shareholder is entitled to sue other shareholders in accordance with the Articles of Association; and the shareholders are also entitled to sue the directors, supervisors, presidents and other senior management of the Company in accordance with the Articles of Association. The term "sue" mentioned above shall include filing of a lawsuit at a court or applying for arbitration at an arbitral institution.</p> <p>Other senior management referred to in the Articles of Association means the <u>president, vice-president, chief financial officer, and secretary to the Board</u> and the chief financial officer of the Company.</p>	<p>The Company no longer maintains the Board of Supervisors, and the amendment was made in accordance with Article 11 of the Guidelines on Articles of Association of Listed Companies</p>
8	<p>Article 16 The Company shall maintain ordinary shares at all times. In accordance with the necessity, the shares issued by the Company are all ordinary shares. Subject to the approval of the department authorized by the State Council, the Company may set up other classes of shares.</p>	<p>Article 16–17 The Company shall maintain ordinary shares at all times. In accordance with the necessity, the shares issued by the Company are all ordinary shares. Subject to the approval of the department authorized by the State Council, the Company may set up other classes of shares.</p>	<p>Amended in accordance with Article 17 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
9	Article 17 The issuance of shares by the Company shall adhere to the principles of openness, fairness and impartialness, and each share in the same class shall carry the same rights. The various classes of shareholders of the Company shall have equal rights in any distribution made in the form of dividends or otherwise.	Article 17–18 The issuance of shares by the Company shall adhere to the principles of openness, fairness and impartialness, and , <u>Shareholders have rights and obligations according to the class of shares they hold. Each share in the same class shall carry the same rights and undertake the same obligations.</u> The various classes of shareholders of the Company shall have equal rights in any distribution made in the form of dividends or otherwise.	Amended in accordance with Article 17 and Article 32 of the Guidelines on Articles of Association of Listed Companies
10	Article 18 For the same class of shares issued in the same issuance, the issue terms and price shall be identical; each share subscribed by any units or individuals shall be paid by the same price.	Article 18–19 For the same class of shares issued in the same issuance, the issue terms and price shall be identical; each share subscribed by any units or individuals shall be paid by the same price.	Amended in accordance with Article 17 of the Guidelines on Articles of Association of Listed Companies
11	Article 19 Shares issued by the Company, including A Share, D Share and H Share, are all par value stock with par value per share of RMB1.	Article 19–20 Par value S shares issued by the Company, including A Share, D Share and H Share, are all par value stock with par value per share of RMB1.	Amended in accordance with Article 18 of the Guidelines on Articles of Association of Listed Companies
12	Article 20 Subject to the registration or filing with the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and overseas investors. The “overseas investors” referred to in the preceding paragraph shall refer to investors from foreign countries or from Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company, and “domestic investors” shall refer to investors inside the People’s Republic of China (excluding the above-mentioned regions) that subscribe for shares issued by the Company.	Article 21–20 Subject to the registration or filing with the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and overseas investors. The “overseas investors” referred to in the preceding paragraph shall refer to investors from foreign countries or from Hong Kong <u>Special Administrative Region of China, Macao Special Administrative Region of China or Taiwan Region of China</u> that subscribe for shares issued by the Company, and “domestic investors” shall refer to investors inside the People’s Republic of China (excluding the above-mentioned regions) that subscribe for shares issued by the Company.	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
13	<p>Article 23 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 9,438,114,893 ordinary shares in total, of which the domestic shareholders hold 6,308,552,654 shares (representing 66.84% 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 2.87% of total number of ordinary shares issued by the Company); the shareholders of overseas-listed foreign shares (H Share) hold 2,858,548,266 shares (representing 30.29% of total number of ordinary shares issued by the Company).</p>	<p>Article 23-24 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>9,438,114,893 ordinary shares in total, of which the domestic shareholders hold <u>6,254,501,095</u>6,308,552,654 shares (representing <u>66.66</u>66.84% 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 <u>2.87</u>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>2,858,548,266 shares (representing <u>30.45</u>30.29% of total number of ordinary shares issued by the Company).</p>	Adjusted in accordance with changes in share capital structure.
14	<p>Article 24 The Company or its subsidiaries (including the subsidiaries of the Company) shall not provide any assistance in the form of gift, advance, guarantee, compensation or loan etc. to any person who purchases or proposes to purchase the shares of the Company.</p>	<p>Article 24-25 The Company or its subsidiaries (including the subsidiaries of the Company) shall not provide any financial assistance in the form of gift, advance, guarantee, compensation—or loan<u>borrowing</u> etc. <u>for the acquisition of shares of the Company or its parent company by another person, except for the implementation of the Company’s employee stock ownership plan</u>to any person who purchases or proposes to purchase the shares of the Company.</p>	Amended pursuant to Article 22 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
15	<p>Article 25 The Company may, upon resolution by a shareholders' general meeting, adopt the following methods to increase its capital in accordance with its needs of business and development and pursuant to the provisions of laws and regulations:</p> <p>(1) public offering of shares;</p> <p>(2) private offering of shares;</p> <p>(3) distribution of new shares to the existing shareholders;</p> <p>(4) private placement of new shares to the existing shareholders;</p> <p>(5) conversion of the reserves to additional capital;</p> <p>(6) conversion of the issued convertible corporate bonds to shares;</p> <p>(7) any other method stipulated by laws and administrative regulations and that examined and approved by the CSRC and other relevant regulatory authorities.</p> <p>After having been examined and approved in accordance with the Articles of Association, the Company's increase of its capital by issuing new shares shall be handled in accordance with the procedures provided for in relevant State laws, administrative regulations and listing rules of the place where the Company's shares are listed.</p>	<p>Article 25-26 The Company may, upon resolution by a shareholders' general meeting, adopt the following methods to increase its capital in accordance with its needs of business and development and pursuant to the provisions of laws and regulations:</p> <p>(1) public offering <u>issuance of shares to unspecified targets;</u></p> <p>(2) private offering <u>issuance of shares to specified targets;</u></p> <p>(3) distribution of new shares to the existing shareholders;</p> <p>(4) private placement of new shares to the existing shareholders;</p> <p>(5) conversion of the reserves <u>reserves</u> to additional capital;</p> <p>(6) conversion of the issued convertible corporate bonds to shares;</p> <p>(7) any other method stipulated by laws and administrative regulations and that examined and approved <u>stipulated by the CSRC and other relevant regulatory authorities of the place where the Company's shares are listed.</u></p> <p>After having been examined and approved in accordance with the Articles of Association, the Company's increase of its capital by issuing new shares shall be handled in accordance with the procedures provided for in relevant State laws, administrative regulations and listing rules of the place where the Company's shares are listed.</p>	Amended in accordance with Article 23 of the Guidelines on Articles of Association of Listed Companies
16	<p>Article 30 After the Company has bought back its own shares according to law, it shall cancel or transfer such shares within the period prescribed by laws and administrative regulations and shall apply to the original company registration authority for registration of the change in registered capital in the case of cancellation. The amount of the Company's registered capital shall be reduced by the total par value of the shares cancelled.</p>	<p>Article 30-31 After the Company has bought back its own shares according to law, it shall cancel or transfer such shares within the period prescribed by laws and administrative regulations and shall apply to the original company registration authority for registration of the change in registered capital in the case of cancellation. The amount of the Company's registered capital shall be reduced by the total par value of the shares cancelled.</p>	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
17	<p>Article 31 When the Company buys back its own shares due to any reason stipulated in Item (1) or Item (2) of the first paragraph of Article 28, a resolution adopted by shareholders' general meeting is required. Where the Company buys back its own shares pursuant to the provisions of Items (3), (5) and (6) of the first paragraph of Article 28 of the Articles of Association, it shall be resolved by a resolution of a meeting of Board of Director attended by more than two-thirds of the directors in accordance with the provisions of the Company's Articles of Association or the authorization of the shareholders' general meeting. In the event that the Company has acquired its Shares in accordance with the Item (1) of Article 28 and it falls under the circumstances set out in Item (1) thereof, the shares shall be cancelled within 10 days after the date of buyback; where it falls under the circumstances set out in Item (2) or Item (4) thereof, the shares shall be transferred or cancelled within 6 months, where it falls under the circumstances set out in Items (3), (5) and (6) thereof, the total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares issued by the Company and shall be transferred or cancelled within three years. Where laws, regulations or the securities regulatory authority at the place where the Company's stocks are listed have other provisions on the relevant matters related to the aforementioned share repurchase, such provisions shall prevail.</p>	<p>Article 31-32 When the Company buys back its own shares due to any reason stipulated in Item (1) or Item (2) of the first paragraph of Article 28²⁹, a resolution adopted by shareholders' general meeting is required. Where the Company buys back its own shares pursuant to the provisions of Items (3), (5) and (6) of the first paragraph of Article 28²⁹ of the Articles of Association, it shall be resolved by a resolution of a meeting of Board of Director attended by more than two-thirds of the directors in accordance with the provisions of the Company's Articles of Association or the authorization of the shareholders' general meeting. In the event that the Company has acquired its Shares in accordance with the Item ⁽¹⁾first paragraph of Article 28-29 and it falls under the circumstances set out in Item (1) thereof, the shares shall be cancelled within 10 days after the date of buyback; where it falls under the circumstances set out in Item (2) or Item (4) thereof, the shares shall be transferred or cancelled within 6 months, where it falls under the circumstances set out in Items (3), (5) and (6) thereof, the total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares issued by the Company and shall be transferred or cancelled within three years. Where laws, regulations or the securities regulatory authority at the place where the Company's stocks are listed have other provisions on the relevant matters related to the aforementioned share repurchase, such provisions shall prevail.</p>	Improved the accuracy of expression
18	<p>Article 32 Except as otherwise provided by laws, regulations and the listing rules of the place where the company's stocks are listed, the shares of the Company may be transferred pursuant to laws and no liens attached. The specific manner of stock transfer shall be in accordance with relevant provisions of each place where the company is listed.</p>	<p>Article 32-33 Except as otherwise provided by laws, regulations and the listing rules of the place where the company's stocks are listed, the shares of the Company may shall be transferred pursuant to laws and no liens attached. The specific manner of stock transfer shall be in accordance with relevant provisions of each place where the company is listed.</p>	Amended in accordance with Article 28 of the Guidelines on Articles of Association of Listed Companies
19	<p>Article 33 The Company does not accept its own shares as the collateral of pledge.</p>	<p>Article 33-34 The Company does not accept its own shares as the collateral of pledge.</p>	Amended in accordance with Article 29 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
20	Article 34 Shares issued prior to the public offering of shares by the Company shall not be transferred within 2 years from the day on which the shares are listed and traded on the stock exchange.	Article 34-35 Shares issued prior to the public offering of shares by the Company shall not be transferred within 2 -1 years from the day on which the shares are listed and traded on the stock exchange.	Amended in accordance with Article 30 of the Guidelines on Articles of Association of Listed Companies
21	Article 35 The directors, supervisors and senior management of the Company shall report to the Company their shareholdings in the Company and the changes thereof and shall not transfer in a given year during their terms of office more than 25% of the total number of shares of the Company which they hold; the shares of the Company held by them shall not be transferred within 1 year from the date when the shares of the Company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the Company held by him/her within half a year from his/her termination of the office. If the directors, supervisors and senior management of the Company hold no more than 1,000 shares, the above restriction of transfer percentage shall be inapplicable and all of their shares can be transferred at one time.	Article 35-36 The directors, supervisors and senior management of the Company shall report to the Company their shareholdings in the Company and the changes thereof and shall not transfer in a given year during their terms of office <u>established upon taking office</u> more than 25% of the total number of shares of the Company which they hold; the shares of the Company held by them shall not be transferred within 1 year from the date when the shares of the Company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the Company held by him/her within half a year from his/her termination of the office. If the directors, supervisors and senior management of the Company hold no more than 1,000 shares, the above restriction of transfer percentage shall be inapplicable and all of their shares can be transferred at one time.	The Company cancelled the supervisors, and the amendment was made pursuant to Article 30 of the Guidelines on Articles of Association of Listed Companies
22	Article 44 The Company shall establish the register for holders of convertible corporate bonds pursuant to the documents issued by relevant registration authorities and duly register the names of such holders who have converted such bonds into the shares of the Company onto the list of the Company's shareholders pursuant to actual conversion situation.	Article 4544 The Company shall establish the register for holders of convertible corporate bonds pursuant to the documents issued by relevant registration authorities and duly register the names of such holders who have converted such bonds into the shares of the Company onto <u>the list of the Company's register of shareholders</u> pursuant to actual conversion situation.	Improved the accuracy of expression
23	Section 1 Shareholders	Section 1 <u>General Rules for Shareholders</u>	Amended in accordance with the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
24	<p>Article 61 The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>(1) obtaining dividends and any other form of profit distribution based on the number of shares held by them;</p> <p>(2) requiring, convening, chairing, attending or appointing a proxy to attend a shareholders' general meeting pursuant to the law, speaking and exercising the corresponding voting rights;</p> <p>(3) supervising the Company's business operations, proposing recommendations or raising questions;</p> <p>(4) transferring, donating or pledging shares held by them pursuant to laws, administrative regulations and provisions of the securities regulatory authority at the place where the shares of the Company are listed and the Articles of Association;</p> <p>(5) inspecting the Articles of Association, register of shareholders, counterfoils of corporate bonds, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors, and audited financial and accounting reports;</p> <p>(6) upon termination or liquidation of the Company, participating in the distribution of the Company's residual assets based on their shareholding;</p> <p>(7) shareholders who objects to the resolution on merger or division of the Company passed by a shareholders' general meeting may request the Company to acquire his/her/its shares;</p> <p>(8) any other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.</p>	<p>Article 61–62 The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>(1) obtaining dividends and any other form of profit distribution based on the number of shares held by them;</p> <p>(2) requiring, <u>holding</u>, convening, chairing, attending or appointing a proxy to attend a shareholders' general meeting pursuant to the law, speaking and exercising the corresponding voting rights;</p> <p>(3) supervising the Company's business operations, proposing recommendations or raising questions;</p> <p>(4) transferring, donating or pledging shares held by them pursuant to laws, administrative regulations and provisions of the securities regulatory authority at the place where the shares of the Company are listed and the Articles of Association;</p> <p>(5) inspecting the Articles of Association, register of shareholders, counterfoils of corporate bonds, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors, and audited financial and accounting reports;</p> <p>(6) upon termination or liquidation of the Company, participating in the distribution of the Company's residual assets based on their shareholding;</p> <p>(7) shareholders who objects to the resolution on merger or division of the Company passed by a shareholders' general meeting may request the Company to acquire his/her/its shares;</p> <p>(8) any other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.</p>	Amended in accordance with Article 34 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
25	<p>Article 63 Where the contents of a resolution of shareholders' general meeting or the Board of Directors violate any law or administrative regulation, shareholders are entitled to petition to the competent people's court to declare the resolution invalid.</p> <p>Article 64 Where the convening procedures or voting method of a shareholders' general meeting or a board meeting violate any laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, a shareholder shall have the right to apply to the people's court for revocation within 60 days from passing of such resolution. However, a shareholder shall have no right to do so if only minor flaws exist in the convening procedures or voting method of a shareholders' general meeting or a board meeting, which have no material impact on the resolution. Shareholders who have not been notified to attend the shareholders' general meeting may apply to the people's court for revocation within sixty days from the date they knew or should have known of the passing of the resolution of the shareholders' general meeting; if the right to revoke is not exercised within one year from the date the resolution is made, the right to revoke shall be extinguished.</p>	<p>Article 63-64 Where the contents of a resolution of shareholders' general meeting or the Board of Directors violate any law or administrative regulation, shareholders are entitled to petition to the competent people's court to declare the resolution invalid.</p> <p>Article 64 Where the convening procedures or voting method of a shareholders' general meeting or a board meeting violate any laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, a shareholder shall have the right to apply to the people's court for revocation within 60 days from passing of such resolution. However, a shareholder shall have no right to do so if only minor flaws exist in the convening procedures or voting method of a shareholders' general meeting or a board meeting, which have no material impact on the resolution. Shareholders who have not been notified to attend the shareholders' general meeting may apply to the people's court for revocation within sixty days from the date they knew or should have known of the passing of the resolution of the shareholders' general meeting; if the right to revoke is not exercised within one year from the date the resolution is made, the right to revoke shall be extinguished.</p> <p><u>Where there is a dispute between the Board of Directors, shareholders and other relevant parties as to the validity of a resolution of a shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgement or ruling such as revoking the resolution, the relevant parties shall execute the resolution of the shareholders' meeting. The Company, its directors and senior management shall effectively perform their duties to ensure the normal operation of the Company.</u></p> <p><u>If the people's court makes a judgement or ruling on the relevant matters, the Company shall fulfil its obligation to disclose the information in accordance with the laws and administrative regulations, the securities regulatory authorities of the place where the Company's shares are listed and the stock exchange, fully explain the impact, and actively cooperate with the enforcement of the judgement or ruling after it has come into effect. Where correction of prior period matters is involved, it will be handled in a timely manner and the corresponding information disclosure obligations will be fulfilled.</u></p>	Amended pursuant to Article 36 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
26	Newly added	<p><u>Article 65 A resolution of the shareholders' meeting or the Board of Directors of the Company shall not be valid if any of the following circumstances applies:</u></p> <p><u>(1) no shareholders' meeting or Board meeting is convened to pass a resolution;</u></p> <p><u>(2) the resolution is not voted on at the shareholders' meeting or Board meeting;</u></p> <p><u>(3) the number of persons attending the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association;</u></p> <p><u>(4) the number of persons agreeing to the resolution or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association.</u></p>	Amended in accordance with Article 37 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
27	<p>Article 65 Where the directors or senior management violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, the shareholders who individually or collectively hold 1% or more of the Company's shares for a consecutive period of 180 consecutive days or longer are entitled to request to the Board of Supervisors to file a lawsuit with people's court in writing; where the Supervisors violates the provisions of laws, administrative regulations or the Articles of Association in the performance of their duties and cause losses to the Company, shareholders may request to the Board of Directors to file a lawsuit with people's court in writing.</p> <p>Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Board of Supervisors or the Board of Directors refuses to file lawsuit or does not file lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the Company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in his/her/its own name for the interest of the Company.</p> <p>Where other persons infringe legitimate rights and interests of the Company and cause losses to the Company, the shareholders stipulated in the first paragraph of this Article may file lawsuit with competent people's court pursuant to the provisions of the preceding two paragraphs.</p>	<p>Article 65—66 Where the directors or senior management who are not a member of the Audit Committee violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, the shareholders who individually or collectively hold 1% or more of the Company's shares for a consecutive period of 180 consecutive days or longer are entitled to request to the Board of Supervisors <u>Audit Committee</u> to file a lawsuit with people's court in writing; where the member of the Audit Committee <u>Supervisors</u> violates the provisions of laws, administrative regulations or the Articles of Association in the performance of their duties and cause losses to the Company, <u>the above-mentioned</u> shareholders may request to the Board of Directors to file a lawsuit with people's court in writing.</p> <p>Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Audit Committee <u>Board of Supervisors</u> or the Board of Directors refuses to file lawsuit or does not file lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the Company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in his/her/its own name for the interest of the Company.</p> <p>Where other persons infringe legitimate rights and interests of the Company and cause losses to the Company, the shareholders stipulated in the first paragraph of this Article may file lawsuit with competent people's court pursuant to the provisions of the preceding two paragraphs.</p>	<p>The Company no longer maintains the Board of Supervisors, and its powers and functions are assumed by the Audit Committee; the amendment was made in accordance with Article 38 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
28	<p>Article 67 The shareholders of the Company's ordinary shares shall undertake the following obligations:</p> <p>(1) complying with laws, administrative regulations and the Articles of Association;</p> <p>(2) making payment for shares subscribed according to the quantity of shares subscribed and the manners of subscription;</p> <p>(3) not withdrawing the investment, except for circumstances stipulated by laws and regulations;</p> <p>(4) not abusing shareholder's rights to harm the interests of the Company or other shareholders; not abusing the independent legal person status of the Company and limited liability of shareholders to harm the interests of the Company's creditors. Shareholders of the Company who abuse shareholders' rights and causes damages to the Company and other shareholders shall be liable for compensation pursuant to the law. Shareholders who abuse the independent legal person status of the Company and shareholders' limited liability to evade debts and infringe interests of the Company's creditors shall assume joint and several liabilities for the Company's debts;</p> <p>(5) other obligations for the shareholders prescribed by laws, administrative regulations and the requirements of the Articles of Association.</p> <p>Shareholders shall not be liable for any further contribution to share capital other than on the conditions agreed to by the subscribers of the relevant shares at the time of subscription.</p>	<p>Article 67-68 The shareholders of the Company's ordinary shares shall undertake the following obligations:</p> <p>(1) complying with laws, administrative regulations and the Articles of Association;</p> <p>(2) making payment for shares subscribed according to the quantity of shares subscribed and the manners of subscription;</p> <p>(3) not withdrawing the investment <u>their share capital</u>, except for circumstances stipulated by laws and regulations;</p> <p>(4) not abusing shareholder's rights to harm the interests of the Company or other shareholders; not abusing the independent legal person status of the Company and limited liability of shareholders to harm the interests of the Company's creditors. Shareholders of the Company who abuse shareholders' rights and causes damages to the Company and other shareholders shall be liable for compensation pursuant to the law. Shareholders who abuse the independent legal person status of the Company and shareholders' limited liability to evade debts and infringe interests of the Company's creditors shall assume joint and several liabilities for the Company's debts;</p> <p>(5) other obligations for the shareholders prescribed by laws, administrative regulations and the requirements of the Articles of Association.</p> <p>Shareholders shall not be liable for any further contribution to share capital other than on the conditions agreed to by the subscribers of the relevant shares at the time of subscription.</p>	Amended in accordance with Article 40 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
29	Article 68 Any shareholder of five percent (5%) or more of the voting shares of the Company that pledges any shares held by him/her shall report to the Company in writing on the date of such pledge.	Article 69 Article 68 Any shareholder of five percent (5%) or more of the voting shares of the Company that pledges any shares held by him/her shall report to the Company in writing on the date of such pledge. If more than 5% of the shares of the Company held by any shareholder are pledged, frozen, judicially marked, judicially auctioned, entrusted, placed under trust, or the voting rights are restricted according to law, the shareholder shall make a written report to the Company on the date of such events.	Amended in accordance with Article 7.7.8 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
30	Newly added	Section 2 Controlling Shareholder and the De Facto Controller	Adjusted in accordance with the Guidelines on Articles of Association of Listed Companies
31	Article 69 The controlling shareholder or the de facto controller of the Company shall not make use of such connected relationship to act in detriment of the Company's interests. Those who violate the provisions and cause losses to the Company shall be subject to compensation liability. The controlling shareholder and the de facto controller of the Company shall assume fiduciary duty towards the Company and its public shareholders. The controlling shareholder shall exercise its rights of investor strictly pursuant to the law and shall not make use of profit distribution, asset restructuring, external investment, occupation of funds and loan guarantee etc. to harm the legitimate rights and interests of the Company and its public shareholders, nor shall he/she/it make use of the controlling status to harm the interests of the Company and its public shareholders.	Article 70 Article 69 The controlling shareholders or de facto controllers of the Company shall not make use of such connected relationship to act in detriment of the Company's interests. Those who violate the provisions and cause losses to the Company shall be subject to compensation liability exercise their rights and perform their obligations in accordance with the laws, administrative regulations, and the provisions of the securities regulatory authorities and stock exchanges in the place where the Company's shares are listed, and safeguard the interests of the listed company.	Amended in accordance with Article 42 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
32		<p>Article 7169 The controlling shareholder or the de facto controller of the Company shall not make use of such connected relationship to act in detriment of the Company's interests. Those who violate the provisions and cause losses to the Company shall be subject to compensation liability.</p> <p>The controlling shareholder and the de facto controller of the Company shall assume fiduciary duty towards the Company and its public shareholders. The controlling shareholder shall exercise its rights of investor strictly pursuant to the law and shall not make use of profit distribution, asset restructuring, external investment, occupation of funds and loan guarantee etc. to harm the legitimate rights and interests of the Company and its public shareholders, nor shall he/she/it make use of the controlling status to harm the interests of the Company and its public shareholders.</p> <p><u>The controlling shareholders and de facto controllers of the Company shall comply with the following provisions:</u></p> <p><u>(1) to exercise shareholders' rights in accordance with the laws, and shall not abuse the right of control or take advantage of the related relationships to harm the legitimate rights and interests of the Company or other shareholders;</u></p> <p><u>(2) to strictly fulfil the public statements and commitments made and shall not change or waive them without authorisation;</u></p> <p><u>(3) to fulfil the information disclosure obligations in strict accordance with the relevant provisions, proactively cooperate with the Company to ensure proper information disclosure, and promptly notify the Company of any material events that have occurred or are planned to occur;</u></p> <p><u>(4) shall not appropriate the Company's funds in any way;</u></p> <p><u>(5) shall not force, instruct or require the Company and related persons to provide guarantees in violation of the laws and regulations;</u></p>	Article 43 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
		<p>(6) shall not make use of the Company's undisclosed material information to seek benefits, disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation and other actions that violate the laws and regulations;</p> <p>(7) shall not harm the legitimate rights and interests of the Company and other shareholders through connected transactions, profit distribution, asset reorganisation, foreign investment, or any other means that are unfair in nature;</p> <p>(8) to ensure the assets integrity, personnel independence, financial independence, organisational independence and business independence of the Company, and shall not interfere with the independence of the Company in any way;</p> <p>(9) other provisions of laws, administrative regulations, the provisions of the securities regulatory authorities in the places where the securities of the Company are listed, the stock exchange business rules and these Articles of Association.</p> <p>The provisions regarding the duties of fidelity and diligence of directors in these Articles of Association shall apply to those controlling shareholders or de facto controllers of the Company who do not serve as the directors of the Company but effectively execute the affairs of the Company.</p> <p>A controlling shareholder or de facto controller of the Company who instructs a director or senior management member to engage in any action detrimental to the interests of the Company or the shareholders shall be jointly and severally liable with such director or senior management member.</p>	
33	Newly added	<p>Article 72 Where controlling shareholders or de facto controllers pledge the shares of the Company held or effectively controlled by them, they must ensure their continued control of the Company and the stability of its production and operations.</p>	Amended in accordance with Article 44 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
34	Newly added	<u>Article 73</u> Where controlling shareholders or de facto controllers of the Company transfer the shares of the Company held by them, they must comply with the restrictive provisions on the share transfers set out in the laws, administrative regulations, and the provisions of the securities regulatory authorities and stock exchanges in the places where the securities of the Company are listed, and any commitments they have made in regarding the transfer of restricted shares.	Amended in accordance with Article 45 of the Guidelines on Articles of Association of Listed Companies
35	<p>Article 70 In addition to the obligations imposed by laws, administrative regulations or required by the listing rules of the securities exchange(s) on which the shares of the Company are listed, the controlling shareholder shall not, in exercising the shareholders' powers, make decisions prejudicial to the interests of all or part of the shareholders as a result of the exercise of its voting rights on following matters:</p> <p>(1) relieving a director or supervisor of his/her/its responsibility to act honestly in the best interest of the Company;</p> <p>(2) approving a director or supervisor (for his own benefit or for the benefit of another person) to deprive the Company of its property in any way, including (but not limited to) any opportunities that are favorable to the Company;</p> <p>(3) approving a director or supervisor (for his own benefit or for the benefit of another person) to deprive other shareholders of their rights or interests, including (but not limited to) rights to distributions and voting rights, but exclude the restructuring of the Company submitted to and adopted by the shareholders' general meeting in accordance with the Articles of Association.</p>	<p>Article 7074 In addition to the obligations imposed by laws, administrative regulations or required by the listing rules of the securities exchange(s) on which the shares of the Company are listed, the controlling shareholder shall not, in exercising the shareholders' powers<u>rights</u>, make decisions prejudicial to the interests of all or part of the shareholders as a result of the exercise of its voting rights on following matters:</p> <p>(1) relieving a director or supervisor of his/her/its responsibility to act honestly in the best interest of the Company;</p> <p>(2) approving a director or supervisor (for his own benefit or for the benefit of another person) to deprive the Company of its property in any way, including (but not limited to) any opportunities that are favorable to the Company;</p> <p>(3) approving a director or supervisor (for his own benefit or for the benefit of another person) to deprive other shareholders of their rights or interests, including (but not limited to) rights to distributions and voting rights, but exclude the restructuring of the Company submitted to and adopted by the shareholders' general meeting in accordance with the Articles of Association.</p>	Improved the accuracy of expression as the Company no longer has Supervisors

No.	Original provisions	Amended provisions	Basis or reason of amendment
36	<p>Article 72 The shareholders' general meeting is the organ of authority of the Company, and shall exercise following functions and powers pursuant to the law:</p> <p>(1) to determine the Company's operating principles and investment plans;</p> <p>(2) to elect and replace of directors and supervisors who are not represented by employee representatives, and deciding on the remuneration matters of the relevant directors and supervisors;</p> <p>(3) to deliberate on and approve reports of the Board of Directors;</p> <p>(4) to deliberate on and approve report of the Board of Supervisors;</p> <p>(5) to deliberate on and approve the Company's annual financial budget plan and final account plan;</p> <p>(6) to deliberate on and approve the Company's profit distribution plan and make up the loss plan;</p> <p>(7) to make resolutions on increase or decrease of registered capital of the Company;</p> <p>(8) to make resolutions on issuance of stocks, convertible corporate bonds and corporate bonds;</p> <p>(9) to make resolutions on the merger, division, splits, dissolution, liquidation or change of the Company's corporate form;</p> <p>(10) to amend the Articles of Association and deliberate proposals put forward by shareholders who individually or collectively hold more than 1% of the Company's shares;</p> <p>(11) to make resolutions on hiring and dismissing of accounting firms which regularly perform statutory audit for the Company's financial statements;</p>	<p>Article 72 726 The shareholders' meeting of the Company shall be composed of all shareholders. The shareholders' general meeting is the organ of authority of the Company, and shall exercise following functions and powers pursuant to the law:</p> <p>(1) to determine the Company's operating principles and investment plans;</p> <p>(12) to elect and replace of directors and supervisors who are not represented by employee representatives, and deciding on the remuneration matters of the relevant directors and supervisors;</p> <p>(23) to deliberate on and approve reports of the Board of Directors;</p> <p>(4) to deliberate on and approve report of the Board of Supervisors;</p> <p>(53) to deliberate on and approve the Company's annual financial budget plan and final account plan;</p> <p>(46) to deliberate on and approve the Company's profit distribution plan and make up the loss plan;</p> <p>(57) to make resolutions on increase or decrease of registered capital of the Company;</p> <p>(68) to make resolutions on issuance of stocks, convertible corporate bonds and corporate bonds;</p> <p>(79) to make resolutions on the merger, division, splits, dissolution, liquidation or change of the Company's corporate form;</p> <p>(840) to amend the Articles of Association and deliberate proposals put forward by shareholders who individually or collectively hold more than 1% of the Company's shares;</p> <p>(944) to make resolutions on hiring and dismissing of accounting firms which regularly perform statutory audit for the Company's financial statements;</p>	<p>The Company no longer maintains the Board of Supervisors, and the amendment was made in accordance with the Article 46 of the Guidelines on Articles of Association of Listed Companies, in which item (10) is adjusted in accordance with the provisions of Article 6.1.3 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and Hong Kong Listing Rules.</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(12) to deliberate on and approve the following guarantees:	(10) to consider and approve the following transactions (except for the guarantees and financial assistance set forth in items (11) and (12) of this Article):	
	1. to provide any other guarantee under the situation where the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the audited net assets of the Company in the latest period;	1. transactions involving assets whose total amount (if both book value and appraisal value exist, whichever is higher) accounts for more than 25% of the Company's total assets in the most recent period;	
	2. to provide any guarantee under the situation where the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeding 30% of the Company's audited total assets in the latest period;	2. transactions involving subject matter (e.g. equity) whose net assets value (if both book value and appraisal value exist, whichever is higher) account for more than 50% of the company's audited net assets in the most recent period, and whose absolute value exceeds RMB50 million;	
	3. the amount of guarantees calculated on an accumulative basis over a period of 12 consecutive months exceeds 30% of the Company's latest audited total assets;	3. transactions involving an amount (including liabilities and expenses assumed) that accounts for more than 50% of the Company's audited net assets in the most recent period, and whose absolute value exceeds RMB50 million;	
	4. guarantee offered to person whose gearing ratio has exceed 70%;	4. transactions whose profit generated accounts for more than 50% of the Company's audited net profit in the most recent accounting year, and whose absolute value exceeds RMB5 million;	
	5. a single guarantee with an amount exceeding 10% of the Company's latest audited net assets;	5. transactions involving subject matter (e.g. equity) whose relevant operating revenue in the most recent accounting year accounts for more than 50% of the Company's audited operating revenue in the most recent accounting year, and whose absolute value exceeds RMB50 million, or the revenue attributable to the assets involved in the transaction accounts for more than 25% of the Company's audited revenue in the most recent accounting year;	
	6. guarantees provided to shareholders, de facto controllers and their related parties;	6. transactions involving subject matter (e.g. equity) whose relevant net profit accounts for more than 50% of the Company's audited net profit in the most recent accounting year, and whose absolute value exceeds RMB5 million, or the pre-tax profit attributable to the assets involved in the transaction accounts for more than 25% of the Company's audited profit before tax in the most recent accounting year;	
	7. other security situations that need to be submitted to the shareholders' meeting for approval in accordance with the relevant provisions of the stock exchange and these Articles of Association.	7. transactions involving consideration that accounts for more than 25% of the total market value of the Company (calculated on the basis of the average closing price of the Company's shares for the five trading days prior to the date on which the transaction is conducted).	
		If the figure involved in the above indicators are negative, the absolute value will be taken for calculation.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(13) to deliberate on and approve the following financial assistance:	(11 2) to deliberate on and approve the following guarantees:	
	1. the amount of a single financial assistance exceeding 10% of the Company's audited net assets in the latest period;	1. to provide any other guarantee under the situation where the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the audited net assets of the Company in the latest period;	
	2. the gearing ratio of the companies for which the assistance is provided exceeding 70% as shown in their latest financial statements;	2. to provide any guarantee under the situation where the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeding 30% of the Company's audited total assets in the latest period;	
	3. the cumulative amount of financial assistance in recent 12 months exceeding 10% of the Company's audited net assets in the latest period;	3. the amount of guarantees calculated on an accumulative basis over a period of 12 consecutive months exceeds 30% of the Company's latest audited total assets;	
	4. Other financial assistance situations that need to be submitted to the shareholders' general meeting for approval in accordance with the relevant provisions of the stock exchange and these Articles of Association.	4. guarantee offered to person whose gearing ratio has exceed 70%;	
		5. a single guarantee with an amount exceeding 10% of the Company's latest audited net assets;	
		6. guarantees provided to shareholders, de facto controllers and their related parties;	
		7. other security situations that need to be submitted to the shareholders' general meeting for approval in accordance with the relevant provisions of the stock exchange and these Articles of Association.	
		(12 3) to deliberate on and approve the following financial assistance:	
		1. the amount of a single financial assistance exceeding 10% of the Company's audited net assets in the latest period;	
		2. the gearing ratio of the companies for which the assistance is provided exceeding 70% as shown in their latest financial statements;	
		3. the cumulative amount of financial assistance in recent 12 months exceeding 10% of the Company's audited net assets in the latest period;	
		4. Other financial assistance situations that need to be submitted to the shareholders' general meeting for approval in accordance with the relevant provisions of the stock exchange and these Articles of Association.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>If the assistance subject is the controlling subsidiary included in the consolidated statements of the Company and that the other shareholders of that controlling subsidiary do not include the controlling shareholders, de facto controllers and their related parties of the Company, it may be exempted from the requirements under Items 1 to 4 of Rule (13) of this Article.</p> <p>The Company shall not provide financial assistance to connected parties stipulated under the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, except for the assistance provided to connected joint-stock companies not under the control of the Company's controlling shareholders and de facto controllers, and that the other shareholders of such joint-stock companies provide financial assistance on equal terms and in proportion to their capital contributions. The Company must submit a resolution at the general meeting for consideration when providing financial assistance to such joint-stock companies.</p> <p>(14) to deliberate matters regarding the purchase or sales of material assets by the Company that within one year exceed 30% of the Company's total audited assets in the latest period;</p> <p>(15) to deliberate on, approve and alter matters regarding the use of raised funds;</p> <p>(16) to deliberate on share incentive plans and employee stock ownership plan;</p> <p>(17) to deliberate on related transactions that are required to be reviewed by shareholders' general meetings in accordance with law;</p> <p>(18) to deliberate on public welfare or relief contributions that exceeds the accumulative amount of RMB50 million in a single year;</p> <p>(19) to authorize the Board of Directors to issue shares subject to compliance with relevant laws and regulations;</p> <p>(20) to deliberate on any other matter to be decided by the shareholders' general meeting as stipulated by laws, administrative regulations, department regulations, the listing rules of the place where the securities are listed or the Articles of Association.</p>	<p>If the assistance subject is the controlling subsidiary included in the consolidated statements of the Company and that the other shareholders of that controlling subsidiary do not include the controlling shareholders, de facto controllers and their related parties of the Company, it may be exempted from the requirements under Items 1 to 4 of Rule (123) of this Article.</p> <p>The Company shall not provide financial assistance to connected parties stipulated under the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, except for the assistance provided to connected joint-stock companies not under the control of the Company's controlling shareholders and de facto controllers, and that the other shareholders of such joint-stock companies provide financial assistance on equal terms and in proportion to their capital contributions. The Company must submit a resolution at the shareholders' general meeting for consideration when providing financial assistance to such joint-stock companies.</p> <p>(134) to deliberate matters regarding the purchase or sales of material assets by the Company that within one year exceed 30% of the Company's total audited assets in the latest period;</p> <p>(145) to deliberate on, approve and alter matters regarding the use of raised funds;</p> <p>(156) to deliberate on share incentive plans and employee stock ownership plan;</p> <p>(167) to deliberate on related transactions that are required to be reviewed by shareholders' general meetings in accordance with law;</p> <p>(178) to deliberate on public welfare or relief contributions that exceeds the accumulative amount of RMB50 million in a single year;</p> <p>(189) to authorize the Board of Directors to issue shares and corporate bonds convertible into shares subject to compliance with relevant laws and regulations;</p> <p>(19) to deliberate on the annual report of the <u>Company</u>;</p> <p>(20) to deliberate on any other matter to be decided by the shareholders' general meeting as stipulated by laws, administrative regulations, department regulations, the listing rules of the place where the securities the Company's shares are listed or the Articles of Association.</p>	

No.	Original provisions	Amended provisions	Basis or reason of amendment
37	<p>Article 74 Under any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months after occurrence of the relevant event:</p> <p>(1) the number of directors is less than the minimum quorum stipulated by the Company Law (5 directors) or two-thirds of the number required in the Articles of Association;</p> <p>(2) the Company's unrecovered losses amount to one-third of the total share capital;</p> <p>(3) upon written requisition by the shareholders holding 10% or more of the Company's shares individually or jointly (the shareholding referred to above shall be calculated as of the day on which the written request is made);</p> <p>(4) the Board of Directors deems necessary;</p> <p>(5) upon written requisition of the independent director;</p> <p>(6) upon requisition by the Board of Supervisors;</p> <p>(7) any other circumstance stipulated by laws, administrative regulations, department regulations or the Articles of Association.</p>	<p>Article 74—78 Under any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months after occurrence of the relevant event:</p> <p>(1) the number of directors is less than the minimum quorum stipulated by the Company Law (5 directors) or two-thirds of the number required in the Articles of Association;</p> <p>(2) the Company's unrecovered losses amount to one-third of the total share capital;</p> <p>(3) upon written requisition by the shareholders holding 10% or more of the Company's shares individually or jointly (the shareholding referred to above shall be calculated as of the day on which the written request is made);</p> <p>(4) the Board of Directors deems necessary;</p> <p>(5) upon written requisition of the independent director;</p> <p>(6) upon requisition by the Board of Supervisors <u>Audit Committee</u>;</p> <p>(7) any other circumstance stipulated by laws, administrative regulations, department regulations or the Articles of Association.</p>	Amended in accordance with Section 120 of the Company Law

No.	Original provisions	Amended provisions	Basis or reason of amendment
38	<p>Article 75 The venue for shareholders' general meetings of the Company shall be: Haier Industrial Park or Haier Information Industry Park, Laoshan District, Qingdao, or any other venue determined by the Board of Directors in accordance with the practical situation and stated in the notice of the shareholders' general meeting.</p> <p>Meeting premises shall be set up for shareholders' general meeting to be held in the form of an on-site meeting. The Company shall also, in accordance with laws, administrative regulations, the securities regulatory authority and the stock exchange where the Company's shares are listed and the provisions of the Articles of Association, facilitate the participation of shareholders in the general meeting by safe, economical and convenient network means (where technically feasible) and other means. Shareholders participating in the shareholders' general meeting by the aforesaid methods shall be deemed present at the meeting.</p> <p>When convening a shareholders' general meeting, the Company will engage lawyers to issue legal opinions on the following issues and to make relevant announcements:</p> <p>(1) whether the procedures for convening the meeting comply with the provisions of laws, administrative regulations and the Articles of Association;</p> <p>(2) whether the qualifications of the persons attending the meeting and the convener are legitimate and valid;</p> <p>(3) whether the voting procedures and voting results of the meeting are legitimate and valid;</p> <p>(4) legal opinions with respect to other relevant issues as required by the Company.</p> <p>The Board of Directors of the Company may also engage notaries to attend the shareholders' general meeting at the same time.</p>	<p>Article 75-79 The venue for shareholders' general meetings of the Company shall be: Haier Industrial Park or Haier Information Industry Park, Laoshan District, Qingdao, or any other venue determined by the Board of Directors in accordance with the practical situation and stated in the notice of the shareholders' general meeting.</p> <p>Meeting premises shall be set up for shareholders' general meeting to be held in the form of an on-site meeting. The Company shall also, in accordance with laws, administrative regulations, the securities regulatory authority and the stock exchange where the Company's shares are listed and the provisions of the Articles of Association, facilitate the participation of shareholders in the shareholders' general meeting by safe, economical and convenient network <u>voting</u> means (where technically feasible) and other means. Shareholders participating in the shareholders' general meeting by the aforesaid methods shall be deemed present at the meeting.</p> <p>When convening a shareholders' general meeting, the Company will engage lawyers to issue legal opinions on the following issues and to make relevant announcements:</p> <p>(1) whether the procedures for convening the meeting comply with the provisions of laws, administrative regulations and the Articles of Association;</p> <p>(2) whether the qualifications of the persons attending the meeting and the convener are legitimate and valid;</p> <p>(3) whether the voting procedures and voting results of the meeting are legitimate and valid;</p> <p>(4) legal opinions with respect to other relevant issues as required by the Company.</p> <p>The Board of Directors of the Company may also engage notaries to attend the shareholders' general meeting at the same time.</p>	Amended in accordance with Article 50 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
39	<p>Article 76 Independent directors are entitled to propose to the Board of Directors on convening of an extraordinary general meeting. Where independent directors propose to convene an extraordinary general meeting, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, issue a written reply on whether or not to approve the convening of the extraordinary general meeting within 10 days upon the receipt of the proposal.</p> <p>Where the Board of Directors agree to convene the extraordinary general meeting, a notice on convening of the extraordinary general meeting shall be issued within 5 days from such decision; where the Board of Directors does not agree to convene the extraordinary general meeting, reasons shall be specified and announcements shall be made.</p>	<p>Article 76-80 The Board of Directors shall convene <u>shareholders' meetings on time within the prescribed period.</u></p> <p>Independent directors are entitled to propose to the Board of Directors on convening of an extraordinary general meeting. Where independent directors propose to convene an extraordinary general meeting, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, issue a written reply on whether or not to approve the convening of the extraordinary general meeting within 10 days upon the receipt of the proposal.</p> <p>Where the Board of Directors agree to convene the extraordinary general meeting, a notice on convening of the extraordinary general meeting shall be issued within 5 days from such decision; where the Board of Directors does not agree to convene the extraordinary general meeting, reasons shall be specified and announcements shall be made.</p>	Amended in accordance with Article 52 of the Guidelines on Articles of Association of Listed Companies
40	<p>Article 77 The Board of Supervisors is entitled to propose to the Board of Directors to convene an extraordinary general meeting and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, reply in writing on whether or not to agree on the convening of the extraordinary general meeting within 10 days upon the receipt of the proposal.</p> <p>When the Board of Directors agrees to convene the extraordinary general meeting, a notice on convening of the extraordinary general meeting shall be issued within 5 days from such decision, and the changes made to the original proposal in the notice shall be approved by the Board of Supervisors.</p> <p>When the Board of Directors disagrees to convene the extraordinary general meeting, or fails to reply within 10 days upon the receipt of the proposal, the Board of Directors will be deemed as not being able to perform or not to perform its duty to convene a shareholders' general meeting, and the Board of Supervisors may convene and preside over such meeting on their own.</p>	<p>Article 77-81 The Board of Supervisors-Audit Committee is entitled to propose to the Board of Directors to convene an extraordinary general meeting and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, reply in writing on whether or not to agree on the convening of the extraordinary general meeting within 10 days upon the receipt of the proposal.</p> <p>When the Board of Directors agrees to convene the extraordinary general meeting, a notice on convening of the extraordinary general meeting shall be issued within 5 days from such decision, and the changes made to the original proposal in the notice shall be approved by the Board of Supervisors-Audit Committee.</p> <p>When the Board of Directors disagrees to convene the extraordinary general meeting, or fails to reply within 10 days upon the receipt of the proposal, the Board of Directors will be deemed as not being able to perform or not to perform its duty to convene a shareholders' general meeting, and the Board of Supervisors-Audit Committee may convene and preside over such meeting on their own.</p>	Amended in accordance with Article 53 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
41	<p>Article 78 Shareholders requesting the convening of an extraordinary shareholders' general meeting or a class shareholders' meeting shall proceed in accordance with the procedures set forth below:</p> <p>(1) Two or more shareholders who hold, in aggregate, 10% or more of the shares carrying the right to vote at the proposed meeting may sign one or several written requisitions of the same format and contents, requesting the Board of Directors to convene an extraordinary general meeting or a class meeting of shareholders. The agenda of the proposed meeting shall be stated therein. The Board of Directors shall convene an extraordinary general meeting or a class meeting of shareholders as soon as possible upon the receipt of the said written request. The number of the aforesaid shares shall be calculated as of the date on which the requisition(s) is/are made.</p> <p>(2) Where the Board of Directors gives consent to convening of an extraordinary general meeting, a notice on convening of the extraordinary general meeting or the class meetings of shareholders shall be issued within 5 days from such decision, and the changes made to the original proposal in the notice shall be approved by relevant shareholders.</p> <p>(3) Where the Board of Directors does not give consent to convene the extraordinary general meeting or does not issue a feedback within 10 days upon the receipt of the requisition, the shareholders holding 10% or more of the Company's shares separately or in aggregate shall have the right to propose to the Board of Supervisors on convening of an extraordinary general meeting and such proposal shall be made to the Board of Supervisors in writing.</p>	<p>Article 8278 Shareholders requesting the convening of an extraordinary shareholders' general meeting or a class shareholders' meeting shall proceed in accordance with the procedures set forth below:</p> <p>(1) <u>Shareholders who individually hold more than 10% of the Company's shares, or Two or more shareholders who hold, in aggregate, 10% or more of the shares carrying the right to vote at the proposed meeting may sign one or several written requisitions of the same format and contents, requesting the Board of Directors to convene an extraordinary general meeting or a class meeting of shareholders. The agenda of the proposed meeting shall be stated therein. The Board of Directors shall convene an extraordinary general meeting or a class meeting of shareholders as soon as possible upon the receipt of the said written request. The number of the aforesaid shares shall be calculated as of the date on which the requisition(s) is/are made.</u></p> <p>(2) Where the Board of Directors gives consent to convening of an extraordinary general meeting, a notice on convening of the extraordinary general meeting or the class meetings of shareholders shall be issued within 5 days from such decision, and the changes made to the original proposal in the notice shall be approved by relevant shareholders.</p> <p>(3) Where the Board of Directors does not give consent to convene the extraordinary general meeting or does not issue a feedback within 10 days upon the receipt of the requisition, the shareholders holding 10% or more of the Company's shares separately or in aggregate shall have the right to propose to the Board of Supervisors <u>Audit Committee</u> on convening of an extraordinary general meeting and such proposal shall be made to the <u>Audit Committee</u> Board of Supervisors in writing.</p>	<p>1. The shareholders entitled to propose the convening of a shareholders' meeting shall be those who individually or collectively hold 10% of the Company's shares, in line with the meaning of Article 78 of these Articles of Association.</p> <p>2. The Company no longer has the Board of Supervisors and its powers and functions will be assumed by the Audit Committee.</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
42	<p>Article 79 Where the Board of Supervisors gives consent to convene an extraordinary general meeting, a notice on convening of the extraordinary general meeting shall be issued within 5 days upon the receipt of the requisition and the changes made to the original request in the notice shall be approved by relevant shareholders.</p> <p>Where the Board of Supervisors fails to issue a notice of a shareholders' general meeting within the stipulated period, the Board of Supervisors will be deemed as not convening and chairing the shareholders' general meeting, a situation under which the shareholders who hold 10% or more of the Company's shares individually or jointly for 90 or more consecutive days may proceed to convene and chair an extraordinary general meeting on their own initiative.</p> <p>The procedures of convening such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' general meetings are to be convened by the Board of Directors.</p> <p>If the general meeting is held by the shareholders on their own due to the failure of the Board of Directors or Board of Supervisors to convene the meeting according to the above requirements, all reasonable costs of the meeting incurred shall be borne by the Company, which shall be deducted from the sums owed by the Company to the negligent directors and supervisors.</p>	<p>Article 79-83 Where the Board of Supervisors<u>Audit Committee</u> gives consent to convene an extraordinary general meeting, a notice on convening of the extraordinary general meeting shall be issued within 5 days upon the receipt of the requisition and the changes made to the original request in the notice shall be approved by relevant shareholders.</p> <p>Where the Board of Supervisors<u>Audit Committee</u> fails to issue a notice of a shareholders' general meeting within the stipulated period, the Board of Supervisors<u>Audit Committee</u> will be deemed as not convening and chairing the shareholders' general meeting, a situation under which the shareholders who hold 10% or more of the Company's shares individually or jointly for 90 or more consecutive days may proceed to convene and chair an extraordinary general meeting on their own initiative.</p> <p>The procedures of convening such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' general meetings are to be convened by the Board of Directors.</p> <p>If the general meeting is held by the shareholders on their own due to the failure of the Board of Directors or Board of Supervisors to convene the meeting according to the above requirements, all reasonable costs of the meeting incurred shall be borne by the Company, which shall be deducted from the sums owed by the Company to the negligent directors and supervisors.</p>	<p>As the Mandatory Provisions in the Articles of Association of Companies Listed Overseas, on the basis of which this Article is initially stipulated, are no longer in force, and its main content is reflected in Article 68 of the Articles of Association, hence this Article had been deleted</p>
43	<p>Article 82 Where the Board of Supervisors convene a shareholders' general meeting on their own, the necessary expenses incurred thereof shall be borne by the Company, which shall be deducted from the sums owed by the Company to the negligent directors.</p>	<p>Article 82-86 Where the Board of Supervisors<u>Audit Committee</u> or the shareholders convene a shareholders' general meeting on their own, the necessary expenses incurred thereof shall be borne by the Company, which shall be deducted from the sums owed by the Company to the negligent directors.</p>	<p>Amended in accordance with Article 57 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
44	<p>Article 84 When the Company decides to convene a shareholders' general meeting, the Board of Directors, the Board of Supervisors and shareholders that severally or jointly holding 1% or more of the shares of the Company shall be entitled to put forward proposals to the Company.</p> <p>The shareholders that individually or jointly hold more than 1% of the Company's shares may raise interim proposals and submit them in writing to the convener 10 days prior to the convening of the shareholders' general meeting. Where shareholders subject to the conditions as mentioned above raise interim proposals before the convening of the shareholders' general meeting, their shareholding proportions shall not be less than 1% during the period from the date of the issuance of notice on proposals to the announcement of the resolutions. Where shareholders raise interim proposals, they shall provide the convener with proof of holding more than 1% of the shares of the listed company. Where shareholders jointly submit a proposal through entrustment, the entrusting shareholder shall issue a written authorization document to the entrusted shareholder. The convener shall, within 2 days after the receipt of such proposal, issue a supplemental notice of the shareholders' general meeting and announce the contents of the ad hoc proposals.</p> <p>Except as prescribed in the preceding paragraph, the convener, after issuing the notice and announcement of shareholders' general meeting, shall neither revise the proposals stated in the notice of shareholders' general meetings nor add new proposals.</p> <p>Where the disclosure content of the proposal needs to be supplemented or corrected in accordance with regulations, the convener shall not substantively modify the proposal, and shall issue relevant supplementary or corrective announcements within the prescribed time. The legal opinion on the resolution of the shareholders' general meeting shall include definite opinions from the lawyer on whether the supplements and corrections to the disclosure content of the proposal constitute substantive modifications to the proposal.</p> <p>Where the proposal is substantially modified, the relevant changes shall be regarded as a new proposal and shall not be voted on at this shareholders' general meeting.</p> <p>If a notice of shareholders' general meeting does not specify the proposed resolutions or such proposed resolutions do not comply with Article 83 of the Rules herein, No voting or resolution shall be effected or adopted shall be carried out at the general meeting.</p>	<p>Article 84-88 When the Company decides to convene a shareholders' general meeting, the Board of Directors, the Board of Supervisors Audit Committee and shareholders that severally or jointly holding 1% or more of the shares of the Company shall be entitled to put forward proposals to the Company.</p> <p>The shareholders that individually or jointly hold more than 1% of the Company's shares may raise interim proposals and submit them in writing to the convener 10 days prior to the convening of the shareholders' general meeting. Where shareholders subject to the conditions as mentioned above raise interim proposals before the convening of the shareholders' general meeting, their shareholding proportions shall not be less than 1% during the period from the date of the issuance of notice on proposals to the announcement of the resolutions. Where shareholders raise interim proposals, they shall provide the convener with proof of holding more than 1% of the shares of the listed company. Where shareholders jointly submit a proposal through entrustment, the entrusting shareholder shall issue a written authorization document to the entrusted shareholder. The convener shall, within 2 days after the receipt of such proposal, issue a supplemental notice of the shareholders' general meeting and announce the contents of the ad hoc proposals; and shall submit such ad hoc proposal to the shareholders' meeting for consideration, <u>except for those ad hoc proposals that violate the provisions of the laws, administrative regulations or these Articles of Association, or those that does not fall within the authorities and responsibilities of the shareholders' meeting.</u></p> <p>Except as prescribed in the preceding paragraph, the convener, after issuing the notice and announcement of shareholders' general meeting, shall neither revise the proposals stated in the notice of shareholders' general meetings nor add new proposals.</p> <p>Where the disclosure content of the proposal needs to be supplemented or corrected in accordance with regulations, the convener shall not substantively modify the proposal, and shall issue relevant supplementary or corrective announcements within the prescribed time. The legal opinion on the resolution of the shareholders' general meeting shall include definite opinions from the lawyer on whether the supplements and corrections to the disclosure content of the proposal constitute substantive modifications to the proposal.</p> <p>Where the proposal is substantially modified, the relevant changes shall be regarded as a new proposal and shall not be voted on at this shareholders' general meeting.</p> <p>If a notice of shareholders' general meeting does not specify the proposed resolutions or such proposed resolutions do not comply with Article 83 of the Rules herein, No voting or resolution shall be effected or adopted shall be carried out at the general shareholder's meeting.</p>	Amended in accordance with Article 59 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
45	<p>Article 87 The notice of the shareholders' general meeting shall be made in written form (including paper documents and electronic documents conforming to the requirements of the place of listing of the Company's shares), and shall include the following contents:</p> <p>(1) the date, venue and time of the meeting;</p> <p>(2) the matters and proposals to be discussed at the meeting;</p> <p>(3) containing an explicit statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend and vote in the shareholders' general meeting; and can appoint proxies to attend and vote on their behalf in the meeting; and that the proxy or proxies need not be shareholder of the Company;</p> <p>(4) the date of record to determine shareholders who have the right to attend the shareholders' general meeting;</p> <p>(5) the name and telephone number of the contact person for meetings;</p> <p>(6) the voting time and procedures for online or other methods;</p> <p>(7) if an proposal taking effect is conditional upon other proposals become effective, it shall explicitly disclose the relevant preconditions in the notice of the shareholders' general meeting and shall give special reminders that the approval of such proposal is the precondition to the voting results of subsequent proposals taking effect.</p> <p>The notice and supplementary notice of a shareholders' general meeting shall disclose the specific contents of all proposals fully and completely. The convener shall disclose other necessitate information 5 days prior to the convening of the shareholders' general meeting to enable the shareholders to make reasonable decisions on the matters proposed to be discussed. Where relevant proposals require independent directors, the Board of Supervisors and intermediary institutions to issue opinions, such opinions shall be disclosed as part of materials of the meeting. For matters which require the independent directors to issue an opinion, the notice or supplementary notice of the shareholders' general meeting shall disclose the opinions of the independent directors and the reason thereof.</p> <p>Online or other voting methods for a shareholders' general meeting shall not commence earlier than 3:00 p.m. on the day preceding the date of the on-site shareholders' general meeting, and no later than 9:30 a.m. on the date of the on-site shareholders' general meeting; and shall not end before 3:00 p.m. of the date of the on-site shareholders' general meeting.</p>	<p>Article 87–91 The notice of the shareholders' general meeting shall be made in written form (including paper documents and electronic documents conforming to the requirements of the place of listing of the Company's shares), and shall include the following contents:</p> <p>(1) the date, venue and time of the meeting;</p> <p>(2) the matters and proposals to be discussed at the meeting;</p> <p>(3) containing an explicit statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend and vote in the shareholders' general meeting; and can appoint proxies to attend and vote on their behalf in the meeting; and that the proxy or proxies need not be shareholder of the Company;</p> <p>(4) the date of record to determine shareholders who have the right to attend the shareholders' general meeting;</p> <p>(5) the name and telephone number of the contact person for meetings;</p> <p>(6) the voting time and procedures for online or other methods;</p> <p>(7) if an proposal taking effect is conditional upon other proposals become effective, it shall explicitly disclose the relevant preconditions in the notice of the shareholders' general meeting and shall give special reminders that the approval of such proposal is the precondition to the voting results of subsequent proposals taking effect.</p> <p>The notice and supplementary notice of a shareholders' general meeting shall fully and completely disclose the specific contents of all proposals. Fully and completely, as well as all information or explanations necessary to enable the shareholders to form a reasonable judgement on the matters to be discussed. The convener shall disclose other necessitate information 5 days prior to the convening of the shareholders' general meeting to enable the shareholders to make reasonable decisions on the matters proposed to be discussed. Where relevant proposals require involve independent directors, the Board of Supervisors Audit Committee and intermediary institutions to issue opinions, such opinions shall be disclosed as part of materials of the meeting. For matters which require the independent directors to issue an opinion, the notice or supplementary notice of the shareholders' general meeting shall disclose the opinions of the independent directors and the reason thereof.</p> <p>Online or other voting methods for a shareholders' general meeting shall not commence earlier than 3:00 p.m. on the day preceding the date of the on-site shareholders' general meeting, and no later than 9:30 a.m. on the date of the on-site shareholders' general meeting; and shall not end before 3:00 p.m. of the date of the on-site shareholders' general meeting.</p>	<p>New addition in accordance with Article 65 of the Guidelines on Articles of Association of Listed Companies;</p> <p>references to "Board of Supervisors" have been changed to "Audit Committee";</p> <p>amendments were also made in accordance with the Self-Regulatory Guidelines for Companies Listed on Shanghai Stock Exchange No. 1 — Regulation of Operations"; the deleted content is already reflected in the provisions of this Article.</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
46	<p>Article 89 Where a shareholders' general meeting proposes to discuss election matters of directors and supervisors, the notice of the shareholders' general meeting shall fully disclose the detailed information of the proposed candidates for directors and supervisors, which shall at least include the following contents:</p> <p>(1) personal information such as educational background, work experience and occupation information, etc.;</p> <p>(2) whether he/she/it is related to the Company or the Company's controlling shareholder and de facto controller;</p> <p>(3) disclosure of the number of shares of the Company held by him/her/it;</p> <p>(4) whether the candidate has been punished by the CSRC, other relevant authorities and the stock exchange;</p> <p>(5) Information required to be disclosed under the Hong Kong Listing Rules concerning newly appointed, re-elected or transferred directors or supervisors.</p> <p>Apart from adoption of the cumulative voting system for the election of directors and supervisors, a separate proposal shall be put forward for the election of each director and supervisor.</p>	<p>Article 89–93 Where a shareholders' general meeting proposes to discuss election matters of directors and supervisors, the notice of the shareholders' general meeting shall fully disclose the detailed information of the proposed candidates for directors and supervisors, which shall at least include the following contents:</p> <p>(1) personal information such as educational background, work experience and occupation information, etc.;</p> <p>(2) whether he/she/it is related to the Company or the Company's controlling shareholder and de facto controller;</p> <p>(3) disclosure of the number of shares of the Company held by him/her/it;</p> <p>(4) whether the candidate has been punished by the CSRC, other relevant authorities and the stock exchange;</p> <p>(5) Information required to be disclosed under the Hong Kong Listing Rules concerning newly appointed, re-elected or transferred directors or supervisors.</p> <p>Apart from adoption of the cumulative voting system for the election of directors and supervisors, a separate proposal shall be put forward for the election of each director and supervisor.</p>	<p>The Company no longer has Supervisors, and amendments were made in accordance with Article 62 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
47	<p>Article 95 Where an individual shareholder attends the meeting in person, he/she/it shall present his/her/its identity document or any other valid credential which can prove his/her/its identity and share account card; where an individual shareholder appoints a proxy to attend the meeting, the proxy shall present his/her/its valid identity document and the proxy form executed by the shareholder.</p> <p>In the case of a legal-person shareholder, its legal representative or the proxy appointed by the legal representative shall attend the meeting. Where the legal representative attends the meeting, he/she shall present his/her/its identity document and valid documentation that can prove their qualification as the legal representative. Shareholders shall entrust their proxies through written instruments which shall be signed by the entrusting parties or their agents. Where the entrusting party is a legal person, the instrument shall be sealed by the legal person or signed by its director(s) or duly authorized agents.</p>	<p>Article 95–99 Where an individual shareholder attends the meeting in person, he/she/it shall present his/her/its identity document or any other valid credential which can prove his/her/its identity and share account card; where an individual shareholder appoints a proxy <u>is appointed to attend the meeting, the proxy</u> he/she/it shall present his/her/its valid identity document and the proxy form executed by the shareholder.</p> <p>In the case of a legal-person shareholder, its legal representative or the proxy appointed by the legal representative shall attend the meeting. Where the legal representative attends the meeting, he/she shall present his/her/its identity document and valid documentation that can prove their qualification as the legal representative. <u>In the event that a proxy attends the meeting, the proxy shall present his/her/its identity card and a written power of attorney issued by the legal representative of the legal-person shareholder unit in accordance with the law.</u>Shareholders shall entrust their proxies through written instruments which shall be signed by the entrusting parties or their agents. Where the entrusting party is a legal person, the instrument shall be sealed by the legal person or signed by its director(s) or duly authorized agents.</p>	Amended in accordance with Article 66 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
48	<p>Article 96 The proxy form issued by the shareholders appointing a proxy to attend the shareholders' general meeting, shall include the following:</p> <p>(1) name of the proxy;</p> <p>(2) whether the proxy has voting rights;</p> <p>(3) the instructions on voting for, against or abstention of each agenda item of the shareholders' general meeting;</p> <p>(4) date of issuance of the proxy form and the validity period;</p> <p>(5) signature (or affixation of seal) by the entrusting party.</p> <p>Any proxy form issued by the Board of Directors of the Company to the shareholders for the appointment of proxies shall allow the shareholders to instruct their proxies to cast affirmative, negative or abstained vote at their own discretion, and enable the shareholders to give separate instructions on each matter to be resolved during the meeting.</p> <p>A proxy form shall specify that in the absence of instructions from the shareholder, whether the proxy may vote at his/her/its will.</p>	<p>Article 96–100 The proxy form issued by the shareholders appointing a proxy to attend the shareholders' general meeting, shall include the following:</p> <p>(1) name of the proxy <u>entrusting party and the class and number of shares held by him/her/it in the Company;</u></p> <p>(2) whether the proxy has voting rights <u>name of the proxy;</u></p> <p>(3) the <u>specific instructions of the shareholder, including, among others,</u> on voting for, against or abstention <u>from</u> of each agenda item of the shareholders' general meeting;</p> <p>(4) date of issuance of the proxy form and the validity period;</p> <p>(5) signature (or affixation of seal) by the entrusting party. <u>If the entrusting party is a legal-person shareholder, the seal of the legal-person unit shall be affixed.</u></p> <p>Any proxy form issued by the Board of Directors of the Company to the shareholders for the appointment of proxies shall allow the shareholders to instruct their proxies to cast affirmative, negative or abstained vote at their own discretion, and enable the shareholders to give separate instructions on each matter to be resolved during the meeting.</p> <p>A proxy form shall specify that in the absence of instructions from the shareholder, whether the proxy may vote at his/her/its will.</p>	<p>Amended in accordance with Article 67 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
49	<p>Article 97 An instrument appointing a voting proxy shall be placed at the domicile of the Company or another place specified in the notice of the meeting at least 24 hours prior to the commencement of the meeting in question or 24 hours prior to the scheduled time for voting.</p> <p>Where a proxy form for a voting proxy is signed by a person authorized by the entrusting party, the proxy form or any other authorization document shall be notarized. The notarized proxy form or any other authorization document and the proxy form for a voting proxy shall be kept at the Company's premises or any other premises designated in the notice of meeting.</p> <p>Where the entrusting party is a legal person, it shall be represented at the general meeting of the Company by its legal representative or personnel authorized by its Board of Directors or other decision-making bodies.</p>	<p>Article 101 Article 97 An instrument appointing a voting proxy shall be placed at the domicile of the Company or another place specified in the notice of the meeting at least 24 hours prior to the commencement of the meeting in question or 24 hours prior to the scheduled time for voting.</p> <p>Where a proxy form for a voting proxy is signed by a person authorized by the entrusting party, the proxy form or any other authorization document shall be notarized. The notarized proxy form or any other authorization document and the proxy form for a voting proxy shall be kept at the Company's premises or any other premises designated in the notice of meeting.</p> <p>Where the entrusting party is a legal person, it shall be represented at the general meeting of the Company by its legal representative or personnel authorized by its Board of Directors or other decision-making bodies.</p>	Amended in accordance with Article 68 of the Guidelines on Articles of Association of Listed Companies
50	<p>Article 98 The records for persons attending the meeting shall be prepared by the Company. The attendance records shall specify the name of the persons (or organizations) attending the meeting, identity number, address, the number of shares with voting rights held or represented and the name of the person (or organization) being represented etc.</p>	<p>Article 98-102 The records for persons attending the meeting shall be prepared by the Company. The attendance records shall specify the name of the persons (or organizations) attending the meeting, identity number, address, the number of shares with voting rights held or represented and the name of the person (or organization) being represented etc.</p>	Amended in accordance with Article 69 of the Guidelines on Articles of Association of Listed Companies
51	<p>Article 100 When the Company convenes a shareholders' general meeting, all directors, supervisors and the secretary of the Board of Directors shall attend the meeting, while the president and other senior management shall be present at the meeting.</p>	<p>Article 100 Article 104 When the Company convenes aFor shareholders' <u>general meeting that requests the presence of the, all directors and, supervisors and the secretary of the Board of Directors shall attend the meeting, while the president and other senior management, the directors and senior management shall attend the meeting and address the shareholders' questions shall be present at the meeting.</u></p>	Amended in accordance with Article 71 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
52	<p>Article 101 The shareholders' general meetings shall be presided over by the Chairman of the Board. Where the Chairman is unable or fails to perform his/her/its duties, the deputy Chairman (if there are two or more deputy chairmen, the deputy Chairman nominated by more than half of the directors) shall preside over the meetings; where the deputy Chairman is unable or fails to perform his/her/its duties, a director nominated by more than half of the directors shall preside over the meetings.</p> <p>If the board of directors is unable or fails to fulfill the obligation of convening the shareholders' general meetings, the Board of Supervisors shall convene and preside over such meetings in a timely manner. If the Board of Supervisors does not convene or preside over such meetings, the shareholders individually or jointly holding 1/10 or more of the shares of the Company for over ninety (90) consecutive days may convene and preside over such meetings on their own initiative.</p> <p>The Chairman of the Board of Supervisors shall preside over the shareholders' general meetings convened by the Board of Supervisors. Where the Chairman of the Board of Supervisors is unable or fails to perform his/her/its duties, the deputy Chairman of the Board of Supervisors shall preside over the meeting; where the deputy Chairman of the Board of Supervisors is unable or fails to perform his/her/its duties, a supervisor nominated by more than half of the supervisors shall preside over the meeting.</p> <p>In the case of a shareholders' general meeting convened by shareholders on their own initiative, the convener shall appoint a representative to preside over the meeting. If for any reason the shareholders are unable to elect a Chairman, the shareholder holding the largest number of voting shares who attends the meeting (including proxy thereof) shall preside over the meeting.</p> <p>Where a shareholders' general meeting is held and the Chairman of the meeting violates the rules of procedure and as a result thereof, the shareholders' general meeting is unable to continue, upon consent of the shareholders holding more than half of voting rights and present at the shareholders' general meeting, the shareholders' general meeting may elect a person to preside over the meeting so that the meeting may continue.</p>	<p>Article 101-105 The shareholders' general meetings shall be presided over by the <u>chairman of the meeting, who shall be the Chairman of the Board.</u> Where the Chairman is unable or fails to perform his/her/its duties, the deputy Chairman (if there are two or more deputy chairmen, the deputy Chairman nominated by more than half of the directors) shall preside over the meetings; where the deputy Chairman is unable or fails to perform his/her/its duties, a director nominated by more than half of the directors shall preside over the meetings.</p> <p>If the board of directors is unable or fails to fulfill the obligation of convening the shareholders' general meetings, the Board of Supervisors <u>Audit Committee</u> shall convene and preside over such meetings in a timely manner. If the Board of Supervisors <u>Audit Committee</u> does not convene or preside over such meetings, the shareholders individually or jointly holding 1/10 or more of the shares of the Company for over ninety (90) consecutive days may convene and preside over such meetings on their own initiative.</p> <p>The convener <u>Chairman</u> of the Board of Supervisors <u>Audit Committee</u> shall preside over the shareholders' general meetings convened by the Board of Supervisors <u>Audit Committee</u>. Where the Chairman <u>convener</u> of the Board of Supervisors <u>Audit Committee</u> is unable or fails to perform his/her/its duties, a member of the Audit Committee, jointly elected by more than half of the Audit Committee members, shall preside over the meeting <u>the deputy Chairman of the Board of Supervisors shall preside over the meeting; where the deputy Chairman of the Board of Supervisors is unable or fails to perform his/her/its duties, a supervisor nominated by more than half of the supervisors shall preside over the meeting.</u></p> <p>In the case of a shareholders' general meeting convened by shareholders on their own initiative, the convener shall preside over or appoint a representative to preside over the meeting. If for any reason the shareholders are unable to elect a Chairman, the shareholder holding the largest number of voting shares who attends the meeting (including proxy thereof) shall preside over the meeting.</p> <p>Where a shareholders' general meeting is held and the Chairman of the meeting violates the rules of procedure and as a result thereof, the shareholders' general meeting is unable to continue, upon consent of the shareholders holding more than half of voting rights and present at the shareholders' general meeting, the shareholders' general meeting may elect a person to preside over the meeting so that the meeting may continue.</p>	<p>Amended in accordance with Article 72 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
53	Article 102 The Company shall formulate the rules of procedure for its shareholders' general meetings and set out the convening and voting procedures of shareholders' general meetings in detail, including the notice, registration, deliberation of proposals, voting, calculation of votes, announcement of voting results, formation of meeting resolutions, minutes and the signing thereof and announcement, as well as the principle for authorizations granted by shareholders' general meetings to the Board of Directors, of which the content should be clear and specific. The rules of procedure for shareholders' general meetings, which are drafted by the Board of Directors and approved by a shareholders' general meeting, shall be appendix of the Articles of Association.	Article 102-106 The Company shall formulate the rules of procedure for its shareholders' general meetings and set out the convening, holding and voting procedures of shareholders' general meetings in detail, including the notice, registration, deliberation of proposals, voting, calculation of votes, announcement of voting results, formation of meeting resolutions, minutes and the signing thereof and announcement, as well as the principle for authorizations granted by shareholders' general meetings to the Board of Directors, of which the content should be clear and specific. The rules of procedure for shareholders' general meetings, which are drafted by the Board of Directors and approved by a shareholders' general meeting, shall be appendix of the Articles of Association.	Amended in accordance with Article 73 of the Guidelines on Articles of Association of Listed Companies
54	Article 106 The shareholders' general meetings shall have minutes recorded by the secretary of the Board of Directors. The meeting minutes shall specify the following contents: (1) time, venue, agenda of meeting and name or title of the convener; (2) name of the Chairman of meeting and directors, supervisors, presidents and other senior management present or in attendance at the meeting; (3) the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and the shareholding proportion of the Company's total number of shares; the number of voting shares held and percentage of such shares with respect to the Company's total shares, held respectively by the holders of tradable shares (including their proxies) and the holders of non-tradable shares (including their proxies) attending the shareholders' meeting; (4) deliberation process, key points of speech and voting result for each proposal, including the voting results of each proposal; including the votes on each resolution by holders of tradable shares and holders of non-tradable shares; (5) questions and suggestions raised by shareholders and the corresponding replies and explanations; (6) names of lawyer, counting agent and scrutineer; (7) any other contents to be included in the minutes as stipulated by the Articles of Association.	Article 106-110 The shareholders' general meetings shall have minutes recorded by the secretary of the Board of Directors. The meeting minutes shall specify the following contents: (1) time, venue, agenda of meeting and name or title of the convener; (2) name of the Chairman of meeting and directors; supervisors, presidents and other senior management present or in attendance at the meeting; (3) the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and the shareholding proportion of the Company's total number of shares; the number of voting shares held and percentage of such shares with respect to the Company's total shares, held respectively by the holders of tradable shares (including their proxies) and the holders of non-tradable shares (including their proxies) attending the shareholders' meeting; (4) deliberation process, key points of speech and voting result for each proposal, including the voting results of each proposal; including the votes on each resolution by holders of tradable shares and holders of non-tradable shares; (5) questions and suggestions raised by shareholders and the corresponding replies and explanations; (6) names of lawyer, counting agent and scrutineer; (7) any other contents to be included in the minutes as stipulated by the Articles of Association.	Amended in accordance with Article 77 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
55	<p>Article 107 The convener shall ensure the truthfulness, accuracy and completeness of the contents of the minutes. The directors, supervisors, secretary of the Board of Directors, the convener or their representatives present at the meeting and the Chairman of the meeting shall affix their signatures on the minutes. The minutes shall be kept together with the attendance records of the shareholders present at the meeting, the proxy forms of each proxy and other valid materials on voting results for online and other voting methods for not less than 10 years.</p>	<p>Article 107–111 The convener shall ensure the truthfulness, accuracy and completeness of the contents of the minutes. The directors, supervisors, secretary of the Board of Directors, the convener or their representatives attending or present at the meeting and the Chairman of the meeting shall affix their signatures on the minutes. The minutes shall be kept together with the attendance records of the shareholders present at the meeting, the proxy forms of each proxy and other valid materials on voting results for online and other voting methods for not less than 10 years.</p>	Amended in accordance with Article 78 of the Guidelines on Articles of Association of Listed Companies
56	<p>Article 109 Shareholders (including their proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall have one vote.</p> <p>When a shareholders' general meeting deliberates on significant matters which have an impact on the interests of small and medium investors, the votes of small and medium investors shall be calculated separately. The separate voting results shall be disclosed publicly in a timely manner.</p> <p>The shares of the Company held by the Company itself shall have no voting right and shall not be included in the total number of shares with voting rights of the shareholders who present at the shareholders' general meeting.</p> <p>For shareholders who purchase the voting shares of the Company are in violation of provisions of the first clause and second clause of Article 63 of the Securities Law, they shall not exercise the voting rights of the shares that exceed the prescribed ratio within 36 months after purchasing them, and such shares shall not be included in the total number of shares with voting rights at a shareholders' general meeting.</p> <p>Subject to compliance with laws, administrative regulations, departmental regulations, the listing rules of the Company's stock listing and this Articles of Association, the Company's Board of Directors, independent directors, shareholders holding more than one percent of voting shares, or the investor protection agency established in accordance with laws, administrative regulations or the regulations prescribed by securities regulatory authority under the State Council may act as a solicitor, either by itself or by entrusting a securities company or a securities service agency, to publicly request the shareholders of a listed company to entrust them to attend the shareholders' meeting on their behalf, and to exercise shareholder rights such as the right to propose and vote.</p>	<p>Article 109–113 Shareholders (including their proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall have one vote.</p> <p>When a shareholders' general meeting deliberates on significant matters which have an impact on the interests of small and medium investors, the votes of small and medium investors shall be calculated separately. The separate voting results shall be disclosed publicly in a timely manner.</p> <p>The shares of the Company held by the Company itself shall have no voting right and shall not be included in the total number of shares with voting rights of the shareholders who present at the shareholders' general meeting.</p> <p>For shareholders who purchase the voting shares of the Company are in violation of provisions of the first clause and second clause of Article 63 of the Securities Law, they shall not exercise the voting rights of the shares that exceed the prescribed ratio within 36 months after purchasing them, and such shares shall not be included in the total number of shares with voting rights at a shareholders' general meeting.</p> <p>Subject to compliance with laws, administrative regulations, departmental regulations, the listing rules of the Company's stock listing and this <u>these</u> Articles of Association, the Company's Board of Directors, independent directors, shareholders holding more than one percent of voting shares, or the investor protection agency established in accordance with laws, administrative regulations or the regulations prescribed by securities regulatory authority under the State Council may act as a solicitor, either by itself or by entrusting a securities company or a securities service agency, to publicly request the shareholders of a listed company to entrust them to attend the shareholders' meeting on their behalf, and to exercise shareholder rights such as the right to propose and vote.</p>	Amended in accordance with Article 83 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
	In soliciting shareholders' rights in accordance with the provisions in the preceding paragraph, the solicitors shall disclose the solicitation documents, and the listed company shall cooperate. In the case of solicitation of voting rights of shareholders, shareholders whose voting rights are solicited shall be made full disclosure of information such as voting intent. Solicitation of voting rights of shareholders in the form of compensation or disguised compensation is prohibited. In addition to the statutory conditions, the Company shall not set restriction on minimum shareholding percentage for solicitation of voting rights.	In soliciting shareholders' rights in accordance with the provisions in the preceding paragraph, the solicitors shall disclose the solicitation documents, and the listed company shall cooperate. In the case of solicitation of voting rights of shareholders, shareholders whose voting rights are solicited shall be made full disclosure of information such as voting intent. Solicitation of voting rights of shareholders in the form of compensation or disguised compensation is prohibited. In addition to the statutory conditions, the Company and the convenor of the shareholder's meeting shall not set restriction on minimum shareholding percentage for solicitation of voting rights. <u>The shareholders referred to in the first paragraph of this Article include those who appoint a proxy or proxies to attend the shareholders' meeting.</u>	
57	<p>Article 110 Resolutions made at a shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions of the shareholders' general meeting shall be passed by more than half of the voting rights represented by shareholders (including their proxies) present at the meeting.</p> <p>Special resolutions of the shareholder's general meeting shall be passed by more than two thirds of the voting rights represented by shareholders (including their proxies) present at the meeting.</p>	<p>Article 110—114 Resolutions made at a shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions of the shareholders' general meeting shall be passed by more than half of the voting rights represented by shareholders (including their proxies) present at the meeting.</p> <p>Special resolutions of the shareholder's general meeting shall be passed by more than two thirds of the voting rights represented by shareholders (including their proxies) present at the meeting.</p>	Amended in accordance with Article 80 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
58	<p>Article 111 Voting at a shareholders' general meeting shall adopt the form of open ballot.</p> <p>In accordance with applicable laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, any shareholder must abstain from voting on any specified resolution or restricting any shareholder from voting only on or against the specified resolution; if there is any violation of this provision or the restrictions, the votes made by this shareholder or its representatives will not be counted in the voting results.</p> <p>Unless the following persons require voting by voting before or after the show of hands, and the general meeting of shareholders shall vote by raising their hands, except as otherwise stipulated by laws and regulations, the securities regulatory agency or the stock exchange where the company's shares are listed:</p> <p>(1) the Chairman of the meeting;</p> <p>(2) at least two shareholders or their proxies entitled to vote thereat;</p> <p>(3) one or several shareholders (including proxies), individually or jointly, holding 10% or more of the shares of the Company with voting rights at the meeting.</p> <p>Unless somebody proposes voting by ballot, the Chairman of the meeting shall declare whether the proposal has been adopted in accordance with the results of the vote by showing of hand and shall record the same in the minutes of the meeting, which shall serve as final evidence without having to state the number or proportion of the votes for or against resolution adopted at the meeting.</p> <p>The demand for voting by ballot may be withdrawn by the person who made it.</p>	<p>Article 111–115 Voting at a shareholders' general meeting shall adopt the form of open ballot.</p> <p>In accordance with applicable laws and regulations and the listing rules of the stock exchange on which place where the Company's shares securities are listed, any shareholder must abstain from voting on any specified resolution or restricting any shareholder from voting only on or against the specified resolution; if there is any violation of this provision or the restrictions, the votes made by this shareholder or its representatives will not be counted in the voting results.</p> <p><u>Subject to the provisions of the laws and regulations of the place where the Company's shares are listed, the shareholders' meeting may vote on motions relating to procedural or administrative matters by a show of hands.</u></p> <p>Unless the following persons require voting by voting before or after the show of hands, and the general meeting of shareholders shall vote by raising their hands, except as otherwise stipulated by laws and regulations, the securities regulatory agency or the stock exchange where the company's shares are listed:</p> <p>(1) the Chairman of the meeting;</p> <p>(2) at least two shareholders or their proxies entitled to vote thereat;</p> <p>(3) one or several shareholders (including proxies), individually or jointly, holding 10% or more of the shares of the Company with voting rights at the meeting.</p> <p>Unless somebody proposes voting by ballot, the Chairman of the meeting shall declare whether the proposal has been adopted in accordance with the results of the vote by showing of hand and shall record the same in the minutes of the meeting, which shall serve as final evidence without having to state the number or proportion of the votes for or against resolution adopted at the meeting.</p> <p>The demand for voting by ballot may be withdrawn by the person who made it.</p>	<p>Improved the accuracy of expression in accordance with the Hong Kong Listing Rules</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
59	<p>Article 115 The following proposals shall be resolved by an ordinary resolution at a shareholders' general meeting:</p> <p>(1) work reports of the Board of Directors and the Board of Supervisors;</p> <p>(2) profit distribution plan and plan for covering losses formulated by the board of directors;</p> <p>(3) the appointment and dismissal of members of the Board of Directors and the Board of Supervisors, and their remuneration and the method of payment thereof;</p> <p>(4) the annual budget and final accounts, balance sheet, profit statement and other financial statements of the Company;</p> <p>(5) the Company's annual report;</p> <p>(6) all other proposals not resolved by special resolutions as provided for in laws, administrative regulations, listing rules of the place where the Company's shares are listed or the Articles of Association.</p>	<p>Article 115-119 The following proposals shall be resolved by an ordinary resolution at a shareholders' general meeting:</p> <p>(1) work reports of the Board of Directors and the Board of Supervisors;</p> <p>(2) profit distribution plan and plan for covering losses formulated by the board of directors;</p> <p>(3) the appointment and dismissal of members of the Board of Directors and the Board of Supervisors, and their remuneration and the method of payment thereof;</p> <p>(4) the annual budget and final accounts, balance sheet, profit statement and other financial statements of the Company;</p> <p>(5) the Company's annual report;</p> <p>(6) all other proposals not resolved by special resolutions as provided for in laws, administrative regulations, listing rules of the place where the Company's shares are listed or the Articles of Association.</p>	<p>Amended in accordance with Article 81 of the Guidelines on Articles of Association of Listed Companies and Rule 13.46(2) of the Hong Kong Listing Rules</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
60	<p>Article 116 The following proposals shall be resolved by a special resolution at a shareholders' general meeting:</p> <p>(1) increase or reduction in the registered share capital of the Company, and issuance of any class of shares, warrants or other similar securities;</p> <p>(2) issuance of corporate bonds;</p> <p>(3) division, spin-off, merger, dissolution and liquidation of the Company;</p> <p>(4) amendment to the Articles of Association;</p> <p>(5) the amount of purchase or disposal of material assets or providing guarantee in one year exceeds 30% of the latest audited total assets of the Company;</p> <p>(6) equity incentive plans and employee stock ownership plan;</p> <p>(7) adjustment and amendment of profit distribution policy stipulated in the Articles of Association;</p> <p>(8) authorization to the Board of Directors by the shareholders' general meeting to issue shares;</p> <p>(9) any other matters to be approved by a special resolution as required by the laws, administrative regulations, listing rules of the place where the Company's shares are listed and other regulatory provisions or the Articles of Association, or considered to have a substantial impact on the Company and to require approval by a special resolution by the shareholders' general meeting in an ordinary resolution.</p>	<p>Article 116 The following proposals shall be resolved by a special resolution at a shareholders' general meeting:</p> <p>(1) increase or reduction in the registered share capital of the Company, and issuance of any class of shares, warrants or other similar securities;</p> <p>(2) issuance of corporate bonds;</p> <p>(3) division, spin-off, merger, dissolution and liquidation of the Company;</p> <p>(4) amendment to the Articles of Association;</p> <p>(5) the amount of purchase or disposal of material assets or providing guarantee in one year exceeds 30% of the latest audited total assets of the Company;</p> <p>(6) equity incentive plans and employee stock ownership plan;</p> <p>(7) adjustment and amendment of profit distribution policy stipulated in the Articles of Association;</p> <p>(8) authorization to the Board of Directors by the shareholders' general meeting to issue shares;</p> <p>(9) any other matters to be approved by a special resolution as required by the laws, administrative regulations, listing rules of the place where the Company's shares are listed and other regulatory provisions or the Articles of Association, or considered to have a substantial impact on the Company and to require approval by a special resolution by the shareholders' general meeting in an ordinary resolution.</p>	Amended in accordance with Article 82 of the Guidelines for the Articles of Association of Listed Companies
61	<p>Article 119 Except for special circumstances where the Company is in a crisis, unless approved by a special resolution passed at a shareholders' general meeting, the Company shall not enter into a contract with a person other than a director, a supervisor, the president or any other senior management under which such person will take charge of the management of the Company's all or significant business.</p>	<p>Article 119 Except for special circumstances where the Company is in a crisis, unless approved by a special resolution passed at a shareholders' general meeting, the Company shall not enter into a contract with a person other than a director, a supervisor, the president or any other senior management under which such person will take charge of the management of the Company's all or significant business.</p>	Amended in accordance with Article 85 of the Guidelines for the Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
62	<p>Article 120 The list of candidates for directors and supervisors shall be presented in the form of a proposal at a shareholders' general meeting for voting. When a shareholders' general meeting votes on the election of directors and supervisors, the cumulative voting method may be implemented pursuant to the provisions of the Articles of Association or the resolution of a shareholders' general 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' general meeting elects directors or supervisors, each share shall have the same number of voting rights as the number of directors or supervisors 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 and supervisors to the shareholders prior to the opening of the general meeting.</p> <p>The methods and procedures of nominating directors and supervisors 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' general 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 3% 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' general 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>Article 124 The list of candidates for directors and supervisors shall be presented in the form of a proposal at a shareholders' general meeting for voting. When a shareholders' general meeting votes on the election of directors and supervisors, the cumulative voting method may be implemented pursuant to the provisions of the Articles of Association or the resolution of a shareholders' general 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' general meeting elects directors or supervisors, each share shall have the same number of voting rights as the number of directors or supervisors 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 and supervisors to the shareholders prior to the opening of the general shareholders' meeting.</p> <p>The methods and procedures of nominating directors and supervisors 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' general 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 3<u>1</u>% 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' general 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>	Adjusted in accordance with changes of the Company's governance structure and deleted contents related to "Board of Supervisors"

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>Upon the expiration of the term of office of the Board of Supervisors or in need of replacement of supervisors due to vacancies within the Board of Supervisors, the Board of Supervisors may nominate candidates with voting of a half or more of the Board of Supervisors and submit the candidate list, curriculum vitae and basic information in the form of a proposal to the shareholders' general meeting for deliberation and election.</p>	<p>Upon the expiration of the term of office of the Board of Supervisors or in need of replacement of supervisors due to vacancies within the Board of Supervisors, the Board of Supervisors may nominate candidates with voting of a half or more of the Board of Supervisors and submit the candidate list, curriculum vitae and basic information in the form of a proposal to the shareholders' general meeting for deliberation and election.</p>	
	<p>Upon the expiration of the term of office of the Board of Supervisors or in need of replacement of supervisors due to vacancies within the Board of Supervisors, the shareholders, individually or jointly, holding 3% or more of the total number of the outstanding shares with voting rights of the Company may recommend candidates for supervisors to the Board of Supervisors in writing. Upon the Board of Supervisors' review and examination, if the candidates comply with the provisions by law and the Articles of Association, the Board of Supervisors shall submit the candidate list, curriculum vitae and basic information in the form of a proposal to the shareholders' general meeting for deliberation and election.</p>	<p>Upon the expiration of the term of office of the Board of Supervisors or in need of replacement of supervisors due to vacancies within the Board of Supervisors, the shareholders, individually or jointly, holding 3% or more of the total number of the outstanding shares with voting rights of the Company may recommend candidates for supervisors to the Board of Supervisors in writing. Upon the Board of Supervisors' review and examination, if the candidates comply with the provisions by law and the Articles of Association, the Board of Supervisors shall submit the candidate list, curriculum vitae and basic information in the form of a proposal to the shareholders' general meeting for deliberation and election.</p>	
	<p>Upon the expiration of the term of office of the Board of Supervisors or in need of replacement of supervisors due to vacancies within the Board of Supervisors, supervisors previously held by the representative of the Company's staff shall still be replaced or by-elected through democratic election among the Company's staff and workers.</p>	<p>Upon the expiration of the term of office of the Board of Supervisors or in need of replacement of supervisors due to vacancies within the Board of Supervisors, supervisors previously held by the representative of the Company's staff shall still be replaced or by-elected through democratic election among the Company's staff and workers.</p>	
63	<p>Article 122 When the shareholders' general meeting deliberates on a proposal, it shall not amend the proposal. Otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted at the shareholders' general meeting this time.</p>	<p>Article 122–126 When the shareholders' general meeting deliberates on a proposal, it shall not amend the proposal. Otherwise, The relevant amendment, if <u>any</u>, shall be deemed as a new proposal and shall not be voted at the shareholders' general meeting this time.</p>	<p>Amended in accordance with Article 88 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
64	<p>Article 124 Prior to voting on a proposal, a shareholders' general meeting shall nominate two shareholder's representatives to participate in counting of votes and scrutinization of ballot. Where a shareholder is related in the matter being deliberated on, he/she/it and his/her/its proxy shall neither count the votes nor act as the scrutineer.</p> <p>When a shareholders' general meeting votes on a proposal, the lawyer, the shareholder's representatives and the supervisor's representatives shall be jointly responsible for the counting of votes and scrutinization of ballot; the voting results shall be announced on the spot and the voting results for proposals shall be recorded in the minutes.</p> <p>The shareholders of the listed company or their proxies voting online or via any other method shall have the right to check their voting results through the corresponding voting system.</p>	<p>Article 124-128 Prior to voting on a proposal, a shareholders' general meeting shall nominate two shareholder's representatives to participate in counting of votes and scrutinization of ballot. Where a shareholder is related in the matter being deliberated on, he/she/it and his/her/its proxy shall neither count the votes nor act as the scrutineer.</p> <p>When a shareholders' general meeting votes on a proposal, the lawyer, the shareholder's representatives and the supervisor's representatives shall be jointly responsible for the counting of votes and scrutinization of ballot; the voting results shall be announced on the spot and the voting results for proposals shall be recorded in the minutes.</p> <p>The shareholders of the listed Company or their proxies voting online or via any other method shall have the right to check their voting results through the corresponding voting system.</p>	<p>The Company no longer maintains the Board of Supervisors, and improved the accuracy of expression</p>
65	<p>Article 125 An on-site shareholders' general meeting shall not end earlier than that conducted online or via any other method; the Chairman of the meeting shall announce the voting status and result for each proposal on site and announce in accordance with the voting result whether the proposal is passed.</p> <p>Prior to official announcement of the voting results, the relevant parties involved in the on-site shareholders' general meeting, online and any other voting methods, such as the listed company, the counting agent(s), the scrutineer(s), substantial shareholders and internet service provider, shall be obliged to keep confidentiality of the voting results.</p>	<p>Article 125-129 An on-site shareholders' general meeting shall not end earlier than that conducted online or via any other method; the Chairman of the meeting shall announce the voting status and result for each proposal on site and announce in accordance with the voting result whether the proposal is passed.</p> <p>Prior to official announcement of the voting results, the relevant parties involved in the on-site shareholders' general meeting, online and any other voting methods, such as the listed company, the counting agent(s), the scrutineer(s), substantial shareholders and internet service provider, shall be obliged to keep confidentiality of the voting results.</p>	<p>Amended in accordance with Article 92 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
66	<p>Article 126 Shareholders present at a shareholders' general meeting shall give one of the following opinions for a proposal subject to voting: consent, objection or abstention of voting. The securities registration and clearing organization shall be the nominal holder of shares on the Shanghai-Hong Kong Stock Connect, except where declaration is made in accordance with the actual intent of such shareholder.</p> <p>Votes which are left blank, wrongly written, unable to identify or failed to vote will be deemed as waiver of voting rights by the voter and the voting results for his/her/its shares shall be deemed as "abstain".</p>	<p>Article 126—130 Shareholders present at a shareholders' general meeting shall give one of the following opinions for a proposal subject to voting: consent, objection or abstention of voting. The securities registration and clearing organization shall be the nominal holder of shares on the Shanghai-Hong Kong Stock Connect, except where declaration is made in accordance with the actual intent of such shareholder.</p> <p>Votes which are left blank, wrongly written, unable to identify or failed to vote will be deemed as waiver of voting rights by the voter and the voting results for his/her/its shares shall be deemed as "abstain".</p> <p><u>The chairman of the meeting may arrange a vote count if there is any doubt about the result of a resolution put to a vote. If the chairman fails to arrange a vote count, the shareholders or their proxies present at the meeting who disagree with the result announced by the chairman shall have the right to request a vote count immediately after the announcement of the result of the vote, and the chairman shall arrange a vote count immediately.</u></p>	Amended in accordance with Article 94 of the Guidelines on Articles of Association of Listed Companies
67	<p>Article 137 The notice of a meeting of class shareholders needs to be delivered only to the shareholders entitled to vote thereat.</p> <p>Except for shareholders of other classes of shares, the shareholders of domestic shares and shareholders of foreign shares shall be deemed as holders of different classes of shares.</p> <p>The special voting procedures for class shareholders shall not apply: where, as approved by way of a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, domestic shares and foreign shares every 12 months, and the number of the domestic shares and foreign shares intended to be issued does not exceed 20% of the issued and outstanding shares of the respective classes.</p>	<p>Article 137—141 The notice of a meeting of class shareholders needs to be delivered only to the shareholders entitled to vote thereat.</p> <p>Except for shareholders of other classes of shares, holders of A shares, H shares and D sharesthe shareholders of domestic shares and shareholders of foreign shares shall be deemed as holders of different classes of shares.</p> <p>The special voting procedures for class shareholders shall not apply: where, as approved by way of a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, domesticA sharesand foreign, H shares and D shares every 12 months, and the number of the domesticA sharesand foreign, H shares and D shares intended to be issued does not exceed 20% of the issued and outstanding shares of the respective classes.</p>	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
68	CHAPTER 6 BOARD OF DIRECTORS Section 1 Directors	CHAPTER 6 <u>DIRECTORS AND BOARD OF DIRECTORS</u> Section 1 <u>General Rules for Directors</u>	Adjustment on expression in accordance with the Guidelines on Articles of Association of Listed Companies
69	Article 139 The directors of the Company shall be natural persons. The following persons shall not serve as the directors of the Company: (1) a person without civil capacity or a person with limited capacity for civil conduct; (2) a person who was convicted for criminal offence for corruption, bribery, encroachment of property, misappropriation of assets or disruption of the order of socialist market economy and a 5-year period has not elapsed since completion of execution of the judgment, or who has been stripped of his/her political rights as result of committing a criminal offence and a 5-year period has not elapsed since completion of execution of the judgment, or who has been sentenced to probation and a 2-year period has not elapsed since the date of expiration of the probation period; (3) a person has been adjudicated for violating provisions of relevant securities regulations by a competent organization, and has been involved in a fraudulent or dishonest conduct, and less than five years have elapsed since the date of the adjudication; (4) a person who was a director or the plant president or manager of a bankrupt and liquidated company or enterprise and who was personally accountable for the bankruptcy of the said company or enterprise, and a 3-year period has not elapsed since completion of bankruptcy liquidation of the said company or enterprise; (5) a person who was the legal representative of a company or an enterprise whose business license was revoked or which was ordered to be closed down due to violation of law, and who was personally accountable for the revocation of business license or closure of the company or enterprise, and a 3-year period has not elapsed since revocation of business license of the said company or enterprise; (6) a person who has a relatively large amount of due and outstanding debt, who is listed as a dishonest person by the people's court;	Article 139<u>143</u> The directors of the Company shall be natural persons. The following persons shall not serve as the directors of the Company: (1) a person without civil capacity or a person with limited capacity for civil conduct; (2) a person who was convicted for criminal offence for corruption, bribery, encroachment of property, misappropriation of assets or disruption of the order of socialist market economy and a 5-year period has not elapsed since completion of execution of the judgment , or who has been stripped of his/her political rights as result of committing a criminal offence, <u>and for each case a 5-year period has not elapsed since completion of execution of the judgment, or, in the case of those who has been sentenced to probation, and a 2-year period has not elapsed since the date of expiration of the probation period;</u> (3) a person has been adjudicated for violating provisions of relevant securities regulations by a competent organization, and has been involved in a fraudulent or dishonest conduct, and less than five years have elapsed since the date of the adjudication; (4) a person who was a director or the plant president or manager of a bankrupt and liquidated company or enterprise and who was personally accountable for the bankruptcy of the said company or enterprise, and a 3-year period has not elapsed since completion of bankruptcy liquidation of the said company or enterprise; (5) a person who was the legal representative of a company or an enterprise whose business license was revoked or which was ordered to be closed down due to violation of law, and who was personally accountable for the revocation of business license or closure of the company or enterprise, and a 3-year period has not elapsed <u>since the revocation of the business license of, or the order to close down,</u> the said company or enterprise; (6) a person who has a relatively large amount of due and outstanding debt, who is listed as a dishonest person by the people's court;	Amended in accordance with Article 99 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>(7) a person who has been prohibited by the CSRC from serving as a director, supervisor or senior management of listed companies in the market and the ban period has not expired;</p> <p>(8) he/she has been publicly identified by the stock exchange as not suitable to serve as a director of a listed company, the term of which has not expired;</p> <p>(9) any other person stipulated by laws, administrative regulations or departmental rules.</p> <p>In the case of the election or appointment of directors which violates the provisions of this article, the election or appointment shall be null and void. Where a director falls under the circumstances referred to in the Articles of Association during his/her/its tenure, the Company shall terminate his/her/its appointment. Where a director shall be removed from office but has not yet been removed, and if he/she attends and votes at a Board meeting, the vote he/she casts shall be invalid.</p>	<p>(7) a person who has been prohibited by the CSRC from serving as a director, supervisor or senior management of listed companies <u>participating in the security market</u> and the ban period has not expired;</p> <p>(8) he/she has been publicly identified by the stock exchange as not suitable to serve as a director and <u>senior management</u> of a listed company, the term of which has not expired;</p> <p>(9) any other person stipulated by laws, administrative regulations or departmental rules.</p> <p>In the case of the election or appointment of directors which violates the provisions of this article, the election or appointment shall be null and void. Where a director falls under the circumstances referred to in the Articles of Association during his/her/its tenure, the Company shall terminate his/her/its appointment and suspend his/her/its duties. Where a director <u>shall be removed from office</u> but has not yet been removed, and if he/she attends and votes at a Board meeting, the vote he/she casts shall be invalid.</p>	

No.	Original provisions	Amended provisions	Basis or reason of amendment
70	<p>Article 140 Directors shall be elected or replaced at a shareholders' general meeting and the tenure shall be 3 years. Upon expiry of tenure of a director, the director may be reelected.</p> <p>Prior to expiry of tenure of a director, a shareholders' general meeting shall not remove the director without a reason. The Chairman of the Board of Directors and the vice Chairman of the board shall be elected and removed by more than half of all the directors. The Chairman of the board and the vice Chairman of the board shall serve a term of 3 years and may serve consecutive terms if reelected upon the expiration of their terms. Subject to compliance with the relevant provisions of laws and administrative regulations, the shareholders' general meetings may remove any director whose tenure has not expired by ordinary resolutions (without prejudice to any claim which might be put forward in accordance with any contract).</p> <p>The independent directors have the same tenure as other directors, provided that the consecutive reappointment of the independent directors shall not exceed six years.</p> <p>The tenure of a director shall be from the date of appointment to the expiry of tenure of the current Board of Directors. Where re-election is not promptly carried out upon expiry of the tenure of a director, prior to appointment of a new director, the original director shall continue to carry out director duties pursuant to the provisions of laws, administrative regulations, departmental rules and the Articles of Association.</p>	<p>Article 140–144 Directors shall be elected or replaced at a shareholders' general meeting and the tenure shall be 3 years. Upon expiry of tenure of a director, the director may be reelected.</p> <p>Prior to expiry of tenure of a director, a shareholders' general meeting shall not remove the director without a reason. The Chairman of the Board of Directors and the vice Chairman of the board shall be elected and removed by more than half of all the directors. The Chairman of the board and the vice Chairman of the board shall serve a term of 3 years and may serve consecutive terms if reelected upon the expiration of their terms. Subject to compliance with the relevant provisions of laws and administrative regulations, the shareholders' general meetings may remove any director whose tenure has not expired by ordinary resolutions (without prejudice to any claim which might be put forward in accordance with any contract).</p> <p>The independent directors have the same tenure as other directors, provided that the consecutive reappointment of the independent directors shall not exceed six years.</p> <p>The tenure of a director shall be from the date of appointment to the expiry of tenure of the current Board of Directors. Where re-election is not promptly carried out upon expiry of the tenure of a director, prior to appointment of a new director, the original director shall continue to carry out director duties pursuant to the provisions of laws, administrative regulations, departmental rules and the Articles of Association.</p>	Amended in accordance with Article 101 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
	The president or any other senior management may hold the position of director concurrently, however, the total number of directors who hold the position of president or any other senior management position concurrently and directors who are employee representatives shall not exceed half of the total number of directors of the Company.	The president or any other senior management may hold the position of director concurrently, however, the total number of directors who hold the position of president or any other senior management position concurrently and directors who are employee representatives shall not exceed half of the total number of directors of the Company.	
	Directors shall comply with laws, administrative regulations, listing rules of the place where the Company's shares are listed and the Articles of Association and undertake the following fiduciary obligations towards the Company:	Directors shall comply with <u>the provisions of the laws, administrative regulations, listing rules of the place where the Company's shares are listed and the Articles of Association</u> and , <u>undertake fiduciary obligations towards the Company, and take measures to avoid conflicts between their own interests and those of the Company, and shall not use their positions to gain undue benefits.</u>	
	(1) not to make use of official powers to accept bribes or other illegal income or to encroach upon the Company's assets;	<u>The directors shall undertake the following fiduciary obligations towards the Company:</u>	
	(2) not to misappropriate the funds of the Company;	(1) not to make use of official powers to accept bribes or other illegal income or to encroach upon the Company's assets;	
	(3) not to deposit the assets or funds of the Company into an account opened in his/her own name or the name of another individual;	(2) not to misappropriate the funds of the Company;	
	(4) not to violate the provisions of the Articles of Association in using the Company's funds to provide a loan or using the Company's assets to provide guarantee to others without the consent of a shareholders' general meeting or the Board of Directors;	(3) not to deposit the assets or funds of the Company into an account opened in his/her own name or the name of another individual;	
	(5) not to enter into a contract or transaction with the Company which violates the provisions of the Articles of Association or without the consent of a shareholders' general meeting;	(4) not to violate the provisions of the Articles of Association in using the Company's funds to provide a loan or using the Company's assets to provide guarantee to others without the consent of a shareholders' general meeting or the Board of Directors;	
	(6) not to make use of official powers to seek business opportunities which rightfully belong to the Company for himself/herself or others without the consent of a shareholders' general meeting, or to engage in the same type of businesses as the Company on his/her own or for others;	(5) not to enter into <u>any</u> contract or transaction with the Company, <u>either directly or indirectly, without reporting to the Board of Directors or a shareholders' meeting and, pursuant to which</u> violates <u>the provisions of the Articles of Association, approved by a resolution of the Board of Directors or</u> without the consent of a shareholders' general meeting;	
	(7) not to pocket commissions of transactions with the Company;	(6) not to make use of official powers to seek business opportunities which rightfully belong to the Company for himself/herself or others, <u>except for those which have been reported to the Board of Directors or a shareholders' meeting and approved by a resolution of a Board meeting or a shareholders general meeting, or for those business opportunities that the Company is prohibited from engaging in pursuant to the provisions of the laws, administrative regulations and the Articles of Association;</u> without the consent of a shareholders' general meeting, or	
	(8) not to disclose the secrets of the Company without authorization;		
	(9) not to make use of their relationships to compromise the interests of the Company;		

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(10) any other diligent obligations stipulated by laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association.	(7) not to engage in the same type of businesses as the Company, either for on his/her own benefit or for the benefit of others, without reporting to the Board of Directors or a shareholders' meeting and approved by a resolution of the shareholders' meeting;	
	Income derived by a director from violation of the provisions of this article shall belong to the Company; where the Company suffer losses thereto, the director shall be liable for compensation.	(87) not to pocket commissions of from transactions <u>between others and</u> with the Company;	
		(98) not to disclose the secrets of the Company without authorization;	
		(109) not to make use of their relationships to compromise the interests of the Company;	
		(110) any other diligent obligations stipulated by laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association.	
		Income derived by a director from violation of the provisions of this article shall belong to the Company; where the Company suffer losses thereto, the director shall be liable for compensation.	
71	Article 141 Directors shall comply with laws, administrative regulations, listing rules of the place where the Company's shares are listed and the Articles of Association and shall undertake the following diligent obligations towards the Company:	Article 141-145 Directors shall comply with the provisions of the laws, administrative regulations, listing rules of the place where the Company's shares are listed and the Articles of Association, and shall undertake the following diligent obligations towards the Company, and act in the best interests of the Company and exercise <u>reasonable care normally expected of a manager when performing their duties.</u>	Amended in accordance with Article 102 of the Guidelines on Articles of Association of Listed Companies; as the Company no longer maintains the Board of Supervisor, the relevant references are changed to Audit Committee
	(1) exercising the rights accorded by the Company prudently, seriously and diligently to ensure that the commercial activities of the Company comply with laws and administrative regulations of the State and the requirements of various economic policies of the State and the commercial activities shall not exceed the scope of business stipulated in the business license;	<u>The directors shall undertake the following diligent obligations towards the Company:</u>	
	(2) treating all shareholders equally;	(1) exercising the rights accorded by the Company prudently, seriously and diligently to ensure that the commercial activities of the Company comply with laws and administrative regulations of the State and the requirements of various economic policies of the State and the commercial activities shall not exceed the scope of business stipulated in the business license;	
	(3) getting a timely grasp of the status of the Company's business operation and management;	(2) treating all shareholders equally;	
		(3) getting a timely grasp of the status of the Company's business operation and management;	

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(4) a written confirmation of the company's securities issuance documents and periodic reports should be signed. It should ensure that the company discloses information in a timely and fair manner, and the information disclosed is true, accurate and complete. If the directors cannot guarantee the authenticity, accuracy, completeness or have disagreement on the securities issuance documents and periodic reports, they shall express their opinions and state the reasons in the written confirmation opinions, and the company shall disclose them. If the company does not disclose, the directors can directly apply for disclosure;	(4) a written confirmation of the company's securities issuance documents and periodic reports should be signed. It should ensure that the company discloses information in a timely and fair manner, and the information disclosed is true, accurate and complete. If the directors cannot guarantee the authenticity, accuracy, completeness or have disagreement on the securities issuance documents and periodic reports, they shall express their opinions and state the reasons in the written confirmation opinions, and the company shall disclose them. If the company does not disclose, the directors can directly apply for disclosure;	
	(5) providing the relevant information and materials to the Board of Supervisors truthfully and not hindering the exercise of official powers by the Board of Supervisors or the supervisors;	(5) providing the relevant information and materials to the Board of Supervisors <u>Audit Committee</u> truthfully and not hindering the exercise of official powers by the <u>Audit Committee</u> Board of Supervisors or the supervisors ;	
	(6) any other diligent obligations stipulated by laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association.	(6) any other diligent obligations stipulated by laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association.	
	Unless the interested director has disclosed to the board in accordance with requirements of the aforesaid provision of the article and that the board has approved the matter at a meeting of which such director was not taken into the quorum and had abstained from voting, the Company shall have the right to cancel such contract, transaction or arrangement, unless the counterparty is a bona fide third party.	Unless the interested director has disclosed to the board in accordance with requirements of the aforesaid provision of the article and that the board has approved the matter at a meeting of which such director was not taken into the quorum and had abstained from voting, the Company shall have the right to cancel such contract, transaction or arrangement, unless the counterparty is a bona fide third party.	
	When the Board of Directors deliberates on a particular related party transaction, the interested director or related director shall abstain from voting on any resolution of the board's meeting and shall not be counted into the quorum thereof, while he/she shall be included in the number of directors attending the meeting.	When the Board of Directors deliberates on a particular related party transaction, the interested director or related director shall abstain from voting on any resolution of the board's meeting and shall not be counted into the quorum thereof, while he/she shall be included in the number of directors attending the meeting.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
72	<p>Article 145 A director may resign prior to expiry of his/her tenure. A resigning director shall submit a written resignation report to the Board of Directors. The Board of Directors shall disclose the relevant information within 2 days.</p> <p>Where the resignation of a director will render the number of directors to fall below the minimum quorum, the original director shall continue to perform his/her duties as director pursuant to the provisions of laws, administrative regulations, departmental rules and the Articles of Association prior to appointment of his/her replacement.</p> <p>Apart from the circumstances set out in the preceding paragraph, the resignation of the director shall take effect upon the receipt of the resignation report by the Board of Directors.</p>	<p>Article 145–149 A director may resign prior to expiry of his/her tenure. A resigning director shall submit a written resignation report to the Board of Directors <u>Company</u>, and the resignation shall become effective on the date the Company receives the resignation report. The Board of Directors <u>Company</u> shall disclose the relevant information within 2 trading days.</p> <p>Where the resignation of a director will render the number of directors to fall below the minimum quorum, the original director shall continue to perform his/her duties as director pursuant to the provisions of laws, administrative regulations, departmental rules and the Articles of Association prior to appointment of his/her replacement.</p> <p>Apart from the circumstances set out in the preceding paragraph, the resignation of the director shall take effect upon the receipt of the resignation report by the Board of Directors.</p>	Amended in accordance with Article 104 of the Guidelines on Articles of Association of Listed Companies
73	<p>Article 154 Where a director violates the provisions of laws, administrative regulations, departmental rules or the Articles of Association in the exercise of director duties and causes the Company to suffer losses, he/she shall be liable for compensation.</p>	<p>Article 154–158 The Company shall be liable for any damage caused to others by its directors in the course of performing duties for the Company, and the directors shall be personally liable for any damage caused by their willful actions or gross negligence.</p> <p>Where a director violates the provisions of laws, administrative regulations, departmental rules or the Articles of Association in the exercise of director duties and causes the Company to suffer losses, he/she shall be liable for compensation.</p>	Amended in accordance with Article 108 of the Guidelines on Articles of Association of Listed Companies
74	<p>Article 155 Independent directors shall comply with the relevant provisions of laws, administrative regulations, and the CSRC and the stock exchange(s) of the place where the shares of the Company are listed.</p>	Deleted	Adjustments have been made to reflect the relevant content in the Independent Directors section.
75	<p>Article 156 The provisions about the directors' obligations in the Articles of Association are applied to the supervisors, presidents, and other senior management of the Company.</p>	<p>Article 156159 The provisions about the directors' obligations in the Articles of Association are applied to the supervisors, presidents, and other senior management of the Company.</p>	

No.	Original provisions	Amended provisions	Basis or reason of amendment
76	<p>Article 159 An independent director has a fiduciary and diligent obligation toward the Company and all its shareholders. An independent director shall, pursuant to the requirements of the relevant laws and regulations and the Articles of Association, conscientiously perform his/her duties and responsibilities, safeguard the Company's overall interests and, in particular, pay attention to that the lawful rights and interests of small and medium shareholders are not prejudiced. An independent director shall perform his/her duties and responsibilities independently, without the interference of the substantial shareholders or the actual controller of the Company or other entities or individuals that have a material interest in the Company.</p>	<p>Article 159–162 An independent director has a fiduciary and diligent obligation toward the Company and all its shareholders. An independent director shall, pursuant to the requirements of the relevant laws and regulations, <u>the securities regulatory authorities and stock exchanges of the place where the Company's shares are listed</u>, and the Articles of Association, conscientiously perform his/her duties and responsibilities, <u>participate in the decision-making process, supervision and checks and balances of and take on professional advisory roles on the Board of Directors</u>, safeguard the Company's overall interests and, in particular, pay attention to that the lawful rights and interests of small and medium shareholders are not prejudiced. An independent director shall perform his/her duties and responsibilities independently, without the interference of the substantial shareholders or the actual controller of the Company or other entities or individuals that have a material interest in the Company.</p>	Amended in accordance with Article 126 of the Guidelines on Articles of Association of Listed Companies
77	<p>Article 161 A person holding the position of independent director shall satisfy the basic conditions set forth below:</p> <p>(1) provisions of the Company Law on the qualifications of directors;</p> <p>(2) relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies issued by the CSRC;</p> <p>(3) provisions of other laws, administrative regulations, departmental rules and listing rules of the place where the Company's shares are listed.</p> <p>The independent directors shall have no related-party relationship, conflict of interests with the Company or any other circumstance which may hinder their independent and objective judgment.</p>	<p>Article 161160 A person holding the position of independent director shall satisfy the basic conditions set forth below:</p> <p>(1) provisions of the Company Law on the qualifications of directors;</p> <p>(2) relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies issued by the CSRC;</p> <p>(3) <u>other conditions</u>provisions of other laws, administrative regulations, departmental rules and listing rules of the place where the Company's shares are listed <u>and these Articles of Association</u>.</p> <p>The independent directors shall have no related-party relationship, conflict of interests with the Company or any other circumstance which may hinder their independent and objective judgment.</p>	Amended in accordance with Article 128 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
78	<p>Article 162 The independent director shall have the independence required by the securities regulatory authority and the stock exchange where the Company's shares are listed.</p> <p>The following persons may not hold the position of independent director:</p> <p>(1) persons holding a position in the Company or a subsidiary thereof and their spouse, parents, children and major social relations (the term "major social relations" means siblings, spouses of siblings, parents-in-law, siblings of spouse, spouses of children, parents-in-law of children, etc.);</p> <p>(2) natural person shareholders who directly or indirectly hold 1% or more of the issued shares of the Company or who rank in the top ten shareholders of the Company and their spouse, parents and children;</p> <p>(3) persons who hold positions in the shareholder that directly or indirectly hold 5% or more of the issued shares of the Company or that rank in the top five shareholders of the Company and their spouse, parents and children;</p> <p>(4) persons who are currently, or have been an officer of the controlling shareholder or the actual controller of the Company and its subsidiaries within two years prior to the date of their proposed appointment as independent directors, as well as their spouses, parents and children;</p>	<p>Article 162-165 The independent director shall have the independence required by the securities regulatory authority and the stock exchange where the Company's shares are listed.</p> <p>The following persons may not hold the position of independent director:</p> <p>(1) persons holding a position in the Company or a subsidiary thereof and their spouse, parents, children and major social relations (the term "major social relations" means siblings, spouses of siblings, parents-in-law, siblings of spouse, spouses of children, parents-in-law of children, etc.);</p> <p>(2) natural person shareholders who directly or indirectly hold 1% or more of the issued shares of the Company or who rank in the top ten shareholders of the Company and their spouse, parents and children;</p> <p>(3) persons who hold positions in the shareholder that directly or indirectly hold 5% or more of the issued shares of the Company or that rank in the top five shareholders of the Company and their spouse, parents and children;</p> <p>(4) persons who are currently, or have been an officer of the controlling shareholder or the actual controller of the Company and its subsidiaries within two years prior to the date of their proposed appointment as independent directors, as well as their spouses, parents and children;</p>	<p>Amended in accordance with Article 127 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(5) persons who have significant business dealings with the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, or who are serving in such entities with significant business dealings and their controlling shareholders or de facto controllers;	(5) persons who have significant business dealings with the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, or who are serving in such entities with significant business dealings and their controlling shareholders or de facto controllers;	
	(6) persons who are currently, or have been an officer within two years prior to the date of their proposed appointment as independent directors, providing financial, legal, consulting and sponsorship services to the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, including, but not limited to, all the members of the project team, reviewing staff at all levels, staff who sign the report, partners, directors, senior management and key persons in charge of the intermediary institution providing the services;	(6) persons who are currently, or have been an officer within two years prior to the date of their proposed appointment as independent directors, providing financial, legal, consulting and sponsorship services to the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, including, but not limited to, all the members of the project team, reviewing staff at all levels, staff who sign the report, partners, directors, senior management and key persons in charge of the intermediary institution providing the services;	
	(7) persons who, within the last 12 months, have fallen into one of the classes listed in (1) to (3) and (5);	(7) persons who, within the last 12 months, have fallen into one of the classes listed in (1) to (3) and (5);	
	(8) other persons determined by the securities regulators and stock exchanges of the place where the company's shares are to be listed.	(8) other persons who lack independence as determined by <u>the laws, administrative regulations, and the securities regulators and stock exchanges of the place where the</u> Ceompany's shares are to be listed.	
		<u>The independent directors shall conduct self-examination of their independence annually and submit the self-examination results to the Board of Directors, which shall evaluate the independence of the incumbent independent directors and issue a special opinion annually, which shall be disclosed at the same time with the annual report.</u>	

No.	Original provisions	Amended provisions	Basis or reason of amendment
79	Newly added	<p><u>Article 168</u> The independent directors, as members of the Board of Directors, shall have fiduciary obligations and diligent obligations towards the Company and all shareholders, and shall prudently perform the following duties:</p> <p>(1) to participate in the decision-making process of the Board of Directors and offer clear opinions on the matters under deliberation;</p> <p>(2) to supervise matters relating to potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management, and to protect the legitimate rights and interests of small and medium shareholders;</p> <p>(3) to provide professional and objective advice on the Company's operations and development, and to help improve the decision-making standards of the Board of Directors;</p> <p>(4) to perform any other duties as required by the laws, administrative regulations, securities regulators of the place where the Company's shares are listed and the Articles of Association.</p>	Amended in accordance with Article 129 of the Guidelines on Articles of Association of Listed Companies
80	<p>Article 165 Rights of an independent director:</p> <p>In order to fully exploit the functions of independent directors, in addition to the functions and powers granted to independent directors under the Company Law and other relevant laws and regulations, the Company shall grant independent directors the following special functions and powers:</p> <p>(1) independently engaging intermediaries to audit, consult or verify specific matters of the Company;</p> <p>(2) proposing to the Board of Directors the convening of an extraordinary general meeting;</p> <p>.....</p>	<p>Article 165169 Rights of an independent director:</p> <p>In order to fully exploit the functions of independent directors, in addition to the functions and powers granted to independent directors under the Company Law and other relevant laws and regulations, the Company shall grant independent directors the following special functions and powers:</p> <p>(1) independently engaging intermediaries to audit, consult or verify specific matters of the Company;</p> <p>(2) proposing to the Board of Directors the convening of an extraordinary <u>general shareholders'</u> meeting;</p> <p>.....</p>	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
81	<p>Article 166 The following matters shall be approved by a majority of all independent directors of the Company and submitted to the Board of Directors for consideration thereafter:</p> <p>(i) disclosable related party transactions;</p> <p>(ii) proposals for changes in or waivers of commitments by the Company and its related parties;</p> <p>(iii) decisions made and measures taken by the board of directors of any acquiree in connection with the acquisition;</p> <p>(iv) other matters prescribed by laws, administrative regulations, securities regulatory authorities and stock exchanges where the Company's securities are listed, and the Articles of Association.</p> <p>The Company shall regularly or irregularly convene a meeting attended by all of its independent directors (hereinafter referred to as the "Special Meeting of Independent Directors"). Matters listed in (i) to (iii) under the first paragraph of Article 165 of the Articles of Association and the preceding paragraph of this Article shall be considered by the Special Meeting of Independent Directors.</p> <p>The Special Meeting of Independent Directors may consider and discuss other matters of the Company as necessary.</p> <p>The Special Meeting of Independent Directors shall be convened and chaired by an independent director jointly nominated by a majority of the independent directors; where the convenor is unable or fails to perform his or her duties, two and more independent directors may convene a meeting on their own initiative and nominate a representative to preside over the meeting. The Company shall provide convenience and support for the convening of any Special Meeting of Independent Directors.</p>	<p>Article 166–170 The following matters shall be approved by a majority of all independent directors of the Company and submitted to the Board of Directors for consideration thereafter:</p> <p>(i) disclosable related party transactions;</p> <p>(ii) proposals for changes in or waivers of commitments by the Company and its related parties;</p> <p>(iii) decisions made and measures taken by the board of directors of any acquiree in connection with the acquisition;</p> <p>(iv) other matters prescribed by laws, administrative regulations, securities regulatory authorities and stock exchanges where the Company's securities shares are listed, and the Articles of Association.</p> <p>The Company shall regularly or irregularly convene a meeting attended by all of its independent directors (hereinafter referred to as the "Special Meeting of Independent Directors"). Matters listed in (i) to (iii) under the first paragraph of Article 165–169 of the Articles of Association and the preceding paragraph of this Article shall be considered by the Special Meeting of Independent Directors.</p> <p>The Special Meeting of Independent Directors may consider and discuss other matters of the Company as necessary.</p> <p>The Special Meeting of Independent Directors shall be convened and chaired by an independent director jointly nominated by a majority of the independent directors; where the convenor is unable or fails to perform his or her duties, two and more independent directors may convene a meeting on their own initiative and nominate a representative to preside over the meeting.</p> <p><u>Minutes of special meetings of independent directors shall be prepared in accordance with the provisions, and the opinions of the independent directors shall be recorded therein. The independent directors shall sign to confirm the minutes.</u></p> <p>The Company shall provide convenience and support for the convening of any Special Meeting of Independent Directors.</p>	Amended in accordance with Article 132 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
82	<p>Article 168 The Company shall establish a Board of Directors which is accountable to the shareholders' general meeting.</p> <p>The Board of Directors shall comprise eight to thirteen directors, of whom three to five shall be independent directors. There shall be one Chairman and one or two deputy chairmen.</p>	<p>Article 168–172 The Company shall establish a Board of Directors which is accountable to the shareholders' general meeting.</p> <p>The Board of Directors shall comprise eight to thirteen directors, of whom three to five shall be independent directors and one shall be employee representative director. There shall be one Chairman and one or two deputy chairmen.</p>	Amended in accordance with the notes to Article 100 of the Guidelines on Articles of Association of Listed Companies
83	<p>Article 169 The Board of Directors shall exercise the following powers and functions:</p> <p>(1) convening the shareholders' general meeting and submitting work reports to the shareholders' general meeting;</p> <p>(2) implementing resolutions of the shareholders' general meeting;</p> <p>(3) determining the Company's operation plans and investment schemes;</p> <p>(4) formulating the Company' annual budgets and final accounts;</p> <p>(5) formulating the Company's profit distribution plan and plan for making up of losses;</p> <p>(6) formulating the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan;</p> <p>(7) formulating the Company's plans for significant acquisition, merger and acquisition, division, splits, dissolution and change of corporate form;</p> <p>(8) determining the matters relating to the repurchase of shares of the Company due to the circumstances specified in item (3), (5) and (6) of Article 28 of the Articles of Association;</p> <p>(9) determining, within the scope of the mandate granted by the shareholders' general meeting, the Company's external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, financial assistance, related party transactions, etc.;</p>	<p>Article 169–173 The Board of Directors shall exercise the following powers and functions:</p> <p>(1) convening the shareholders' general meeting and submitting work reports to the shareholders' general meeting;</p> <p>(2) implementing resolutions of the shareholders' general meeting;</p> <p>(3) determining the Company's operation plans and investment schemes;</p> <p>(4) formulating the Company' annual budgets and final accounts;</p> <p>(5) formulating the Company's profit distribution plan and plan for making up of losses;</p> <p>(6) formulating the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan;</p> <p>(7) formulating the Company's plans for significant acquisition, merger and acquisition, division, splits, dissolution and change of corporate form;</p> <p>(8) determining the matters relating to the repurchase of shares of the Company due to the circumstances specified in item (3), (5) and (6) of Article 28<u>29</u> of the Articles of Association;</p> <p>(9) determining, within the scope of the mandate granted by the shareholders' general meeting, the Company's external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, financial assistance, related party transactions, <u>external donations, etc.</u>;</p>	Amended in accordance with Article 110 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
	(10) determining setting up of the Company's internal management organizations;	(10) determining setting up of the Company's internal management organizations;	
	(11) The appointment or dismissal of the Company's president, the secretary of the Board of Directors and the secretary of the Company; appointment or dismissal of the senior management such as the Company's vice-president or financial responsible person based on nomination by the president, and determining their remunerations and incentives and penalties;	(11) The appointment or dismissal of the Company's president, the secretary of the Board of Directors and the secretary of the Company; appointment or dismissal of the senior management such as the Company's vice-president or financial responsible person based on nomination by the president, and determining their remunerations and incentives and penalties;	
	(12) formulating the Company's basic management rules;	(12) formulating the Company's basic management rules;	
	(13) formulating plans for amendment of the Articles of Association;	(13) formulating plans for amendment of the Articles of Association;	
	(14) managing information disclosure by the Company;	(14) managing information disclosure by the Company;	
	(15) proposing to the shareholders' general meeting on the appointment or replacement of accounting firm which provides audit services to the Company;	(15) proposing to the shareholders' general meeting on the appointment or replacement of accounting firm which provides audit services to the Company;	
	(16) listening to the president's work reports of the Company and inspecting the president's work performance;	(16) listening to the president's work reports of the Company and inspecting the president's work performance;	
	(17) determining the Company's charitable and relief donations with the annual aggregate amount being no more than RMB50 million (inclusive);	(17) determining the Company's charitable and relief donations with the annual aggregate amount being no more than RMB50 million (inclusive);	
	(18) any other functions and powers granted by laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed or the Articles of Association, and the general meeting of shareholders.	(18) any other functions and powers granted by laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed or the Articles of Association, and the general <u>shareholders'</u> meeting of shareholders.	
	For resolutions by the Board of Directors on matters referred to in Items (6), (7), (8) and (13) in the first paragraph of this Article may be passed by the affirmative vote of more than two-thirds of the directors.	For resolutions by the Board of Directors on matters referred to in Items (6), (7), (8) and (13) in the first paragraph of this Article may be passed by the affirmative vote of more than two-thirds of the directors.	
	For resolutions by the Board of Directors on external guarantees stipulated under Item (9) in the first paragraph of this Article, apart from being deliberated and adopted by the affirmative vote of more than half of all directors, they should also require to be deliberated and adopted by the affirmative vote of more than two-thirds of the directors presented at the board meetings.	For resolutions by the Board of Directors on external guarantees stipulated under Item (9) in the first paragraph of this Article, apart from being deliberated and adopted by the affirmative vote of more than half of all directors, they should also require to be deliberated and adopted by the affirmative vote of more than two-thirds of the directors presented at the board meetings.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
	For resolutions by the Board of Directors on financial assistance stipulated under Item (9) in the first paragraph of this Article, apart from being deliberated and adopted by more than half of all directors, they should also require to be deliberated and adopted by more than two-thirds of the directors present at the board meetings, except that the assistance subject is the controlling subsidiary included in the consolidated statements of the Company and that the other shareholders of that controlling subsidiary do not include the controlling shareholders, de facto controllers and their related parties of the listed company. The Company is also subject to the deliberation requirements for Board of Directors consideration if providing financial assistance to connected joint-stock companies not under the control of the Company's controlling shareholders and de facto controllers (and that the other shareholders of such joint-stock companies provide financial assistance on equal terms and in proportion to their capital contributions).	For resolutions by the Board of Directors on financial assistance stipulated under Item (9) in the first paragraph of this Article, apart from being deliberated and adopted by more than half of all directors, they should also require to be deliberated and adopted by more than two-thirds of the directors present at the board meetings, except that the assistance subject is the controlling subsidiary included in the consolidated statements of the Company and that the other shareholders of that controlling subsidiary do not include the controlling shareholders, de facto controllers and their related parties of the listed company. The Company is also subject to the deliberation requirements for Board of Directors consideration if providing financial assistance to connected joint-stock companies not under the control of the Company's controlling shareholders and de facto controllers (and that the other shareholders of such joint-stock companies provide financial assistance on equal terms and in proportion to their capital contributions).	
	Resolutions by the Board of Directors on other matters stipulated in the first paragraph of this Article may be passed by the affirmative vote of more than half the directors.	Resolutions by the Board of Directors on other matters stipulated in the first paragraph of this Article may be passed by the affirmative vote of more than half the directors.	
	The Board of Directors shall provide an explanation to the shareholders' general meeting on a non-standard audit opinion issued by a certified public accountant for the Company's financial report.	The Board of Directors shall provide an explanation to the shareholders' general meeting on a non-standard audit opinion issued by a certified public accountant for the Company's financial report.	
	The Board of Directors shall formulate the rules of procedure for Board of Directors to ensure that the Board of Directors implement resolutions of shareholders' general meetings, improve its work efficiency and ensure rational decision-making.	The Board of Directors shall formulate the rules of procedure for Board of Directors to ensure that the Board of Directors implement resolutions of shareholders' general meetings, improve its work efficiency and ensure rational decision-making.	

No.	Original provisions	Amended provisions	Basis or reason of amendment
84	<p>Article 170 The Board of Directors shall establish stringent examination and decision-making procedures for the Company's external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, related party transactions and external donations; with respect to significant investment projects, the Board of Directors shall organize relevant experts and professionals to appraise and submit the same to the shareholders' general meeting for approval.</p> <p>The Board of Directors exercises its powers on the following matters:</p> <p>(1) determining the following transactions of the Company (other than providing guarantees, financial assistance receiving endowment of cash assets and purely reducing or canceling the Company's debts):</p> <p>(a) total assets involved in any transaction (the higher of book value or assessed value, if both exist) amounting to no more than 50% (exclusive) of the listed company's latest audited total assets; if the Company conducts transactions such as the provision of financial assistance or entrusted wealth management, such transactions shall be calculated by accumulating the amounts within twelve consecutive months based on transaction class; if the Company conducts transactions other than the provision of guarantees or financial assistance or entrusted wealth management, such transactions shall be calculated by accumulating the amounts of all transactions in connection with the related object under the same transaction class within twelve consecutive months;</p> <p>(b) value of any transaction (including the debts and expenses incurred) amounting to no more than 50% (exclusive) of listed company's latest audited net assets; if the Company conducts transactions such as the provision of financial assistance or entrusted wealth management, such transactions shall be calculated by accumulating the amounts within twelve consecutive months based on transaction class; if the Company conducts transactions other than the provision of guarantees or financial assistance or entrusted wealth management, such transactions shall be calculated by accumulating the amounts of all transactions in connection with the related object under the same transaction class within twelve consecutive months;</p> <p>(c) in case of purchase or sale of assets by the Company, the cumulative amount of total assets or transaction value involved in such transactions within twelve consecutive months shall be no more than 30% of the Company's latest audited total assets;</p>	<p>Article 174 The Board of Directors shall establish stringent examination and decision-making procedures for the Company's external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, related party transactions and external donations; with respect to significant investment projects, the Board of Directors shall organize relevant experts and professionals to appraise and submit the same to the shareholders' general meeting for approval.</p> <p>The Board of Directors exercises its powers on the following matters:</p> <p>(1) determining transactions other than those provided for in Article 76 herein the following transactions of the Company (other than providing guarantees, financial assistance, receiving endowment of cash assets and purely reducing or canceling the Company's debts);:</p> <p>(a) total assets involved in any transaction (the higher of book value or assessed value, if both exist) amounting to no more than 50% (exclusive) of the listed company's latest audited total assets; if the Company conducts transactions such as the provision of financial assistance or entrusted wealth management, such transactions shall be calculated by accumulating the amounts within twelve consecutive months based on transaction class; if the Company conducts transactions other than the provision of guarantees or financial assistance or entrusted wealth management, such transactions shall be calculated by accumulating the amounts of all transactions in connection with the related object under the same transaction class within twelve consecutive months;</p> <p>(b) value of any transaction (including the debts and expenses incurred) amounting to no more than 50% (exclusive) of listed company's latest audited net assets; if the Company conducts transactions such as the provision of financial assistance or entrusted wealth management, such transactions shall be calculated by accumulating the amounts within twelve consecutive months based on transaction class; if the Company conducts transactions other than the provision of guarantees or financial assistance or entrusted wealth management, such transactions shall be calculated by accumulating the amounts of all transactions in connection with the related object under the same transaction class within twelve consecutive months;</p> <p>(c) in case of purchase or sale of assets by the Company, the cumulative amount of total assets or transaction value involved in such transactions within twelve consecutive months shall be no more than 30% of the Company's latest audited total assets;</p>	<p>Amended in accordance with Rules 6.3.7 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Hong Kong Listing Rules</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>(2) determining guarantees other than those set forth in Article 72 of the Articles of Association;</p> <p>(3) deciding on financial assistance matters except those provided in Articles 72 of this Articles of Association;</p> <p>(4) determining any related party transaction with value amounting to no more than 5% (exclusive) of the Company's latest audited net assets (absolute value);</p> <p>(5) determining any other matters accorded by the shareholder's general meeting in form of resolutions.</p> <p>If a number involved in the above indicators is negative, its absolute value shall be taken for the purpose of calculation.</p> <p>The above matters which are otherwise provided for in laws and regulations, listing rules of the place where the Company's shares are listed and the Articles of Association shall be excluded.</p>	<p>(2) determining guarantees other than those set forth in Article 72—76 of the Articles of Association;</p> <p>(3) deciding on financial assistance matters except those provided in Articles 72—76 of this<u>these</u> Articles of Association;</p> <p>(4) determining any related party transaction (<u>excluding related party guarantees</u>) with value amounting to no more than 5% (exclusive) of the Company's latest audited net assets (absolute value), <u>or where the transaction amount (including liabilities and expenses assumed) is less than RMB30 million;</u></p> <p>(5) determining any other matters accorded by the shareholder's general meeting in form of resolutions.</p> <p>If a number involved in the above indicators is negative, its absolute value shall be taken for the purpose of calculation.</p> <p>The above matters which are otherwise provided for in laws and regulations, listing rules of the place where the Company's shares are listed and the Articles of Association shall be excluded.</p>	
85	<p>Article 182 The deputy Chairmen shall assist the Chairman in performance of his/her duties. Where the Chairman is unable or fails to perform his/her duties, the deputy Chairmen shall perform the duties (where there are two or more deputy Chairmen, the deputy Chairman jointly elected by a simple majority of the directors shall perform the duties); where the deputy Chairmen are unable or fail to perform the duties, a director jointly elected by a simple majority of the directors shall perform the duties.</p>	<p>Article 182—178 The deputy Chairmen shall assist the Chairman in performance of his/her duties. Where the Chairman is unable or fails to perform his/her duties, the deputy Chairmen shall perform the duties (where there are two or more deputy Chairmen, the deputy Chairman jointly elected by <u>more than half a simple majority</u> of the directors shall perform the duties); where the deputy Chairmen are unable or fail to perform the duties, a director jointly elected by <u>more than half a simple majority</u> of the directors shall perform the duties.</p>	Amended in accordance with Article 115 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
86	Article 188 A director who is related to an enterprise involved in a board resolution shall abstain from voting for the board resolution and shall not represent another director in exercise of voting rights. The board meeting may be held with the quorum of a simple majority of unrelated directors and resolutions to be passed at the board meeting shall be passed by simple majority of votes of unrelated directors. Where the number of unrelated directors present at the board meeting is less than 3, the matter shall be submitted to the shareholders' general meeting for deliberation.	Article 188–184 A director who is related to an enterprise or individual involved in a board resolution <u>shall promptly report in writing to the Board of Directors. The related director</u> shall abstain from voting for the board resolution and shall not represent another director in exercise of voting rights. The board meeting may be held with the quorum of a simple majority of unrelated directors and resolutions to be passed at the board meeting shall be passed by simple majority of votes of unrelated directors. Where the number of unrelated directors present at the board meeting is less than 3, the matter shall be submitted to the shareholders' general meeting for deliberation.	Amended in accordance with Article 121 of the Guidelines on Articles of Association of Listed Companies
87	Section 4 Secretary of the Board of Directors	Section 4 SecretarySpecial Committees of the Board of Directors	Adjusted in accordance with the Guidelines on Articles of Association of Listed Companies
88	Article 171 The Board of Directors of the Company shall establish special committees such as strategy committee, audit committee, nomination committee and remuneration and evaluation committee, environmental, social and governance committee etc. according to the relevant resolutions of the shareholder's general meeting. All members of special committees shall comprise directors. Independent directors shall be the majority in the audit committee, nomination committee, remuneration and evaluation committee and shall serve as conveners. The members of the audit committee shall be directors who do not hold senior management positions in the Company. The audit committee shall consist entirely of non-executive directors, shall have at least three members and shall have at least one independent director who is an accounting professional or has the appropriate accounting or relevant financial management expertise required under the Hong Kong Listing Rules and serves as a convener.	Article 171189 The Board of Directors of the Company shall establish special committees such as strategy committee, audit committee, nomination committee and remuneration and evaluation committee, environmental, social and governance committee etc. according to the relevant resolutions of the shareholder's general meeting. All members of special committees shall comprise directors. Independent directors shall be the majority in the audit committee, nomination committee, remuneration and evaluation committee and shall serve as conveners. The members of the audit committee shall be directors who do not hold senior management positions in the Company. The audit committee shall consist entirely of non-executive directors, shall have at least three members and shall have at least one independent director who is an accounting professional or has the appropriate accounting or relevant financial management expertise required under the Hong Kong Listing Rules and serves as a convener. <u>The Board of Directors is responsible for establishing the protocols for the work of the special committees.</u>	Amended in accordance with Article 137 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
89	Article 190 The main responsibilities of the strategy committee are to study and advise on the Company's long-term development strategy, major investment decisions and plan for returns to shareholders. At the same time, it shall perform other duties stipulated in laws and regulations, the listing rules of the place where the Company's shares are listed and the procedure rules of the Company's strategy Committee.	Article 190 The main responsibilities of the strategy committee are to study and advise on the Company's long-term development strategy, major investment decisions and plan for returns to shareholders. At the same time, it shall perform other duties stipulated in laws and regulations, the listing rules of the place where the Company's shares are listed and the <u>procedure implementation rules of the Company's strategy Committee.</u>	Improved the accuracy of expression
90	Article 173 The main responsibilities of the audit committee are to: (1) propose engagement or replacement of the external audit institutions; (2) supervise the Company's internal audit system and its implementation; (3) coordinate the communication between the internal audit and external audit; (4) review the Company's financial information and its disclosure; (5) review the Company's internal control system; (6) formulate annual or interim profit distribution plan; and (7) perform other duties stipulated by laws and regulations, the listing rules of the place where the Company's shares are listed and the rules of procedure of the audit committee of the Company.	Article 173191 The main responsibilities of the audit committee are to: (1) propose engagement or replacement of the external audit institutions; (2) supervise the Company's internal audit system and its implementation; (3) coordinate the communication between the internal audit and external audit; (4) review the Company's financial information and its disclosure; (5) review the Company's internal control system; (6) formulate annual or interim profit distribution plan; and (7) perform other duties stipulated by laws and regulations, the listing rules of the place where the Company's shares are listed and the rules of procedure of the audit committee of the Company. <u>The members of the audit committee shall consist of three to five directors who do not serve as senior management of the Company, of whom independent directors shall constitute a majority, with one of the independent directors who is an accounting professional serving as the convenor.</u>	Amended in accordance with Articles 133 and 134 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
91	Newly added	<p><u>Article 192</u> The audit committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external audit work and internal controls.</p> <p>The following matters shall be submitted to the Board of Directors for deliberation after being approved by more than half of all members of the audit committee:</p> <p>(1) the disclosure of financial information in the financial accounting report and periodic report, and the internal control evaluation report;</p> <p>(2) the appointment or dismissal of the accounting firm undertaking the listed company's auditing works;</p> <p>(3) the appointment or dismissal of the listed company's chief financial officer;</p> <p>(4) changes in accounting policies, accounting estimates, or the correction of material accounting errors, for reasons other than changes in accounting standards;</p> <p>(5) other matters as may be prescribed by the laws, administrative regulations, securities regulators of the place where the Company's shares are listed, and the Articles of Association.</p>	Amended in accordance with Article 135 of the Guidelines on Articles of Association of Listed Companies
92	Newly added	<p><u>Article 193</u> The audit committee shall meet at least once every quarter. An interim meeting may be convened upon the proposal of two or more members, or when the convenor deems it necessary. A meeting of the audit committee shall only be held if more than two-thirds of the members are in attendance.</p> <p>Resolutions made by the audit committee shall be adopted by more than half of the members of the audit committee.</p> <p>Voting on the resolutions of the audit committee shall be conducted on a one-person-per-vote basis.</p> <p>Resolutions made by the audit committee shall be recorded in the minutes according to the provisions, and the members of the audit committee present at the meeting shall sign the minutes.</p>	Amended in accordance with Article 136 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
93	<p>Article 174 The main responsibilities of the nomination committee are to:</p> <p>(1) study and advise on criteria and procedures for selecting directors and president;</p> <p>(2) conduct extensive search on qualified candidates for directors and president;</p> <p>(3) review and advise on candidates for directors and president; and</p> <p>(4) perform other duties stipulated by laws and regulations, listing rules of the place where the Company's shares are listed and the rules of procedure of the nominating committee of the Company.</p>	<p>Article 174194 The main responsibilities of the nomination committee are to is responsible for <u>formulating the criteria and procedures for the selection of directors and senior management, selecting and reviewing candidates for directors and senior management and their qualifications, and making recommendations on the following matters:</u></p> <p>(1) study and advise on criteria and procedures for selecting directors and president<u>the nomination or appointment of directors;</u></p> <p>(2) conduct extensive search on qualified candidates for directors and president<u>the appointment or dismissal of senior management;</u></p> <p>(3) review and advise on candidates for directors and president; and</p> <p>(4) perform other duties stipulated by<u>other matters as may be prescribed by the laws and regulations, listing rules, securities regulators of the place where the Company's shares are listed and these Article of Association</u>the rules of procedure of the nominating committee of the Company.</p> <p><u>If the Board of Directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and the specific reasons for its non-adoption in the resolution of the Board of Directors and disclose the same.</u></p>	Amended in accordance with Article 138 of the Guidelines for the Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
94	<p>Article 175 The main responsibilities of the remuneration and evaluation committee are to:</p> <p>(1) study criteria for performance review for directors and president and conduct and advise on performance review;</p> <p>(2) study and review remuneration policy and system for directors and senior management; and</p> <p>(3) other responsibilities stipulated by laws and regulations, the listing rules of the place where the Company's shares are listed and the rules of procedure of the Company's compensation and assessment committee.</p>	<p>Article 175 The main responsibilities of the remuneration and evaluation committee are to:</p> <p>(1) study criteria for performance review for directors and president and conduct and advise on performance review;</p> <p>(2) study and review remuneration policy and system for directors and senior management; and <u>is responsible for formulating the appraisal criteria and conducting appraisals for directors and senior management, formulating and reviewing remuneration policies and proposals, such as the mechanism for determining the remuneration of directors and senior management, the decision-making process, and the arrangements for payment and stoppage of recourse, and making recommendations to the Board of Directors on the following matters:</u></p> <p><u>(1) the remuneration of directors and senior management;</u></p> <p><u>(2) the establishment or change of the share incentive scheme and employee share ownership scheme, the granting of interests to incentive recipients and the achievement of conditions for the exercise of such interests;</u></p> <p><u>(3) the arrangement of shareholding plans for directors and senior management in subsidiaries proposed for spin-off;</u></p> <p><u>(4) other responsibilities stipulated by matters as may be prescribed by the laws and regulations, the securities regulators of the place where the Company's shares are listed and this Article of Association</u> the rules of procedure of the Company's compensation and assessment committee.</p> <p><u>If the Board of Directors does not adopt or does not fully adopt the recommendations of the remuneration and evaluation committee, it shall record the opinions of the remuneration and evaluation committee and the specific reasons for non-adoption in the resolution of the Board of Directors and disclose the same.</u></p>	Amended in accordance with Article 139 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
95	<p>Article 176 In accordance with the domestic and overseas regulatory requirements, the environmental, social and governance committee under the Board of Directors is mainly responsible for the management of corporate governance, environmental and social responsibilities of the Company and make relevant recommendations to the Board of Directors, which includes:</p> <p>(I) Guide and review the formulation of the Company's environmental, social and governance vision and strategies, and report and make recommendations to the Board;</p> <p>(II) Evaluate and classify the Company's environmental, social and governance risks and opportunities, and report and make recommendations to the Board;</p> <p>(III) Review the implementation of the Company's environmental, social and governance work and internal control system, and report and make recommendations to the Board on their appropriateness and effectiveness;</p> <p>(IV) Review and monitor the Company's relevant environmental, social and governance objectives and its implementation, and report and make recommendations to the Board;</p> <p>(V) Review the social responsibility report disclosed by the Company to the public, and report and make recommendations to the Board;</p> <p>(VI) Conduct research and make recommendations on other major environmental, social and governance matters and emergencies that affect the Company;</p> <p>(VII) Inspect the implementation of the above matters;</p> <p>(VIII) Other matters authorised by the Board.</p>	<p>Article 176-196 In accordance with the domestic and overseas regulatory requirements, the environmental, social and governance committee under the Board of Directors is mainly responsible for the management of corporate governance, environmental and social responsibilities of the Company and make relevant recommendations to the Board of Directors, which includes:</p> <p>(I) Guide and review the formulation of the Company's environmental, social and governance vision and strategies, and report and make recommendations to the Board;</p> <p>(II) Evaluate and classify the Company's environmental, social and governance risks and opportunities, and report and make recommendations to the Board;</p> <p>(III) Review the implementation of the Company's environmental, social and governance work and internal control system, and report and make recommendations to the Board on their appropriateness and effectiveness;</p> <p>(IV) Review and monitor the Company's relevant environmental, social and governance objectives and its implementation, and report and make recommendations to the Board;</p> <p>(V) Review the social responsibility report <u>sustainability report</u> disclosed by the Company to the public, and report and make recommendations to the Board;</p> <p>(VI) Conduct research and make recommendations on other major environmental, social and governance matters and emergencies that affect the Company;</p> <p>(VII) Inspect the implementation of the above matters;</p> <p>(VIII) Other matters authorised by the Board.</p>	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
96	<p>Article 206 The Company shall have one president to be appointed or dismissed by the Board of Directors. In principle, the Chairman shall not concurrently act as president.</p> <p>The Company shall have several vice-presidents to be appointed or dismissed by the Board of Directors.</p> <p>The Company's president, vice-presidents, chief finance officer and the secretary of the Board of Directors shall be the Company's senior management.</p>	<p>Article 199206 The Company shall have one president, whoseto be appointed or dismissed shall be decided by the Board of Directors. In principle, the Chairman shall not concurrently act as president.</p> <p>The Company shall have several vice-presidents, whoseto be appointment or dismissal shall be decided by the Board of Directors.</p> <p>The Company's president, vice-presidents, chief finance officer and the secretary of the Board of Directors shall be the Company's senior management.</p>	Amended in accordance with Article 140 of the Guidelines on Articles of Association of Listed Companies
97	<p>Article 207 The provisions of Article 139 hereof where a person is prohibited from acting as a director shall apply to senior management.</p> <p>The fiduciary obligations and the diligent obligations stipulated in the Articles of Association shall apply to senior management concurrently.</p> <p>Persons who hold administrative positions other than director and supervisor in the units of the Company's controlling shareholder and actual controller shall not serve as the Company's senior management.</p>	<p>Article 200207 The provisions of Article 139 hereof where a in respect of person who are is prohibited from acting as a directors shall apply to senior management.</p> <p>The fiduciary obligations and the diligent obligations stipulated in the Articles of Association shall apply to senior management concurrently.</p> <p>Persons who hold administrative positions other than director and supervisor in the units of the Company's controlling shareholder and actual controller shall not serve as the Company's senior management.</p>	Amended in accordance with Article 141 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
98	<p>Article 209 The president shall be accountable to the Board of Directors and shall exercise the following powers and functions:</p> <p>(1) presiding over production and operation management of the Company, organizing implementation of board resolutions and reporting to the Board of Directors on his/her work;</p> <p>(2) organizing the implementation of the Company's annual business plans and investment plans;</p> <p>(3) formulating plans for establishment of internal management organizations of the Company;</p> <p>(4) formulating basic management rules of the Company;</p> <p>(5) formulating specific rules and regulations of the Company;</p> <p>(6) proposing to the Board of Directors on appointment or dismissal of the Company's deputy vice-presidents, chief finance officer and other senior management recognized by the CSRC;</p> <p>(7) determining the appointment or dismissal of management personnel other than those whose appointment or dismissal is decided by the Board of Directors;</p> <p>(8) determining wages, benefits, rewards and punishments for the employees of the Company and determining the hiring and dismissal of the employees of the Company;</p> <p>(9) proposing the convening of interim board meetings;</p> <p>(10) determining charitable and relief donations with annual accumulative amount being no more than RMB50 million (inclusive) and single amount being no more than RMB10 million (inclusive);</p> <p>(11) any other power and function granted by the Articles of Association or the Board of Directors.</p> <p>The president shall attend the board meetings, but he/she has no voting rights at the board meetings if he/she is not a director.</p>	<p>Article 202209 The president shall be accountable to the Board of Directors and shall exercise the following powers and functions:</p> <p>(1) presiding over production and operation management of the Company, organizing implementation of board resolutions and reporting to the Board of Directors on his/her work;</p> <p>(2) organizing the implementation of the Company's annual business plans and investment plans;</p> <p>(3) formulating plans for establishment of internal management organizations of the Company;</p> <p>(4) formulating basic management rules of the Company;</p> <p>(5) formulating specific rules and regulations of the Company;</p> <p>(6) proposing to the Board of Directors on appointment or dismissal of the Company's deputy vice-presidents, <u>and</u> chief finance officer and other senior management recognized by the CSRC;</p> <p>(7) determining the appointment or dismissal of management personnel other than those whose appointment or dismissal is decided by the Board of Directors;</p> <p>(8) determining wages, benefits, rewards and punishments for the employees of the Company and determining the hiring and dismissal of the employees of the Company;</p> <p>(9) proposing the convening of interim board meetings;</p> <p>(10) determining charitable and relief donations with annual accumulative amount being no more than RMB50 million (inclusive) and single amount being no more than RMB10 million (inclusive);</p> <p>(11) any other power and function granted by the Articles of Association or the Board of Directors.</p> <p>The president shall attend the board meetings, but he/she has no voting rights at the board meetings if he/she is not a director.</p>	Amended in accordance with Article 144 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
99	Article 213 The president may submit the resignation prior to the expiration of his/her term of office. The detailed procedures and methods relating to resignation of the president shall be stipulated in the service contract between the president and the Company.	Article 206213 The president may submit the resignation prior to the expiration of his/her term of office. The detailed procedures and methods relating to resignation of the president shall be stipulated in the service -labour contract between the president and the Company.	Amended in accordance with Article 147 of the Guidelines on Articles of Association of Listed Companies
100	Article 194 The secretary of the Board of Directors shall have necessary expertise and experience and be appointed by the Board of Directors. The provisions of Article 139 hereof on inappropriate candidates for directors shall apply to the secretary of the Board of Directors.	Deleted	Some of the provisions related to the secretary of the Board of Directors were streamlined, and the relevant contents were specified in the Work System of the Secretary of the Board of Directors

No.	Original provisions	Amended provisions	Basis or reason of amendment
101	<p>Article 195 The main responsibilities of the secretary of the Board of Directors are as follows:</p> <p>.....</p> <p>(3) organizing and preparing the board meetings and the shareholders' general meetings, attending the shareholders' general meetings, the board meetings, the meetings of the Board of Supervisors and the meetings of senior management, and keeping and signing the minutes of the board meetings; and guaranteeing that the Company has complete organizational documents and records;</p> <p>(4) being responsible for confidentiality with respect to information disclosure of the Company, and reporting to the Securities Regulatory Authorities and Stock Exchanges where the Company's shares are listed and making disclosure in a timely manner whenever any non-published material information is leaked;</p> <p>(5) paying close attention to media coverage, ascertaining whether the coverage is true or not and urging the Company and other related entities to respond to the inquiries of the Securities Regulatory Authorities and Stock Exchanges where the Company's shares are listed in a timely manner;</p> <p>(6) organizing trainings for directors, supervisors and senior management of the Company on relevant laws, administrative regulations, listing rules of the place where the Company's shares are listed and relevant regulations, and helping them to have a clear grasp of their respective responsibilities with respect to information disclosure;</p> <p>(7) urging directors, supervisors and senior management to comply with laws and regulations, relevant regulations of the stock exchanges where the Company's shares are listed and this Articles of Association and practically fulfill the commitments made by them; whenever the secretary of the Board of Directors becomes aware that any of directors, supervisors and senior management has violated laws, administrative regulations, departmental rules, other regulatory documents, the listing rules of the stock exchange where the Company's shares are listed and other regulations, and the Articles of Association or that the Company makes or is likely to make any decision in violation of relevant regulations, reminding the relevant person and promptly reporting to the Stock Exchanges where the Company's shares are listed;</p> <p>.....</p>	<p>Article 195210 The main responsibilities of the secretary of the Board of Directors are as follows:</p> <p>.....</p> <p>(3) organizing and preparing the board meetings and the shareholders' general meetings, attending the shareholders' general meetings, the board meetings, the meetings of the Board of Supervisors and the meetings of senior management, and keeping and signing the minutes of the board meetings; and guaranteeing that the Company has complete organizational documents and records;</p> <p>(4) being responsible for confidentiality with respect to information disclosure of the Company, and reporting to the Securities Regulatory Authorities and Stock Exchanges where the Company's shares are listed and making disclosure in a timely manner whenever any non-published material information is leaked;</p> <p>(5) paying close attention to media coverage, ascertaining whether the coverage is true or not and urging the Company and other related entities to respond to the inquiries of the Securities Regulatory Authorities and Stock Exchanges where the Company's shares are listed in a timely manner;</p> <p>(6) organizing trainings for directors,supervisors and senior management of the Company on relevant laws, administrative regulations, listing rules of the place where the Company's shares are listed and relevant regulations, and helping them to have a clear grasp of their respective responsibilities with respect to information disclosure;</p> <p>(7) urging directors,supervisors and senior management to comply with laws and regulations, relevant regulations of the stock exchanges where the Company's shares are listed and this these Articles of Association and practically fulfill the commitments made by them; whenever the secretary of the Board of Directors becomes aware that any of directors,supervisors and senior management has violated laws, administrative regulations, departmental rules, other regulatory documents, the listing rules of the stock exchange place where the Company's shares are listed and other regulations, and the Articles of Association or that the Company makes or is likely to make any decision in violation of relevant regulations, reminding the relevant person and promptly reporting to the Stock Exchanges where the Company's shares are listed;</p> <p>.....</p>	<p>The Company no longer maintains the Board of Supervisors, and improved the accuracy of expression</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
102	<p>Article 196 The Company shall provide conveniences for the secretary of the Board of Directors to perform his/her duties. The directors, supervisors, financial officer, other senior management and relevant persons of the Company shall support and cooperate with the secretary of the Board of Directors in his/her work.</p> <p>In the performance of his/her duties, the secretary of the Board of Directors shall be entitled to look into the financial and operating conditions of the Company, to participate in relevant disclosure-related meetings, to consult all the information disclosure-related documents and to require the relevant departments and persons of the Company to furnish relevant materials and information in a timely manner.</p> <p>In case that the secretary of the Board of Directors meets with improper interference and serious obstruction in the performance of his/her duties, he/she may report directly to the Shanghai Stock Exchange.</p>	Deleted	Some of the provisions related to the secretary of the Board of Directors were streamlined, and the relevant contents were specified in the Work System of the Secretary of the Board of Directors

No.	Original provisions	Amended provisions	Basis or reason of amendment
103	<p>Article 197 Directors (other than independent directors) or other senior management of the Company may concurrently hold the position of secretary of the Board of Directors of the Company. The certified public accountants and lawyers of the accounting firms or law firms engaged by the Company may not concurrently hold the position of secretary of the Board of Directors of the Company. The secretary of the Board of Directors shall have financial, management and legal expertise as required for performing his/her duties, good professional and personal ethics and have obtained the training certificate for board secretaries issued by the Shanghai Stock Exchange. Any of the following persons shall not serve as the secretary of the Board of Directors:</p> <p>(1) circumstances under which a person may not serve as a director, supervisor or senior management member as stipulated in the Company Law;</p> <p>(2) any person who has been subject to any administrative sanction imposed by the CSRC in the most recent three years;</p> <p>(3) he/she is under a penalty of prohibited access to the securities market that may not serve as a director, supervisor and senior management of a listed company imposed by the CSRC, which penalty is still effective;</p> <p>(4) he/she has been publicly identified by the stock exchange as not suitable to serve as a director, supervisor and senior management of a listed company, the term of which has not expired;</p> <p>(5) any person who has been censured publicly or criticized more than three times through circulating notices by stock exchanges in the most recent three years;</p> <p>(6) any person who is the incumbent supervisor and independent directors of the Company;</p> <p>(7) any other person deemed by the Shanghai Stock Exchange as inappropriate for serving as the secretary of the Board of Directors.</p>	Deleted	Same as above

No.	Original provisions	Amended provisions	Basis or reason of amendment
104	<p>Article 198 The Company shall, while appointing a secretary of the Board of Directors, appoint a securities affairs representative to assist the secretary of the Board of Directors in performing his/her duties. In case that the secretary of the Board of Directors is unable to perform his/her duties, the securities affairs representative shall perform the duties and exercise the powers in place of the secretary of the Board of Directors. During such period, the secretary of the Board of Directors shall not be naturally exempted from his/her responsibilities for the Company's information disclosure affairs. The securities affairs representative shall have obtained the training certificate for secretary of the Board of Directors issued by the Shanghai Stock Exchange.</p>	Deleted	Same as above
105	<p>Article 199 After the Company appoints a secretary of the Board of Directors and a securities affairs representative, it shall publish an announcement and submit the following materials to the Shanghai Stock Exchange in a timely manner:</p> <p>(1) recommendation letter of the Board of Directors, including the description of the qualifications of the secretary of the Board of Directors and the securities affairs representative as stipulated in the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, his/her current position, work performance and personal morality etc.;</p> <p>(2) curriculum vitae and a photocopy of the academic certificate of the secretary of the Board of Directors and the securities affairs representative;</p> <p>(3) appointment letters for the secretary of the Board of Directors and the securities affairs representative or relevant resolutions of the Board of Directors;</p> <p>(4) contact details of the secretary of the Board of Directors and the securities affairs representative, including office phone number, home phone number, mobile phone number, facsimile number, correspondence address and e-mail etc.</p> <p>In case of any change in the aforesaid contact details, the Company shall submit the updated information to the Shanghai Stock Exchange in a timely manner.</p>	Deleted	Same as above

No.	Original provisions	Amended provisions	Basis or reason of amendment
106	<p>Article 200 The Company shall not dismiss the secretary of the Board of Directors without sufficient reasons.</p> <p>If the secretary of the Board of Directors is dismissed or resigns from his/her position, the Company shall, in a timely manner, report to the Shanghai Stock Exchange and state reasons therefor and make an announcement.</p> <p>The secretary of the Board of Directors shall be entitled to submit to the Shanghai Stock Exchange a personal statement on the Company's improper dismissal or other matters related to the resignation.</p>	Deleted	Same as above
107	<p>Article 201 Upon the occurrence of any of the following circumstances, the Company shall dismiss the secretary of the Board of Directors within one month from the date when such circumstance comes into existence:</p> <p>(1) any of the circumstances enumerated in Article 197 hereof arises;</p> <p>(2) the secretary of the Board of Directors is unable to perform his/her duties for more than three consecutive months;</p> <p>(3) the secretary of the Board of Directors commits a major mistake or gross negligence in the performance of his/her duties, thus causing heavy losses to the Company and its investors;</p> <p>(4) the secretary of the Board of Directors violates laws, regulations, regulatory documents, other regulations of the Stock Exchanges where the Company's shares are listed and the Articles of Association, thus causing serious consequences or heavy losses to the Company and its investors.</p>	Deleted	Same as above
108	<p>Article 202 When appointing a secretary of the Board of Directors, the Company shall enter into a confidentiality agreement with the secretary of the Board of Directors, requiring him/her to make an undertaking to fulfill the obligation of confidentiality on an ongoing basis during his/her term of office and after leaving office until the relevant information has been disclosed, except for the information relating to the Company's violations of laws and regulations.</p>	Deleted	Same as above

No.	Original provisions	Amended provisions	Basis or reason of amendment
109	<p>Article 203 During the period when the office of the secretary of the Board of Directors is vacant, the Board of Directors shall designate one director or senior management to perform the duties of the secretary of the Board of Directors and report the same to the Shanghai Stock Exchange. Meanwhile, it shall determine the candidates for secretary of the Board of Directors as soon as possible. Before the Company designates an acting secretary of the Board of Directors to perform the duties of the secretary of the Board of Directors, the Chairman of the Board of Directors shall perform such duties in place of the secretary of the Board of Directors.</p> <p>If the vacancy remains unfilled for more than three months, the Chairman of the Board of Directors shall perform the duties of the secretary of the Board of Directors and the appointment of the secretary of the Board of Directors shall be completed within 6 months.</p>	Deleted	Same as above
110	<p>Article 204 The Company shall ensure that the secretary of the Board of Directors participates in the follow-up training programs for secretary of the Board of Directors organized by the Shanghai Stock Exchange during his/her term of office as required.</p>	Deleted	Same as above

No.	Original provisions	Amended provisions	Basis or reason of amendment
111	<p>Article 205 The information disclosure and equity management affairs handled in the name of the Company by the secretary of the Board of Directors, the person who performs the duties in place of the secretary of the Board of Directors as prescribed in Article 203 hereof or the securities affairs representative are acceptable to the Shanghai Stock Exchange.</p> <p>The secretary of the Board of Directors shall comply with relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association. The secretary of the Board of Directors shall be nominated by the Chairman of the Board of Directors and appointed or dismissed by the Board of Directors. Any director or any other senior management of the Company may concurrently serve as the secretary of the Board of Directors. The accountants of the accounting firm engaged by the Company shall not serve as the secretary of the Board of Directors concurrently. Where a director concurrently serves as the secretary of the Board of Directors, such person who concurrently serves as the director and the secretary of the Board of Directors shall not act in a dual capacity if an act is to be performed by the director or the secretary of the Board of Directors respectively.</p>	Deleted	Same as above
112	Newly added	<p>Article 211 <u>The Company shall be liable for any damage caused to others by its senior management in the course of performing duties for the Company, and the senior management shall be personally liable for any damage caused by their willful actions or gross negligence.</u></p> <p><u>Where a senior management violates the provisions of laws, administrative regulations, departmental rules, or the Articles of Association in the course of performing their duties and causes the Company to suffer losses, he/she shall be liable for compensation.</u></p>	Amended in accordance with Article 150 of the Guidelines on Articles of Association of Listed Companies
113	<p>Article 216 The provisions of Article 139 hereof where a person is prohibited from acting as a director shall also apply to candidates for supervisors.</p> <p>Directors, the president and other senior management shall not serve as supervisors concurrently.</p>	Deleted	Adjusted to reflect changes in the Company's governance structure, with "Supervisors" section deleted

No.	Original provisions	Amended provisions	Basis or reason of amendment
114	Article 217 Supervisors shall comply with laws, administrative regulations and the Articles of Association and bear fiduciary obligations and diligent obligations towards the Company; supervisors shall not make use of their powers and functions to accept bribes or other illegal income and shall not encroach upon the properties of the Company.	Deleted	Same as above
115	Article 218 The term of office of supervisors shall be 3 years. Supervisors who are shareholder representatives shall be elected or replaced by the shareholders' general meeting. Supervisors served by employees shall be democratically elected or replaced by the employees of the Company. A supervisor may be re-appointed upon the expiration of his/her term of office.	Deleted	Same as above
116	Article 219 Where a re-election is not promptly carried out upon expiry of the term of office of a supervisor or the resignation of a supervisor during his/her term office will render the number of supervisors to fall below the minimum quorum, the original supervisor shall continue to perform supervisor duties pursuant to the provisions of laws, administrative regulations and the Articles of Association prior to appointment of his/her replacement.	Deleted	Same as above
117	Article 220 If a supervisor fails to attend the meetings of the Board of Supervisors and does not entrust another supervisor to vote on his/her behalf in writing for two consecutive times, the supervisor shall be deemed to be unable to perform his/her duties. The shareholders' general meeting or the employee representatives' assembly shall replace such supervisor.	Deleted	Same as above
118	Article 221 Supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company.	Deleted	Same as above
119	Article 222 Supervisors may be in attendance at the board me	Deleted	Same as above
120	Article 223 Supervisors shall not make use of their relationships to harm the interests of the Company; where the Company suffers losses thereto, the supervisors shall be liable for compensation.	Deleted	Same as above

No.	Original provisions	Amended provisions	Basis or reason of amendment
121	<p>Article 224 Supervisors shall faithfully perform their supervisory duties in accordance with laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association. If a supervisor fails to perform his/her duties when he/she knows or should know any violation of laws, administrative regulations or the Articles of Association and damages to the interests of the Company conducted by any director or senior management, he/she shall assume corresponding responsibilities. Where a supervisor violates the provisions of laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association in his/her execution of company duties and causes the Company to suffer losses thereto, he/she shall be liable for compensation.</p>	Deleted	Same as above
122	<p>Article 225 The Company shall establish a Board of Supervisors. The Board of Supervisors shall comprise 3 supervisors and shall have a Chairman. The appointment or removal of the Chairman and vice-Chairman of the Board of Supervisors shall be approved by more than one-half of the members of the Board of Supervisors. The Chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors; where the Chairman of the Board of Supervisors is unable or fails to perform his/her duties, the deputy Chairman of the Board of Supervisors shall convene and preside over the meetings of the Board of Supervisors; where the deputy Chairman of the Board of Supervisors is unable or fails to perform his/her duties, a supervisor elected by a simple majority of the supervisors shall convene and preside over the meetings of the Board of Supervisors. The Board of Supervisors shall include shareholder representatives and an appropriate percentage of employee representatives, and the ratio of employee representatives shall not be less than one-third. The employee representatives in the Board of Supervisors shall be elected by the employees of the Company through the employee representatives' assembly, employees' assembly or any other democratic form.</p>	Deleted	Same as above

No.	Original provisions	Amended provisions	Basis or reason of amendment
123	<p>Article 226 The Board of Supervisors shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers:</p> <p>(1) The securities issuance documents prepared by the Board of Directors and the Company's periodic reports shall be reviewed and written review opinions shall be submitted, and the supervisors shall sign a written confirmation. Company should be guaranteed to disclose information in a timely and fair manner, and the information disclosed is true, accurate and complete. Supervisors who cannot guarantee the authenticity, accuracy, completeness or have disagreement on the contents of the securities issuance documents and periodic reports shall express their opinions and state the reasons in the written confirmation opinions, and the Company shall disclose them. If the Company does not disclose, the supervisor may directly apply for disclosure;</p> <p>(2) inspecting the financial position of the Company;</p> <p>(3) supervising performance of duties of the Company by directors and senior management, and proposing the termination of appointment of directors and senior management who have violated laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meeting;</p>	Deleted	Same as above

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>(4) where directors or senior management has acted against the interests of the Company, requiring the director or senior management to make correction and reporting to the shareholders' general meeting or the competent State authorities if necessary;</p> <p>(5) proposing the convening of an interim general meeting, convening and presiding over the shareholders' general meetings where the Board of Directors does not perform the duties stipulated by the Company Law on convening and presiding over the shareholders' general meeting;</p> <p>(6) making proposals to the shareholders' general meeting;</p> <p>(7) filing a lawsuit against a director or senior management;</p> <p>(8) conducting investigations when abnormalities in the Company's operations are found and, where necessary, engaging professional organizations such as accounting firms and law firms to assist in their work at the Company's expense.</p> <p>The Board of Supervisors shall convene at least one meeting every 6 months and a notice shall be given to all the supervisors in writing in 10 days before the meeting is held. A supervisor may propose to convene an interim meeting of the Board of Supervisors and a notice shall be given to all the supervisors in two days before the meeting is held, except for the interim meetings of the Board of Supervisors which are held under special or urgent circumstances.</p>		
124	Article 227 Resolutions of the Board of Supervisors shall be adopted by more than one-half of the members of the Board of Supervisors.	Deleted	Same as above
125	Article 228 The Board of Supervisors shall formulate rules of procedure for Board of Supervisors and specify the rules and voting procedures for meetings of the Board of Supervisors to ensure work efficiency and rational decision-making of the Board of Supervisors.	Deleted	Same as above

No.	Original provisions	Amended provisions	Basis or reason of amendment
126	<p>Article 229 The Board of Supervisors shall keep minutes on decisions of the meeting on the agenda items, which shall be signed by the supervisors attended the meeting.</p> <p>Supervisors shall have the right to require that the minutes include certain explanatory records for speeches made at the meeting. The minutes of meetings of the Board of Supervisors shall be kept as the files of the Company for at least 10 years.</p>	Deleted	Same as above
127	<p>Article 230 A notice of meeting of Board of Supervisors shall include the following contents:</p> <p>(1) the date and venue of the meeting and duration of the meeting;</p> <p>(2) the subject matter and agenda items;</p> <p>(3) date of notice.</p>	Deleted	Same as above
128	<p>Article 234 The Company shall submit and disclose its annual report to the CSRC and the Stock Exchanges where the Company's shares are listed within 4 months from the end of each fiscal year, submit and disclose its interim report to the CSRC's Qingdao Branch and the Stock Exchanges where the Company's shares are listed within 2 months from the end of the first half of each fiscal year and submit and disclose quarterly reports to the CSRC's Qingdao Branch and the Stock Exchanges where the Company's shares are listed within 1 month from the end of the first 3 months and first third quarters of each fiscal year.</p> <p>The aforesaid annual reports, interim reports and quarterly reports shall be formulated pursuant to the provisions of the relevant laws, administrative regulations and provisions of the CSRC and the stock exchanges where the Company's shares are listed.</p>	<p>Article 215234 The Company shall submit and disclose its annual report to the CSRC's <u>Qingdao Branch</u> and the Stock Exchanges where the Company's shares are listed within 4 months from the end of each fiscal year, submit and disclose its interim report to the CSRC's Qingdao Branch and the Stock Exchanges where the Company's shares are listed within 2 months from the end of the first half of each fiscal year and submit and disclose quarterly reports to the CSRC's Qingdao Branch and the Stock Exchanges where the Company's shares are listed within 1 month from the end of the first 3 months and first third quarters of each fiscal year.</p> <p>The aforesaid annual reports, interim reports and quarterly reports shall be formulated pursuant to the provisions of the relevant laws, administrative regulations and provisions of the CSRC and the stock exchanges where the Company's shares are listed.</p>	Amended in accordance with Article 153 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
129	Article 235 The Board of Directors shall present the shareholders at each shareholders' annual general meeting such financial reports as relevant laws, rules, administrative regulations and regulatory documents and listing rules of the place where the Company's shares are listed required and prepared by the Company.	Article 216235 The Board of Directors shall present the shareholders at each annual shareholders' annual general meeting such financial reports as relevant laws, rules, administrative regulations and regulatory documents and listing rules of the place where the Company's shares are listed required and prepared by the Company.	Improved the accuracy of expression
130	Article 236 The financial reports of the Company shall be placed in the Company and made available for inspection by shareholders in 20 days prior to an annual general meeting. Each shareholder of the Company shall have the right to obtain the financial reports referred to in this chapter. Except as otherwise provided in this Articles of Association, the Company shall deliver or post the aforementioned report or the annual report of the Company containing the aforementioned financial report to the registered address of each H shareholder at least 21 days before the annual meeting of the general meeting of shareholders. If the securities regulatory authority where the Company's shares are listed has other regulations, those regulations shall prevail.	Deleted	As the Mandatory Provisions in the Articles of Association of Companies Listed Overseas, on the basis of which this Article is initially stipulated, are no longer in force, hence this Article had been deleted

No.	Original provisions	Amended provisions	Basis or reason of amendment
131	<p>Article 238 Except for statutory accounts books, the Company shall not establish additional accounting books. The Company's assets shall not be deposited in any account opened in the name of any individual.</p> <p>The profits after income tax paid by the Company shall be distributed in the following order:</p> <p>(1) making up the Company's losses in the previous year;</p> <p>(2) drawing 10% to the Company's statutory reserve;</p> <p>(3) draw discretionary reserve;</p> <p>(4) pay dividends to shareholders.</p> <p>When the Company's statutory reserve attains above 50% of the registered capital of the Company, the Company may cease to make such withdraw. After withdrawing the statutory reserve, the shareholders' general meeting may decide on whether to draw discretionary reserve. When the Company's reserves are used to make up for its losses, the Company shall first use its discretionary reserve and statutory reserve; if the Company still cannot make up for the losses, it may use its capital reserve in accordance with the regulations. The Company shall not distribute dividends to shareholders before making up the Company's losses and drawing the statutory reserve.</p> <p>Where the Company's statutory reserve is inadequate to make up losses in previous years, the Company shall, prior to withdrawing the statutory reserve pursuant to the provisions of the preceding paragraph, use the profits of the current year to make up the losses.</p> <p>Upon resolution by the shareholders' general meeting, the Company may, after withdrawing the statutory reserve from the profits after tax, withdraw any discretionary reserve from the profits after tax.</p> <p>Where the shareholders' general meeting violates the provisions of the preceding paragraph in distributing profits to shareholders prior to making up for the losses and withdrawing statutory reserve, the shareholders shall return the profits which are distributed in violation of the provisions to the Company.</p>	<p>Article 218238 Except for statutory accounts books, the Company shall not establish additional accounting books. The Company's assets shall not be deposited in any account opened in the name of any individual.</p> <p>The profits after income tax paid by the Company shall be distributed in the following order:</p> <p>(1) making up the Company's losses in the previous year;</p> <p>(2) drawing 10% to the Company's statutory reserve;</p> <p>(3) draw discretionary reserve;</p> <p>(4) pay dividends to shareholders.</p> <p>When the Company's statutory reserve attains above 50% of the registered capital of the Company, the Company may cease to make such withdraw. After withdrawing the statutory reserve, the shareholders' general meeting may decide on whether to draw discretionary reserve. When the Company's reserves are used to make up for its losses, the Company shall first use its discretionary reserve and statutory reserve; if the Company still cannot make up for the losses, it may use its capital reserve in accordance with the regulations. The Company shall not distribute dividends to shareholders before making up the Company's losses and drawing the statutory reserve.</p> <p>Where the Company's statutory reserve is inadequate to make up losses in previous years, the Company shall, prior to withdrawing the statutory reserve pursuant to the provisions of the preceding paragraph, use the profits of the current year to make up the losses.</p> <p>Upon resolution by the shareholders' general meeting, the Company may, after withdrawing the statutory reserve from the profits after tax, withdraw any discretionary reserve from the profits after tax.</p> <p>Where the shareholders' general meeting violates the provisions of the preceding paragraph <u>Company Law in distributing profits to shareholders prior to making up for the losses and withdrawing statutory reserve</u>, the shareholders shall return the profits which are distributed in violation of the provisions to the Company. <u>If it causes the Company to suffer a loss, the shareholders and responsible directors and senior management members shall be liable for compensation.</u></p>	<p>Deleted contents in the first amendment have been reflected in Article 231; contents in the second amendment were made in accordance with Article 155 of the Guidelines on Articles of Association of Listed Companies to improve the accuracy of expression</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
132	<p>Article 240 The Company's reserves shall be used for making up for the losses of the Company, expanding the Company's manufacturing and business operations or being converted to the Company's additional capital. However, the capital reserve shall not be used to make up for the losses of the Company. Where the statutory reserve is converted to capital, the remaining reserve shall not be less than 25% of the Company's registered capital prior to the conversion.</p> <p>The capital reserve shall include the following funds:</p> <p>(1) the premiums obtained from the issue of shares in excess of the par value;</p> <p>(2) other revenue required by the State Council's department in charge of finance to be included in the capital reserve.</p>	<p>Article 220240 The Company's reserves shall be used for making up for the losses of the Company, expanding the Company's manufacturing and business operations or being converted to the Company's additional capital. However, the capital reserve shall not be used to make up for the losses of the Company. <u>When utilizing its reserves, it shall first use its discretionary reserve and statutory reserve; if this is still insufficient to make up for the losses, it may use its capital reserve in accordance with the regulations.</u></p> <p>Where the statutory reserve is converted to capital, the remaining reserve shall not be less than 25% of the Company's registered capital prior to the conversion.</p> <p>The capital reserve shall include the following funds:</p> <p>(1) the premiums obtained from the issue of shares in excess of the par value;</p> <p>(2) other revenue required by the State Council's department in charge of finance to be included in the capital reserve.</p>	Amended in accordance with Article 158 of the Guidelines on Articles of Association of Listed Companies
133	<p>Article 241 Upon passing of a resolution on profit distribution scheme of the Company by the shareholders' general meeting, the Board of Directors shall complete the distribution of dividends (or shares) within 2 months after the convening of the shareholders' general meeting.</p>	<p>Article 221241 Upon passing of a resolution on profit distribution scheme of the Company by the shareholders' general meeting, the Board of Directors shall complete <u>the distribution of dividends (or shares) shall be completed</u> within 2 months after the convening of the shareholders' general meeting.</p>	Amended in accordance with Article 157 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
134	<p>Article 242 The Company shall implement an active profit distribution method:</p> <p>.....</p> <p>(II)</p> <p>.....</p> <p>3. When examining the specific proposal of cash dividends, the shareholders' general meeting shall, through various channels, actively communicate and exchange views with shareholders especially small and medium-sized shareholders, fully listen to the opinions and requests of, and promptly respond to the concerns of small and medium-sized shareholders. The profit distribution proposal shall be approved by more than two-thirds of the voting rights held by shareholders attending the shareholders' general meeting.</p> <p>.....</p>	<p>Article 222242 The Company shall implement an active profit distribution method:</p> <p>.....</p> <p>(II)</p> <p>.....</p> <p>3. When examining the specific proposal of cash dividends, the shareholders' general meeting shall, through various channels, actively communicate and exchange views with shareholders especially small and medium-sized shareholders, fully listen to the opinions and requests of, and promptly respond to the concerns of small and medium-sized shareholders. The profit distribution proposal shall be approved by more than two-thirds <u>more than half</u> of the voting rights held by shareholders attending the shareholders' general meeting.</p> <p>.....</p>	<p>Amended in accordance with Article 119 of these Articles</p>
135	<p>Article 244 The Company shall implement internal audit system and employ full-time audit personnel to carry out internal audit and supervision on the Company's financial revenue and expenditure and economic activities.</p>	<p>Article 224244 The Company shall implement internal audit system and employ full-time audit personnel to carry out internal audit and supervision on the Company's financial revenue and expenditure and economic activities <u>clearly define the leadership structure, responsibilities and authorities, staffing, financial support, application of audit results and accountability of the internal audit work.</u></p>	<p>Amended in accordance with Article 159 of the Guidelines on Articles of Association of Listed Companies</p>
136	<p>Article 245 The internal audit system of the Company and the duties of audit personnel shall be implemented upon approval by the Board of Directors. The person in charge of audit shall be accountable and report to the Board of Directors.</p>	<p>Article 225245 The internal audit system of the Company and the duties of audit personnel shall be implemented upon approval by the Board of Directors and the same shall be disclosed to the public. The person in charge of audit shall be accountable and report to the Board of Directors.</p>	<p>Amended in accordance with Article 159 of the Guidelines on Articles of Association of Listed Companies</p>
137	Newly added	<p>Article 226 The internal audit function of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other matters.</p>	<p>Amended in accordance with Article 160 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
138	Newly added	<p><u>Article 227</u> The internal audit function shall be accountable to the Board of Directors.</p> <p>In carrying out its supervision and inspection of the Company's business activities, risk management, internal control, and financial information, the internal audit function shall be subject to the supervision and guidance of the audit committee. The internal audit function shall immediately and directly report any major issues or concerns it identifies to the audit committee.</p>	Amended in accordance with Article 161 of the Guidelines on Articles of Association of Listed Companies
139	Newly added	<p><u>Article 228</u> The internal audit function shall be responsible for the specific planning and implementation of the evaluation of the Company's internal control. The Company shall issue an annual review report on its internal control based on the evaluation report issued by the internal audit function and approved by the audit committee, along with relevant information.</p>	Amended in accordance with Article 162 of the Guidelines on Articles of Association of Listed Companies
140	Newly added	<p><u>Article 229</u> The internal audit function shall actively cooperate with and provide necessary support and collaboration to the audit committee during its communication with external audit entities such as accounting firms and national audit organisation.</p>	Amended in accordance with Article 163 of the Guidelines on Articles of Association of Listed Companies
141	Newly added	<p><u>Article 230</u> The audit committee shall participate in the appraisal of the head of internal audit.</p>	Amended in accordance with Article 164 of the Guidelines on Articles of Association of Listed Companies
142	<p>Article 246 The Company shall appoint an independent accounting firm that complies with relevant State regulations and regulatory provisions of the place where the Company's shares are listed to audit its accounting statements, verify its net assets and provide other relevant advisory services. The term of employment of an accounting firm employed by the Company shall be between the end of the annual general meeting of the Company and the end of the next annual general meeting and the term of employment may be renewable upon expiry of the term of employment.</p>	<p>Article 231246 The Company shall appoint an independent accounting firm that complies with relevant State regulations and regulatory provisions of the place where the Company's shares are listed to audit its accounting statements, verify its net assets and provide other relevant advisory services. The term of employment of an accounting firm employed by the Company shall be between the end of the <u>current annual general shareholders' meeting</u> of the Company and the end of the next annual <u>general shareholders' meeting</u> and the term of employment may be renewable upon expiry of the term of employment.</p>	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
143	Article 247 The accounting firm employed by the Company to perform regular statutory audits of its financial statements must be considered and approved by the audit committee before submitting to the Board of Directors for consideration and decided by the shareholders' general meeting, and the Board of Directors shall not appoint an accounting firm prior to the decision by the shareholders' general meeting.	Article 232247 The engagement and dismissal of the accounting firm employed by the Company <u>responsible for performing regular statutory audits of its the Company's financial statements</u> must <u>shall be considered and approved by the audit committee before submitting to the Board of Directors for consideration and</u> decided by the shareholders' general meeting, and the Board of Directors shall not appoint an accounting firm prior to the decision by the shareholders' general meeting.	Amended in accordance with Article 166 of the Guidelines on Articles of Association of Listed Companies
144	Article 249 If the position of accounting firm becomes vacant, the Board of Directors may appoint an accounting firm to fill such vacancy before a shareholders' general meeting is held. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy still exists, such accounting firms shall continue to act.	Deleted	As the Mandatory Provisions in the Articles of Association of Companies Listed Overseas, on the basis of which this Article is initially stipulated, are no longer in force, hence this Article had been deleted
145	Article 254 In the event of termination of appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm promptly after the resolution is made by the Board of the Directors; where the Company's shareholders' general meeting votes on termination of appointment of, or a resignation was tendered by, an accounting firm, the accounting firm may make its representation. An accounting firm proposing to resign shall state at the shareholders' general meeting whether the Company has committed any other improper act.	Article 238254 In the event of termination of appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm promptly after the resolution is made by the Board of the Directors; where the Company's shareholders' general meeting votes on termination of appointment of, or a resignation was tendered by, an accounting firm, the accounting firm may <u>shall be allowed to</u> make its representation. An accounting firm proposing to resign shall state at the shareholders' general meeting whether the Company has committed any other improper act.	Amended in accordance with Article 169 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
146	<p>Article 255 A notice of the Company shall be sent by the following means:</p> <p>(1) by personal delivery;</p> <p>(2) by mail;</p> <p>(3) by announcement;</p> <p>(4) by any other means recognized by relevant regulatory authorities of the place where the Company's shares are listed, or stipulated in the Articles of Association.</p> <p>As for providing or sending corporate communications to holders of foreign shares, according to the listing rules of the place where the Company's shares are listed, subject to the laws and regulations and listing rules of the place where the Company's shares are listed as well as these Articles, corporate communications may be provided or sent to holders of foreign shares by posting on the websites designated by the Company and the securities regulatory authority where the Company's shares are listed or by electronic means.</p> <p>Corporate communications referred to in the preceding paragraph shall mean any document issued or to be issued by the Company for the information or action of the holders of foreign shares or other person as required by the listing rules of the place where the Company's shares are listed, including but not limited to:</p> <p>(I) the Company's annual reports (including report of the board of directors, annual financial statements, auditors' report and financial summary of the Company (if applicable);</p> <p>(II) interim report and summary of interim report of the Company (if applicable);</p> <p>(III) notices of meetings;</p> <p>(IV) listing documents;</p> <p>(V) circulars;</p> <p>(VI) proxy forms (as defined in the listing rules of the stock exchange where the shares of the Company are listed).</p> <p>When giving notice in the form of public notice in exercise of the powers prescribed in these Articles, such notice shall be published in the manner prescribed in the listing rules of the place where the Company's shares are listed.</p> <p>The Company may only deliver the English version or the Chinese version (according to the intention expressed by the shareholder) of any relevant document of the Company within the scope permitted in any applicable law or regulation and in accordance therewith if the Company is required in the listing regulations at the place where the stock of the Company is listed to deliver, mail, distribute, issue or publish both the English and Chinese versions of any such document or provide any such documents in any other way, and if the Company has made appropriate arrangements to determine whether a shareholder wishes to receive only the English version or only the Chinese version of any such document.</p>	<p>Article 239255 A notice of the Company shall be sent by the following means:</p> <p>(1) by personal delivery;</p> <p>(2) by mail;</p> <p>(3) by announcement;</p> <p>(4) by any other means recognized by relevant regulatory authorities of the place where the Company's shares are listed, or stipulated in the Articles of Association.</p> <p>As for providing or sending corporate communications to holders of foreign shares, according to the listing rules of the place where the Company's shares are listed, subject to the laws and regulations and listing rules of the place where the Company's shares are listed as well as these Articles, corporate communications may be provided or sent to holders of foreign shares by posting on the websites designated by the Company and the securities regulatory authority where the Company's shares are listed or by electronic means.</p> <p>Corporate communications referred to in the preceding paragraph shall mean any document issued or to be issued by the Company for the information or action of the holders of foreign shares or other person as required by the listing rules of the place where the Company's shares are listed, including but not limited to:</p> <p>(I) the Company's annual reports (including report of the board of directors, annual financial statements, auditors' report and financial summary of the Company (if applicable));</p> <p>(II) interim report and summary of interim report of the Company (if applicable);</p> <p>(III) notices of meetings;</p> <p>(IV) listing documents;</p> <p>(V) circulars;</p> <p>(VI) proxy forms (as defined in the listing rules of the stock exchange place where the shares of the Company are listed).</p> <p>When giving notice in the form of public notice in exercise of the powers prescribed in these Articles, such notice shall be published in the manner prescribed in the listing rules of the place where the Company's shares are listed.</p> <p>The Company may only deliver the English version or the Chinese version (according to the intention expressed by the shareholder) of any relevant document of the Company within the scope permitted in any applicable law or regulation and in accordance therewith if the Company is required in the listing regulations at the place where the stock of the Company is listed to deliver, mail, distribute, issue or publish both the English and Chinese versions of any such document or provide any such documents in any other way, and if the Company has made appropriate arrangements to determine whether a shareholder wishes to receive only the English version or only the Chinese version of any such document.</p>	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
147	Article 257 The notice of convening of a shareholders' general meeting of the Company shall be made by announcement.	Article 241257 The notice of convening of a shareholders' general -meeting of the Company shall be made by announcement.	Improved the accuracy of expression
148	Article 259 The notice of convening of a meeting of Board of Supervisors of the Company shall be made by mail, telephone, fax or email.	Deleted	Adjusted to reflect changes in the Company's governance structure, with relevant contents of "the Board of Supervisors" deleted
149	Article 261 Where a notice of meeting is not delivered to persons who have the right to receive the notice or such persons do not receive the notice of meeting due to accidental omission, the meeting and the resolutions passed by the meeting shall not be rendered invalid as a result thereof.	Article 244261 Where a notice of meeting is not delivered to persons who have the right to receive the notice or such persons do not receive the notice of meeting due to accidental omission, the meeting and the resolutions passed by the meeting shall not be rendered invalid <u>solely</u> as a result thereof.	Amended in accordance with Article 175 of the Guidelines on Articles of Association of Listed Companies
150	<p>Article 264 Merger or division of the Company shall be conducted according to the following procedures:</p> <p>(1) to formulate a merger or division plan by the Board of Directors;</p> <p>(2) to obtain a resolution by the shareholders' general meeting made in accordance with the Articles of Association;</p> <p>(3) to enter into a merger or division contract by all relevant parties;</p> <p>(4) to go through the relevant approval formalities according to law;</p> <p>(5) to deal with all the matters in connection with merger or division such as disposal of credits and debts;</p> <p>(6) to accomplish the dissolution registration or change registration.</p> <p>For shareholders of H-share, the aforesaid documents shall also be notified or announced in the manner prescribed in the Articles of Association.</p>	<p>Article 247264 Merger or division of the Company shall be conducted according to the following procedures:</p> <p>(1) to formulate a merger or division plan by the Board of Directors;</p> <p>(2) to obtain a resolution by the shareholders' general-meeting made in accordance with the Articles of Association;</p> <p>(3) to enter into a merger or division contract by all relevant parties;</p> <p>(4) to go through the relevant approval formalities according to law;</p> <p>(5) to deal with all the matters in connection with merger or division such as disposal of credits and debts;</p> <p>(6) to accomplish the dissolution registration or change registration.</p> <p>For shareholders of H-share, the aforesaid documents shall also be notified or announced in the manner prescribed in the Articles of Association.</p>	Improved the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
151	<p>Article 265 In the event of merger, the parties to the merger shall enter into a merger agreement and prepare balance sheet and asset list. The Company shall notify its creditors within 10 days from the date on which the merger resolution is adopted and make an announcement on a newspaper or the National Enterprise Credit Information Publicity System within 30 days. Creditors may require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.</p>	<p>Article 248265 In the event of merger, the parties to the merger shall enter into a merger agreement and prepare balance sheet and asset list. The Company shall notify its creditors within 10 days from the date on which the merger resolution is adopted and make an announcement on a newspaper or the National Enterprise Credit Information Publicity System within 30 days. Creditors may require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.</p>	Amended in accordance with Article 179 of the Guidelines on Articles of Association of Listed Companies
152	<p>Article 268 If the Company needs to reduce its registered capital, it shall prepare balance sheet and asset list.</p> <p>The Company shall notify its creditors within 10 days from the date on which the resolution on reduction of registered capital is adopted and make an announcement on a newspaper or the National Enterprise Credit Information Publicity System within 30 days. The creditors shall have the right to require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.</p> <p>The reduced registered capital of the Company shall not be lower than the minimum statutory amount.</p>	<p>Article 251268 If the Company needs to reduces its registered capital, it shall prepare balance sheet and asset list.</p> <p>The Company shall notify its creditors within 10 days from the date on which the <u>shareholders' meeting passes a resolution to</u> on reduce the tion of registered capital is adopted and make an announcement on a newspaper or the National Enterprise Credit Information Publicity System within 30 days. The creditors shall have the right to require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.</p> <p>The reduced <u>reduction of the Company's registered capital of the Company shall not be lower than the minimum statutory amount</u> carried out by reducing the capital contribution or shares in proportion to the shares held by shareholders, except as otherwise provided by the laws or these Articles of Association.</p>	Amended in accordance with Article 183 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
153	Newly added	<p><u>Article 252</u> If there are remaining losses after the Company has made up its losses in accordance with the provisions of paragraph 2 under Article 220 of the Articles of Association, it may reduce its registered capital to make up those losses. For those registered capital that is reduced to make up losses, the Company shall not distribute them to shareholders or exempt shareholders from the obligation to contribute capital or pay for the shares.</p> <p>Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 under Article 251 shall not apply, but an announcement shall be made in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days after the resolution for the reduction has been passed by a shareholders' meeting.</p> <p>After the registered capital is reduced in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the accumulated amount of the statutory reserve and discretionary reserve reaches 50% of the Company's registered capital.</p>	Amended in accordance with Article 184 of the Guidelines on Articles of Association of Listed Companies
154	Newly added	<p><u>Article 253</u> In the event that the registered capital is reduced in violation of the Company Law and other relevant regulations, shareholders shall return the funds they have received, and any reduction in shareholders' contributions shall be restored to the original state. If the Company suffers any loss as a result, the shareholders and the responsible directors and senior management shall be liable for compensation.</p>	Amended in accordance with Article 185 of the Guidelines on Articles of Association of Listed Companies
155	Newly added	<p><u>Article 254</u> When the Company issues new shares for the purpose of increasing its registered capital, shareholders shall not enjoy any pre-emptive rights, unless otherwise provided for in these Articles of Association or determined by a resolution of the shareholders' meeting that the shareholders shall enjoy pre-emptive rights.</p>	Amended in accordance with Article 186 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
156	<p>Article 271 The Company shall be dissolved and liquidated under any of the following conditions:</p> <p>(1) upon expiry of term of business stipulated in the Articles of Association or occurrence of any other circumstances of dissolution stipulated in the Articles of Association;</p> <p>(2) the shareholders' general meeting has resolved on dissolution of the Company;</p> <p>(3) dissolution is necessary due to a merger or division of the Company;</p> <p>(4) the Company's business license is cancelled pursuant to the law, or the Company is ordered to be closed down or revoked pursuant to the law;</p> <p>(5) the Company has serious difficulties in its business operation and its subsistence will cause serious damages to the interests of its shareholders. The Company is unable to resolve such difficulties through any other means, the shareholders holding 10% or more of the voting rights of the Company may apply to the competent people's court for dissolution of the Company.</p>	<p>Article 257271 The Company shall be dissolved and liquidated under any of the following conditions:</p> <p>(1) upon expiry of term of business stipulated in the Articles of Association or occurrence of any other circumstances of dissolution stipulated in the Articles of Association;</p> <p>(2) the shareholders' general meeting has resolved on dissolution of the Company;</p> <p>(3) dissolution is necessary due to a merger or division of the Company;</p> <p>(4) the Company's business license is cancelled pursuant to the law, or the Company is ordered to be closed down or revoked pursuant to the law;</p> <p>(5) the Company has serious difficulties in its business operation and its subsistence will cause serious damages to the interests of its shareholders. The Company is unable to resolve such difficulties through any other means, the shareholders holding 10% or more of the voting rights of the Company may apply to the competent people's court for dissolution of the Company.</p> <p><u>If the Company encounters any cause of dissolution as stipulated in the preceding paragraphs, it shall publicise the cause of dissolution through the National Enterprise Credit Information Publicity System within ten days.</u></p>	<p>Amended in accordance with Article 188 of the Guidelines on Articles of Association of Listed Companies</p>
157	<p>Article 272 Under the circumstances set out in Item (1) of Article 271 of the Articles of Association, the Company may continue to exist through amendment of the Articles of Association.</p> <p>The amendment to the Articles of Association pursuant to the preceding paragraph shall be passed by shareholders who hold two-thirds of the voting rights present at the shareholders' general meeting.</p>	<p>Article 258272 Under the circumstances set out in Item (1) <u>and Item (2)</u> of Article 271257 of the Articles of Association, <u>and where the assets has not yet been distributed to shareholders,</u> the Company may continue to exist through amendment of the Articles of Association <u>or through a resolution of the shareholders' meeting.</u></p> <p>The amendment to the Articles of Association pursuant to the preceding paragraph <u>or through a resolution of the shareholders' meeting</u> shall be passed by shareholders who hold two-thirds of the voting rights present at the shareholders' general meeting.</p>	<p>Adjusted and amended in accordance with Article 189 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
158	<p>Article 273 If the Company is dissolved pursuant to Item (1), Item (2), Item (4) and Item (5) of Article 271 of the Articles of Association, it shall establish a liquidation committee and commence liquidation within 15 days from occurrence of the cause of dissolution. The liquidation committee shall comprise persons determined by the ordinary resolution of shareholders' general meeting. Where the liquidation committee is not established within the stipulated period, the creditors may apply to the people's court to designate the relevant persons to form a liquidation committee to commence liquidation.</p>	<p>Article 259273 If the Company is dissolved pursuant to Item (1), Item (2), Item (4) and Item (5) of Article 271257 of the Articles of Association, a liquidation process shall begin. The Directors shall act as the liquidation obligors, and they shall <u>formestablish a liquidation committee and commence liquidation within 15 days from occurrence of the cause of dissolution. The liquidation committee shall comprise persons</u> determined by the ordinary resolution of shareholders' general meeting. Where the liquidation committee is not established within the stipulated period, the creditors may apply to the people's court to designate the relevant persons to form a liquidation committee to commence liquidation. <u>the directors, unless otherwise provided for in these Articles of Association or determined by a resolution of the shareholders' meeting to appoint other person(s).</u></p> <p><u>If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or its creditors, they shall be liable for compensation.</u></p>	Amended in accordance with Article 190 of the Guidelines on Articles of Association of Listed Companies
159	<p>Article 274 During the liquidation period, the liquidation team shall exercise the following functions and duties:</p> <p>(1) to ascertain the Company's assets and separately prepare balance sheet and asset list;</p> <p>(2) to notify creditors by sending notice or by making announcement;</p> <p>(3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;</p> <p>(4) to settle outstanding taxes and taxes incurred during the process of liquidation;</p> <p>(5) to ascertain all claims and debts;</p> <p>(6) to dispose of the remaining assets of the Company after the repayment of debts;</p> <p>(7) to represent the Company in any civil proceedings.</p>	<p>Article 260274 During the liquidation period, the liquidation team shall exercise the following functions and duties:</p> <p>(1) to ascertain the Company's assets and separately prepare balance sheet and asset list;</p> <p>(2) to notify creditors by sending notice or by making announcement;</p> <p>(3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;</p> <p>(4) to settle outstanding taxes and taxes incurred during the process of liquidation;</p> <p>(5) to ascertain all claims and debts;</p> <p>(6) to dispose of <u>allocate</u> the remaining assets of the Company after the repayment of debts;</p> <p>(7) to represent the Company in any civil proceedings.</p>	Amended in accordance with Article 191 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
160	<p>Article 275 The liquidation committee shall notify the creditors within 10 days from the date of its establishment and make an announcement on a newspaper or the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their creditor's rights to the liquidation committee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.</p> <p>Creditors declaring creditor's rights shall state the relevant information of the creditor's rights and provide evidentiary materials. The liquidation committee shall register the creditor's rights.</p> <p>During the period for declaration of creditor's rights, the liquidation committee shall not make repayment to creditors.</p>	<p>Article 261275 The liquidation committee shall notify the creditors within 10 days from the date of its establishment and make an announcement on a newspaper or the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their creditor's rights to the liquidation committee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.</p> <p>Creditors declaring creditor's rights shall state the relevant information of the creditor's rights and provide evidentiary materials. The liquidation committee shall register the creditor's rights.</p> <p>During the period for declaration of creditor's rights, the liquidation committee shall not make repayment to creditors.</p>	Amended in accordance with Article 192 of the Guidelines on Articles of Association of Listed Companies
161	<p>Article 276 Having thoroughly examined the assets of the Company and prepared the balance sheet and asset list, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' general meeting or the people's court for confirmation.</p> <p>The asset of the Company shall be used respectively for payment of liquidation expenses, employees' wages, social security expenditures, statutory compensations, tax in arrears and the Company's debts; the residual properties thereafter shall be distributed in accordance with the shareholding percentages of the shareholders. During the liquidation period, the Company continues to exist but it shall not engage in business activities unrelated to liquidation. The Company's asset shall not be distributed to shareholders before making repayment pursuant to the provisions of the preceding sentence.</p>	<p>Article 262276 Having thoroughly examined the assets of the Company and prepared the balance sheet and asset list, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' general meeting or the people's court for confirmation.</p> <p>The asset of the Company shall be used respectively for payment of liquidation expenses, employees' wages, social security expenditures, statutory compensations, tax in arrears and the Company's debts; the residual properties thereafter shall be distributed in accordance with the shareholding percentages of the shareholders. During the liquidation period, the Company continues to exist but it shall not engage in business activities unrelated to liquidation. The Company's asset shall not be distributed to shareholders before making repayment pursuant to the provisions of the preceding sentence.</p>	Amended in accordance with Article 193 of the Guidelines on Articles of Association of Listed Companies
162	<p>Article 277 Upon thorough examination of the Company's asset and preparation of the balance sheet and asset list, where the liquidation committee discovers that the Company's asset are insufficient to pay its debts in full, it shall apply to the people's court for declaration of bankruptcy pursuant to the law. Upon declaration of the Company's bankruptcy pursuant to the ruling of the people's court, the liquidation committee shall hand over the liquidation matters to the people's court.</p>	<p>Article 263277 Upon thorough examination of the Company's asset and preparation of the balance sheet and asset list, where the liquidation committee discovers that the Company's asset are insufficient to pay its debts in full, it shall apply to the people's court for declaration of bankruptcy liquidation pursuant to the law. <u>Once the application for</u> Upon declaration of the <u>Company's bankruptcy liquidation pursuant to the ruling of</u> is accepted by the people's court, the liquidation committee shall hand over the liquidation matters to <u>the bankruptcy administrator appointed by</u> the people's court.</p>	Amended in accordance with Article 194 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
163	Article 278 Upon completion of liquidation, the liquidation committee shall prepare liquidation report and submit the same to the shareholders' general meeting or the people's court for confirmation. Within 30 days from the date of confirmation of the above-mentioned documents by the shareholders' general meeting or the relevant authorities in charge, the liquidation committee shall submit the aforesaid documents to company registration authorities and apply for deregistration and make an announcement on termination of the Company.	Article 264278 Upon completion of liquidation, the liquidation committee shall prepare liquidation report and submit the same to the shareholders' general meeting or the people's court for confirmation. Within 30 days from the date of confirmation of the above-mentioned documents by the shareholders' general meeting or the relevant authorities in charge, the liquidation committee shall submit the aforesaid documents to company registration authorities and apply for deregistration and make an announcement on termination of the Company.	Amended in accordance with Article 195 of the Guidelines on Articles of Association of Listed Companies
164	Article 279 Members of the liquidation committee shall be dedicated to their duties and perform liquidation obligations pursuant to the law. Members of the liquidation committee shall not make use of their powers and functions to accept bribes or any other illegal income and shall not encroach upon the Company's assets. A member of the liquidation committee who causes the Company or its creditors to suffer losses intentionally by gross negligence shall be liable for compensation.	Article 265279 Members of the liquidation committee shall be dedicated to their duties and perform liquidation <u>duties and uphold fiduciary and diligence obligations pursuant to the law.</u> <u>Members of the liquidation committee who fail to fulfill their liquidation duties and cause losses to the Company shall be liable for compensation.</u> shall not make use of their powers and functions to accept bribes or any other illegal income and shall not encroach upon the Company's assets. A member of the liquidation committee who causes the Company or its creditors to suffer losses intentionally by their willful actions or gross negligence shall be liable for compensation.	Amended in accordance with Article 196 of the Guidelines on Articles of Association of Listed Companies
165	Article 281 According to the regulations of laws, administrative regulations and the Articles of Association, the Company may amend the Articles of Association. Under any of the following circumstances, the Company may amend the Articles of Association: (I) upon revision of the Company Law or the relevant laws, administrative regulations and listing rules of the place where the Company's shares are listed contradict the stipulations of the revised laws, administrative regulations and listing rules of the place where the Company's shares are listed; (II) the Company's situation has changed and is inconsistent with the items recorded in the Articles of Association; (III) the shareholders' general meeting has decided on making amendments to the Articles of Association.	Article 267281 According to the regulations of laws, administrative regulations and the Articles of Association, the Company may amend the Articles of Association. Under any of the following circumstances, the Company shall <u>may</u> amend the Articles of Association: (I) upon revision of the Company Law or the relevant laws, administrative regulations and listing rules of the place where the Company's shares are listed, <u>the provisions of the Article of Association</u> contradict the stipulations of the revised laws, administrative regulations and listing rules of the place where the Company's shares are listed; (II) the Company's situation has changed and is inconsistent with the items recorded in the Articles of Association; (III) the shareholders' general meeting has decided on making amendments to the Articles of Association.	Amended in accordance with Article 198 of the Guidelines on Articles of Association of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
166	<p>Article 282 Where any amendment to the Articles of Association resolved by the shareholders' general meeting is subject to review and approval of competent authorities, the amendment shall be submitted to the competent authorities for approval; where company registration matters are involved, change registration formalities shall be filed pursuant to the law.</p>	<p>Article 268282 Where any amendment to the Articles of Association resolved by the shareholders' general meeting is subject to review and approval of competent authorities, the amendment shall be submitted to the competent authorities for approval; where company registration matters are involved, change registration formalities shall be filed pursuant to the law.</p>	Amended in accordance with Article 199 of the Guidelines on Articles of Association of Listed Companies
167	<p>CHAPTER 13 SETTLEMENT OF DISPUTE</p> <p>Article 286 The Company shall abide by the following dispute resolution procedures:</p> <p>(I) If any disputes or claims related to the Company's business based on the rights or obligations provided in the Articles of Association, contracts entered into under the relevant provisions of the Articles of Association, the Company Law and other relevant laws or administrative regulations arise between the holders of foreign shares and the Company, between the holders of foreign shares and the directors, supervisors, president, or other senior executives of the Company or between the holders of foreign shares and holders of domestic shares, the parties concerned shall submit the dispute or claim for arbitration.</p> <p>When a dispute or claim as described above is submitted for arbitration, such dispute or claim shall be in its entirety, and all persons (being the Company or shareholders, directors, supervisors, the president or other senior executives of the Company) that have a cause of action due to the same facts or whose participation is necessary for the settlement of such dispute or claim shall abide by arbitration.</p> <p>Disputes concerning the definition of shareholders and the register of shareholders shall not be required to be settled by means of arbitration.</p> <p>(II) a dispute or claim submitted for arbitration may arbitrated, at the option of the arbitration applicant, by either the China International Economic and Trade Arbitration Commission to arbitrate in Qingdao in accordance with its arbitration rules or the Hong Kong International Arbitration Center in accordance with its securities arbitration rules, After the arbitration applicant has submitted the dispute or claim for arbitration, the other party must carry out arbitration in the arbitration institution selected by the applicant.</p>	Deleted	As the Mandatory Provisions in the Articles of Association of Companies Listed Overseas, on the basis of which this Article is initially stipulated, are no longer in force, hence this Article had been deleted

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>If the arbitration applicant opts for arbitration by the Hong Kong International Arbitration Center, either party may request arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Center.</p> <p>(III) unless otherwise provided by laws or administrative regulations, the laws of the PRC shall apply to the settlement by means of arbitration of disputes or claims referred to in item (1).</p> <p>(IV) the award of the arbitration institution shall be final and binding upon each party.</p> <p>(V) This arbitration agreement is agreed between the directors, supervisors or senior officers of the Company and the Company on behalf of both itself and each shareholder.</p> <p>(VI) Any arbitration submitted shall be deemed to authorize the tribunal to hear in public and publish its award.</p>		
168	<p>Article 287 Definitions</p> <p>(1) De facto controller indicates person who is not a shareholder of the Company but is able to exert actual control over the Company through investor relations, agreement or any other arrangements.</p> <p>(2) Related relation indicates relationships between the Company's controlling shareholders, de facto controller, directors, supervisors, senior management and the enterprises directly or indirectly controlled by them as well as any other relationships which may result in transfer of interests of the Company. However, enterprises in which the State holds controlling stake shall not be deemed to have related-party relations because they are under common control of the State.</p>	<p>Article 272287 Definitions</p> <p>(1) De facto controller indicates <u>a natural person, legal person or other entity who is not a shareholder of the Company</u> but is able to exert actual control over the Company through investor relations, agreement or any other arrangements.</p> <p>(2) Related relation indicates relationships between the Company's controlling shareholders, de facto controller, directors, supervisors, senior management and the enterprises directly or indirectly controlled by them as well as any other relationships which may result in transfer of interests of the Company. However, enterprises in which the State holds controlling stake shall not be deemed to have related-party relations because they are under common control of the State.</p>	<p>Amended in accordance with Article 202 of the Guidelines on Articles of Association of Listed Companies</p>
169	<p>Article 289 The Board of Directors may formulate detailed rules for the Articles of Association pursuant to the provisions of the Articles of Association. The detailed rules for the Articles of Association shall not contradict the provisions of the Articles of Association.</p>	<p>Article 274289 The Board of Directors may formulate detailed rules for the Articles of Association pursuant to the provisions of the Articles of Association. The detailed rules for the Articles of Association shall not contradict the provisions of the Articles of Association.</p>	<p>Amended in accordance with Article 203 of the Guidelines on Articles of Association of Listed Companies</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
170	Article 293 The terms “above”, “within” and “below” referred to in the Articles of Association shall include the numeral referred thereto; the terms “not exceeding”, “except”, “less than” and “more than” shall exclude the numeral referred thereto. The term “working day” as mentioned in the Articles of Association refers to the statutory working day stipulated by the State Council, including the Saturdays or Sundays declared by the State Council as a temporary working day (“adjusted rest day”), but excluding Saturdays or Sundays outside statutory holidays and adjusted rest days. The “transaction day” referred to in the Articles of Association refers to every Monday to Friday, excluding statutory holidays and adjusted rest days. The “business day” referred to in the Articles of Association refers to the day when the Hong Kong Stock Exchange opens for securities trading.	Article 278293 The terms “above”, “within” and “below” referred to in the Articles of Association shall include the numeral referred thereto; the terms “ not exceeding ”, “except”, “less than” and “more than” shall exclude the numeral referred thereto. The term “working day” as mentioned in the Articles of Association refers to the statutory working day stipulated by the State Council, including the Saturdays or Sundays declared by the State Council as a temporary working day (“adjusted rest day”), but excluding Saturdays or Sundays outside statutory holidays and adjusted rest days. The “transaction day” referred to in the Articles of Association refers to every Monday to Friday, excluding statutory holidays and adjusted rest days. The “business day” referred to in the Articles of Association refers to the day when the Hong Kong Stock Exchange opens for securities trading.	Amended in accordance with Article 205 of the Guidelines on Articles of Association of Listed Companies
171	Article 296 The appendices to the Articles of Association shall include the Rules of Procedure for General Meetings, the Rules of Procedure for Board of Directors and the Rules of Procedure for Board of Supervisors.	Article 281296 The appendices to the Articles of Association shall include the Rules of Procedure for Shareholders’ General Meetings and the Rules of Procedure for Board of Directors and the Rules of Procedure for Board of Supervisors.	The content related to the rules of procedure of the Board of Supervisors has been deleted, and the expression has been adjusted accordingly
172	Other amendments	<p>1. In the Articles of Association, “shareholder’s general meeting” is adjusted to “shareholders’ meeting”, the expression “Supervisors” and “Board of Supervisors” are deleted or correspondingly adjusted to “Audit Committee”, and “member(s)” is changed to “committee member(s)”, “regulatory authority at the place where the shares of the Company are listed” and “regulatory authorities at the place where the shares of the Company are listed” are both adjusted to “securities regulatory authority at the place where the shares of the Company are listed”, and “the Company” is adjusted to “the Company”;</p> <p>2. The numbering of the articles in these Articles of Association have been adjusted accordingly to maintain proper sequence.</p>	Adjusted to reflect changes in the Company’s governance structure

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	<p>Article 1 For the purpose of regulating the general meetings of Haier Smart Home Co., Ltd. (hereinafter referred to as the “Company”) and the actions of attendees thereof, improving the procedural efficiency of the general meetings, ensuring the legitimacy of the procedures and resolutions of the general meetings, and sufficiently safeguarding the legitimate rights and interests of all shareholders, these Rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on Shanghai Stock Exchange — Standardized Operation, the Code of Corporate Governance for Listed Companies, the Rules for the General Meeting of Listed Companies, the Reply of the State Council on the Adjustment of the Notice Period of the Shareholders’ General Meeting and Other Matters Applicable to the Overseas Listed Companies, the German Securities Trading Act, the Listing Rules of Frankfurt Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association of Haier Smart Home Co., Ltd. (hereinafter referred to as the “Articles of Association”), and relevant existing national laws, regulations, and regulatory documents as well.</p>	<p>Article 1 For the purpose of regulating the shareholders’ general meetings of Haier Smart Home Co., Ltd. (hereinafter referred to as the “Company”) and the actions of attendees thereof, improving the procedural efficiency of the shareholders’ general meetings, ensuring the legitimacy of the <u>procedures</u> and resolutions of the shareholders’ general meetings, and sufficiently safeguarding the legitimate rights and interests of all shareholders, these Rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on Shanghai Stock Exchange — Standardized Operation, the Code of Corporate Governance for Listed Companies, the Rules for the Shareholders’ General Meeting of Listed Companies (hereinafter referred to as the “Rules”), the Reply of the State Council on the Adjustment of the Notice Period of the Shareholders’ General Meeting and Other Matters Applicable to the Overseas Listed Companies, the German Securities Trading Act, the Listing Rules of Frankfurt 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”) and the Articles of Association of Haier Smart Home Co., Ltd. (hereinafter referred to as the “Articles of Association”), and relevant existing national laws, regulations, and regulatory documents as well.</p>	<p>Improve the accuracy of expression with the addition of abbreviations</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
2	<p>Article 9 Individual shareholder requesting the convening of an extraordinary shareholders' general meeting or a class shareholders' meeting shall proceed in accordance with the procedures set forth below:</p> <p>(1) Two or more shareholders who hold, in aggregate, 10% or more of the shares carrying the right to vote at the proposed meeting may sign one or several written requisitions of the same format and contents, requesting the Board of Directors to convene an extraordinary general meeting or a class meeting of shareholders. The agenda of the proposed meeting shall be stated therein. The Board of Directors shall convene an extraordinary general meeting or a class meeting of shareholders as soon as possible upon the receipt of the said written request. The number of the aforesaid shares shall be calculated as of the date on which the requisition(s) is/are made.</p> <p>(2) Where the Board of Directors gives consent to convening of an extraordinary general meeting, a notice on convening of the extraordinary general meeting or the class meetings of shareholders shall be issued within 5 days from such decision, and the changes made to the original proposal in the notice shall be approved by relevant shareholders.</p> <p>(3) Where the Board of Directors does not give consent to convene the extraordinary general meeting or does not issue a feedback within 10 days upon the receipt of the requisition, the shareholders holding 10% or more of the Company's shares separately or in aggregate shall have the right to propose to the Board of Supervisors on convening of an extraordinary general meeting and such proposal shall be made to the Board of Supervisors in writing.</p> <p>Where the Board of Supervisors gives consent to convene an extraordinary general meeting, a notice on convening of the extraordinary general meeting shall be issued within 5 days upon the receipt of the requisition and the changes made to the original request in the notice shall be approved by relevant shareholders.</p> <p>Where the Board of Supervisors fails to issue a notice of a shareholders' general meeting within the stipulated period, the Board of Supervisors will be deemed as not convening and chairing the shareholders' general meeting, a situation under which the shareholders who hold 10% or more of the Company's shares individually or jointly for 90 or more consecutive days may proceed to convene and chair an extraordinary general meeting on their own initiative. The procedures of convening such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' general meetings are to be convened by the Board of Directors.</p> <p>If the general meeting is held by the shareholders on their own due to the failure of the Board of Directors or Board of Supervisors to convene the meeting according to the above requirements, all reasonable costs of the meeting incurred shall be borne by the Company, which shall be deducted from the sums owed by the Company to the negligent directors and supervisors.</p>	<p>Article 9 Individual Shareholders requesting the convening of an extraordinary shareholders' general meeting or a class shareholders' meeting shall proceed in accordance with the procedures set forth below:</p> <p>(1) Shareholders who individually hold more than 10% of the Company's shares, or Two or more shareholders who hold, in aggregate, 10% or more of the shares carrying the right to vote at the proposed meeting may sign one or several written requisitions of the same format and contents, requesting the Board of Directors to convene an extraordinary general shareholders' meeting or a class meeting of shareholders. The agenda of the proposed meeting shall be stated therein. The Board of Directors shall convene an extraordinary general shareholders' meeting or a class meeting of shareholders as soon as possible upon the receipt of the said written request. The number of the aforesaid shares shall be calculated as of the date on which the requisition(s) is/are made.</p> <p>(2) Where the Board of Directors gives consent to convening of an extraordinary general shareholders' meeting, a notice on convening of the extraordinary general shareholders' meeting or the class meetings of shareholders shall be issued within 5 days from such decision, and the changes made to the original proposal in the notice shall be approved by relevant shareholders.</p> <p>(3) Where the Board of Directors does not give consent to convene the extraordinary general shareholders' meeting or does not issue a feedback within 10 days upon the receipt of the requisition, the shareholders holding 10% or more of the Company's shares separately or in aggregate shall have the right to propose to the Board of Supervisors Audit Committee on convening of an extraordinary general shareholders' meeting and such proposal shall be made to the Audit Committee Board of Supervisors in writing.</p> <p>Where the Board of Supervisors Audit Committee gives consent to convene an extraordinary general shareholders' meeting, a notice on convening of the extraordinary general shareholders' meeting shall be issued within 5 days upon the receipt of the requisition and the changes made to the original request in the notice shall be approved by relevant shareholders.</p> <p>Where the Board of Supervisors Audit Committee fails to issue a notice of a shareholders' general meeting within the stipulated period, the Board of Supervisors Audit Committee will be deemed as not convening and chairing the shareholders' general meeting, a situation under which the shareholders who hold 10% or more of the Company's shares individually or jointly for 90 or more consecutive days may proceed to convene and chair an extraordinary general shareholders' meeting on their own initiative. The procedures of convening such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' general meetings are to be convened by the Board of Directors.</p> <p>If the general meeting is held by the shareholders on their own due to the failure of the Board of Directors or Board of Supervisors to convene the meeting according to the above requirements, all reasonable costs of the meeting incurred shall be borne by the Company, which shall be deducted from the sums owed by the Company to the negligent directors and supervisors.</p>	<p>Consistent with amendments to the Articles of Association, the deletions are reflected in Article 86 of the amended Articles of Association.</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
3	<p>Article 10 Those shareholders who hold different classes of shares are class shareholders. Class shareholders shall enjoy rights and assume obligations in accordance with the provisions of laws, administrative regulations, and the Articles of Association. Apart from the shareholders of other classes of shares, the shareholders of the domestic shares and shareholders of foreign shares shall be deemed as shareholders of different classes of shares.</p> <p>The Company may change or abrogate the rights conferred on a class of shareholders only with the approval of a special resolution at a general meeting and with the approval by the affected class shareholders at a general meeting convened in accordance with Articles 11 to 16 of these Rules.</p>	<p>Article 10 Those shareholders who hold different classes of shares are class shareholders. Class shareholders shall enjoy rights and assume obligations in accordance with the provisions of laws, administrative regulations, and the Articles of Association. Apart from the shareholders of other classes of shares, the shareholders of A shares, H shares and D shares the domestic shares and shareholders of foreign shares shall be deemed as shareholders of different classes of shares.</p> <p>The Company may change or abrogate the rights conferred on a class of shareholders only with the approval of a special resolution at a general shareholders' meeting and with the approval by the affected class shareholders at a general shareholders' meeting convened in accordance with Articles 11 to 16 of these Rules.</p>	Consistent with amendments to the Articles of Association
4	<p>Article 12 The affected class shareholders, regardless of whether they have the voting right at the general meeting, shall have the voting right at the meeting of class shareholders in respect of matters concerning items (2) to (8) and (11) to (12) of Article 11, except that shareholder having an interest shall not be entitled to vote at such meeting of class shareholders.</p> <p>"Shareholders having an interest" used in the preceding paragraph has the following meaning:</p> <p>(1) In the case of a repurchase of shares by way of a general offer in proportion to all shareholders of the Company or by way of public dealing on a stock exchange according to the provisions of Article 29 of the Articles of Association, a "shareholder having an interest" refers to a controlling shareholder within the meaning of Article 71 of the Articles of Association;</p> <p>(2) In the case of a repurchase of shares outside the stock exchange by agreement according to the provisions of Article 29 of the Articles of Association, a "shareholder having an interest" refers to a shareholder relating to such agreement;</p> <p>(3) In the case of a restructuring of the Company, a "shareholder having an interest" refers to a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class or who has an interest different from the general interests of the shareholders of that class.</p>	<p>Article 12 The affected class shareholders, regardless of whether they have the voting right at the general shareholders' meeting, shall have the voting right at the meeting of class shareholders in respect of matters concerning items (2) to (8) and (11) to (12) of Article 11, except that shareholder having an interest shall not be entitled to vote at such meeting of class shareholders.</p> <p>"Shareholders having an interest" used in the preceding paragraph has the following meaning:</p> <p>(1) In the case of a repurchase of shares by way of a general offer in proportion to all shareholders of the Company or by way of public dealing on a stock exchange according to the provisions of Article 2930 of the Articles of Association, a "shareholder having an <u>interest</u>" refers to a controlling shareholder within the meaning of Article 7175 of the Articles of Association;</p> <p>(2) In the case of a repurchase of shares outside the stock exchange by agreement according to the provisions of Article 2930 of the Articles of Association, a "shareholder having an <u>interest</u>" refers to a shareholder relating to such agreement;</p> <p>(3) In the case of a restructuring of the Company, a "shareholder having an interest" refers to a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class or who has an interest different from the general interests of the shareholders of that class.</p>	Consistent with amendments to the Articles of Association
5	<p>Article 15 The notice of a meeting of class shareholders needs to be delivered only to the shareholders entitled to vote thereat.</p> <p>Except for shareholders of other classes of shares, the shareholders of domestic shares and shareholders of foreign shares shall be deemed as holders of different classes of shares.</p> <p>The special voting procedures for class shareholders shall not apply: where, as approved by way of a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, domestic shares and foreign shares every 12 months, and the number of the domestic shares and foreign shares intended to be issued does not exceed 20% of the issued and outstanding shares of the respective classes;</p>	<p>Article 15 The notice of meetings of class shareholders needs to be served only on shareholders entitled to vote thereat.</p> <p>Except for shareholders of other classes of shares, the shareholders of domestic A shares, shareholders of H shares and shareholders of foreign D shares shall be deemed as holders of different classes of shares.</p> <p>The special voting procedures for class shareholders shall not apply: where, as approved by way of a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, domestic A shares, H shares and foreign D shares every 12 months, and the number of the domestic A shares, H shares and foreign D shares intended to be issued does not exceed 20% of the issued and outstanding shares of the respective classes;</p>	Consistent with the amendments to the Articles of Association

APPENDIX X

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

No.	Original provisions	Amended provisions	Basis or reason of amendment
6	<p>Article 18</p> <p>Voting at a shareholders' general meeting shall adopt the form of open ballot.</p> <p>In accordance with applicable laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, any shareholder must abstain from voting on any specified resolution or restricting any shareholder from voting only on or against the specified resolution; if there is any violation of this provision or the restrictions, the votes made by this shareholder or its representatives will not be counted in the voting results.</p> <p>Unless the following persons require voting by voting before or after the show of hands, and the general meeting of shareholders shall vote by raising their hands, except as otherwise stipulated by laws and regulations, the securities regulatory agency or the stock exchange where the company's shares are listed:</p> <p>(1) the Chairman of the meeting;</p> <p>(2) at least two shareholders or their proxies entitled to vote thereat;</p> <p>(3) one or several shareholders (including proxies), individually or jointly, holding 10% or more of the shares of the Company with voting rights at the meeting.</p> <p>Unless somebody proposes voting by ballot, the Chairman of the meeting shall declare whether the proposal has been adopted in accordance with the results of the vote by showing of hand and shall record the same in the minutes of the meeting, which shall serve as final evidence without having to state the number or proportion of the votes for or against resolution adopted at the meeting.</p> <p>The demand for voting by ballot may be withdrawn by the person who made it.</p>	<p>Article 18</p> <p>Voting at a shareholders' general meeting shall adopt the form of open ballot.</p> <p>In accordance with applicable laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, any shareholder must abstain from voting on any specified resolution or restricting any shareholder from voting only on or against the specified resolution; if there is any violation of this provision or the restrictions, the votes made by this shareholder or its representatives will not be counted in the voting results.</p> <p><u>Subject to the provisions of the laws and regulations of the place where the Company's securities are listed, the shareholders' meeting may vote on motions relating to procedural or administrative matters by a show of hands.</u></p> <p>Unless the following persons require voting by voting before or after the show of hands, and the general meeting of shareholders shall vote by raising their hands, except as otherwise stipulated by laws and regulations, the securities regulatory agency or the stock exchange where the company's shares are listed:</p> <p>(1) the Chairman of the meeting;</p> <p>(2) at least two shareholders or their proxies entitled to vote thereat;</p> <p>(3) one or several shareholders (including proxies), individually or jointly, holding 10% or more of the shares of the Company with voting rights at the meeting.</p> <p>Unless somebody proposes voting by ballot, the Chairman of the meeting shall declare whether the proposal has been adopted in accordance with the results of the vote by showing of hand and shall record the same in the minutes of the meeting, which shall serve as final evidence without having to state the number or proportion of the votes for or against resolution adopted at the meeting.</p> <p>The demand for voting by ballot may be withdrawn by the person who made it.</p>	<p>Consistent with amendments to the Articles of Association</p>
7	<p>Article 24</p> <p>If the general meeting is convened by the Board of Supervisors or shareholders on their own, a written notice shall be issued to the Board of Directors, and such meeting should be filed with the Stock Exchange.</p> <p>Prior to the announcement of the resolutions passed by the shareholders' general meeting, the shareholding percentage of the shareholders who convene the meeting shall not be less than 10%. Shareholders who convene the meeting shall publish an announcement no later than the issuance of notice of the shareholders' general meeting and undertake that their shareholding percentage shall not be less than 10% during the period from the date of proposing the convening of the shareholders' general meeting to the convening date of the shareholders' general meeting.</p> <p>The Board of Supervisors or shareholders who convene the meeting shall submit the relevant supporting materials to the Stock Exchange at the time of the issuance of notice of the shareholders' general meeting as well as the publication of the announcement of the resolutions passed by the such meeting.</p>	<p>Article 24</p> <p>If the general shareholders' meeting is convened by the Board of Supervisors <u>Audit Committee</u> or shareholders on their own, a written notice shall be issued to the Board of Directors, and such meeting should be filed with the Stock Exchange.</p> <p>Prior to the announcement of the resolutions passed by the shareholders' general meeting, the shareholding percentage of the shareholders who convene the meeting shall not be less than 10%. Shareholders who convene the meeting shall publish an announcement no later than the issuance of notice of the shareholders' general meeting and undertake that their shareholding percentage shall not be less than 10% during the period from the date of proposing the convening of the shareholders' general meeting to the convening date of the shareholders' general meeting.</p> <p>The Board of Supervisors <u>Audit Committee</u> or shareholders who convene the meeting shall submit the relevant supporting materials to the Stock Exchange at the time of the issuance of notice of the shareholders' general meeting as well as the publication of the announcement of the resolutions passed by the such meeting.</p>	<p>Consistent with Rule 11 of the Rules of Shareholders' General Meeting of Listed Companies</p>

APPENDIX X

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

No.	Original provisions	Amended provisions	Basis or reason of amendment
8	<p>Article 26 Where the Board of Supervisors convene a shareholders' general meeting on their own, the necessary expenses incurred thereof shall be borne by the Company, which shall be deducted from the sums owed by the Company to the negligent directors.</p>	<p>Article 26 Where the Board of Supervisors <u>Audit Committee</u> convene a shareholders' general meeting on their own, the necessary expenses incurred thereof shall be borne by the Company, which shall be deducted from the sums owed by the Company to the negligent directors.</p>	Consistent with Rule 13 of the Rules of Shareholders' General Meeting of Listed Companies
9	<p>Article 28 The shareholders that individually or jointly hold more than 1% of the Company's shares may raise interim proposals and submit them in writing to the convener 10 days prior to the convening of the shareholders' general meeting. Where shareholders subject to the conditions as mentioned above raise interim proposals before the convening of the shareholders' general meeting, their shareholding proportions shall not be less than 1% during the period from the date of the issuance of notice on proposals to the announcement of the resolutions. Where shareholders raise interim proposals, they shall provide the convener with proof of holding more than 1% of the shares of the Company. Where shareholders jointly submit a proposal through entrustment, the entrusting shareholder shall issue a written authorization document to the entrusted shareholder. The convener shall, within 2 days after the receipt of such proposal, issue a supplemental notice of the shareholders' general meeting and announce the contents of the ad hoc proposals.</p> <p>Except as prescribed in the preceding paragraph, the convener, after issuing the notice of shareholders' general meeting, shall neither revise the proposals stated in the notice of shareholders' general meetings nor add new proposals. Where the disclosure content of the proposal needs to be supplemented or corrected in accordance with regulations, the convener shall not substantively modify the proposal, and shall issue relevant supplementary or corrective announcements within the prescribed time. The legal opinion on the resolution of the shareholders' general meeting shall include definite opinions from the lawyer on whether the supplements and corrections to the disclosure content of the proposal constitute substantive modifications to the proposal.</p> <p>Where the proposal is substantially modified, the relevant changes shall be regarded as a new proposal and shall not be voted on at this shareholders' general meeting.</p> <p>If a notice of shareholders' general meeting does not specify the proposed resolutions or such proposed resolutions do not comply with Article 27 of these Rules, No voting or resolution shall be effected or adopted shall be carried out at the general meeting.</p>	<p>Article 28 The shareholders that individually or jointly hold more than 1% of the Company's shares may raise interim proposals and submit them in writing to the convener 10 days prior to the convening of the shareholders' general meeting. Where shareholders subject to the conditions as mentioned above raise interim proposals before the convening of the shareholders' general meeting, their shareholding proportions shall not be less than 1% during the period from the date of the issuance of notice on proposals to the announcement of the resolutions. Where shareholders raise interim proposals, they shall provide the convener with proof of holding more than 1% of the shares of the Company. Where shareholders jointly submit a proposal through entrustment, the entrusting shareholder shall issue a written authorization document to the entrusted shareholder. The convener shall, within 2 days after the receipt of such proposal, issue a supplemental notice of the shareholders' general meeting and announce the contents of the ad hoc proposals-, and shall submit such ad hoc proposal to the shareholders' meeting for consideration, <u>except for those ad hoc proposals that violate the provisions of the laws, administrative regulations or these Articles of Association, or those that does not fall within the authorities and responsibilities of the shareholders' meeting.</u></p> <p>Except as prescribed in the preceding paragraph, the convener, after issuing the notice of shareholders' general meeting, shall neither revise the proposals stated in the notice of shareholders' general meetings nor add new proposals. Where the disclosure content of the proposal needs to be supplemented or corrected in accordance with regulations, the convener shall not substantively modify the proposal, and shall issue relevant supplementary or corrective announcements within the prescribed time. The legal opinion on the resolution of the shareholders' general meeting shall include definite opinions from the lawyer on whether the supplements and corrections to the disclosure content of the proposal constitute substantive modifications to the proposal.</p> <p>Where the proposal is substantially modified, the relevant changes shall be regarded as a new proposal and shall not be voted on at this shareholders' general meeting.</p> <p>If a notice of shareholders' general meeting does not specify the proposed resolutions or such proposed resolutions do not comply with Article 27 of these Rules, No voting or resolution shall be effected or adopted shall be carried out at the general <u>shareholders'</u> meeting.</p>	Consistent with Rule 15 of the Rules of Shareholders' General Meeting of Listed Companies

No.	Original provisions	Amended provisions	Basis or reason of amendment
10	<p>Article 29 When the Company decides to convene an annual general meeting, it shall issue written notice 20 days prior to the meeting; and when the Company decides to convene an extraordinary general meeting, it shall issue written notice 15 days prior to the meeting, informing all registered shareholders of the matters to be deliberated at the meeting as well as the date and venue of the meeting.</p> <p>The notice of a shareholders' general meeting shall be delivered to the shareholders (whether or not entitled to vote thereat) by personal delivery or postage paid mail to the recipient's address shown in the register of shareholders. For shareholders of domestic shares, the notice of a shareholders' general meeting may also be given by announcement.</p> <p>The public announcement referred to in the preceding paragraph that shall be published on the website of the stock exchange and in media meeting the conditions prescribed by the securities regulatory authority under the State Council. Once the announcement is made, all shareholders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p> <p>For foreign shareholders, the Company may notify it in an appropriate manner in accordance with the relevant provisions of the place where the Company's overseas shares are listed.</p> <p>A shareholders' general meeting shall not decide any matter not specified in the notice.</p>	<p>Article 29 When the Company decides to convene an annual general shareholders' meeting, it shall issue written notice 20 days prior to the meeting; and when the Company decides to convene an extraordinary general shareholders' meeting, it shall issue written notice 15 days prior to the meeting, informing all registered shareholders of the matters to be deliberated at the meeting as well as the date and venue of the meeting. <u>When calculating the time limits, the date on which such meeting is convened shall not be calculated.</u></p> <p>The notice of a shareholders' general meeting shall be delivered to the shareholders (whether or not entitled to vote thereat) by personal delivery or postage paid mail to the recipient's address shown in the register of shareholders. For shareholders of domestic shares, the notice of a shareholders' general meeting may also be given by announcement.</p> <p>The public announcement referred to in the preceding paragraph that shall be published on the website of the stock exchange and in media meeting the conditions prescribed by the securities regulatory authority under the State Council. Once the announcement is made, all shareholders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p> <p>For foreign shareholders, the Company may notify it in an appropriate manner in accordance with the relevant provisions of the place where the Company's overseas shares are listed.</p> <p>A shareholders' general meeting shall not decide any matter not specified in the notice.</p>	Consistent with the amendments to the Articles of Association

APPENDIX X

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

No.	Original provisions	Amended provisions	Basis or reason of amendment
11	<p>Article 30 The notice of the shareholders' general meeting shall be made in written form (including paper documents and electronic documents conforming to the requirements of the place of listing of the Company's shares), and shall include the following contents:</p> <p>(1) the date, venue and time of the meeting;</p> <p>(2) the matters and proposals to be discussed at the meeting;</p> <p>(3) containing an explicit statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend and vote in the shareholders' general meeting; and can appoint proxies to attend and vote on their behalf in the meeting; and that the proxy or proxies need not be shareholder of the Company;</p> <p>(4) the date of record to determine shareholders who have the right to attend the shareholders' general meeting;</p> <p>(5) the name and telephone number of the contact person for meetings;</p> <p>(6) the voting time and procedures for online or other methods;</p> <p>(7) if an proposal taking effect is conditional upon other proposals become effective, it shall explicitly disclose the relevant preconditions in the notice of the shareholders' general meeting and shall give special reminders that the approval of such proposal is the precondition to the voting results of subsequent proposals taking effect.</p> <p>The notice and supplementary notice of a shareholders' general meeting shall disclose the specific contents of all proposals fully and completely. The convener shall disclose other necessitate information 5 days prior to the convening of the shareholders' general meeting to enable the shareholders to make reasonable decisions on the matters proposed to be discussed. Where relevant proposals require independent directors, the Board of Supervisors and intermediary institutions to issue opinions, such opinions shall be disclosed as part of materials of the meeting. For matters which require the independent directors to issue an opinion, the notice or supplementary notice of the shareholders' general meeting shall disclose the opinions of the independent directors and the reason thereof.</p> <p>Online or other voting methods for a shareholders' general meeting shall not commence earlier than 3:00 p.m. on the day preceding the date of the on-site shareholders' general meeting, and no later than 9:30 a.m. on the date of the on-site shareholders' general meeting; and shall not end before 3:00 p.m. of the date of the on-site shareholders' general meeting.</p>	<p>Article 30 The notice of the shareholders' general-meeting shall be made in written form (including paper documents and electronic documents conforming to the requirements of the place of listing of the Company's shares), and shall include the following contents:</p> <p>(1) the date, venue and time of the meeting;</p> <p>(2) the matters and proposals to be discussed at the meeting;</p> <p>(3) containing an explicit statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend and vote in the shareholders' general-meeting; and can appoint proxies to attend and vote on their behalf in the meeting; and that the proxy or proxies need not be shareholder of the Company;</p> <p>(4) the date of record to determine shareholders who have the right to attend the shareholders' general-meeting;</p> <p>(5) the name and telephone number of the contact person for meetings;</p> <p>(6) the voting time and procedures for online or other methods;</p> <p>(7) if an proposal taking effect is conditional upon other proposals become effective, it shall explicitly disclose the relevant preconditions in the notice of the shareholders' general-meeting and shall give special reminders that the approval of such proposal is the precondition to the voting results of subsequent proposals taking effect.</p> <p>The notice and supplementary notice of a shareholders' general-meeting shall <u>fully and completely</u> disclose the specific contents of all <u>proposals fully and completely</u>, as well as all information or explanations necessary to enable the shareholders to form a reasonable judgement on the matters to be discussed. The convener shall disclose other necessitate information 5 days prior to the convening of the shareholders' general-meeting to enable the shareholders to make reasonable decisions on the matters proposed to be discussed. Where relevant proposals require independent directors, the Board of Supervisors Audit Committee and intermediary institutions to issue opinions, such opinions shall be disclosed as part of materials of the meeting. For matters which require the independent directors to issue an opinion, the notice or supplementary notice of the shareholders' general meeting shall disclose the opinions of the independent directors and the reason thereof.</p> <p>Online or other voting methods for a shareholders' general meeting shall not commence earlier than 3:00 p.m. on the day preceding the date of the on-site shareholders' general meeting, and no later than 9:30 a.m. on the date of the on-site shareholders' general-meeting; and shall not end before 3:00 p.m. of the date of the on-site shareholders' general-meeting.</p>	<p>Amended according to rule 17 of Rules of Shareholders' General Meeting of Listed Companies, and the deletions herein have been incorporated in "If the relevant proposal involves the expression of opinions by the likes of ... independent directors, such opinions shall be disclosed as part of the meeting information" to avoid repetitive semantic amendments</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
12	<p>Article 38 All shareholders in the register as at the date of record or their proxies shall have the right to attend a shareholders' general meeting, and the Company or the convener shall not refuse them under any excuse.</p> <p>When the resolution of their proposed appointments is tabled for consideration at the shareholders' general meeting, the Board meeting or the employee representatives' assembly or other authorized institutions, the candidates for directors, supervisors and senior management should be present at the meetings in person and provide explanation on their capabilities of performance, professional capability, past experience, any violations of laws and regulations, any conflict of interest with the listing company, and their relationship with the controlling shareholders, de facto controllers and other directors, supervisors and senior management of the Company, etc.</p> <p>Any shareholder entitled to attend and vote at the general' meeting shall have the right to appoint one or more persons (who may not be a shareholder) as his shareholder proxy to attend and vote on his behalf. Such proxy may exercise the following rights according to the entrustment by the shareholder:</p> <p>(1) the shareholder's right to speak at the shareholders' general meeting;</p> <p>(2) the right to require by himself or in conjunction with others to make a resolution by voting;</p> <p>(3) the rights to vote by raising hands or ballot, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by ballot.</p> <p>If the shareholder is an approved clearing house (or its agent) as defined in the relevant laws and regulations of Hong Kong, the shareholder may authorize one or more persons as deemed appropriate to represent it at any general meeting of shareholders or any type of meeting of shareholders; However, if more than one person is authorized, the power of attorney shall state the number and type of shares involved in each such person's authorization. The authorization letter is signed by the authorized personnel of the recognized clearing house. A person authorized by this can represent the recognized clearing house (or its agent) to attend a meeting (without the need to present shareholding certificates, notarized authorization and/or further evidence to confirm formal authorization) to exercise rights, as if the person was an individual shareholder of the Company.</p> <p>Where the entrusting party has deceased, lost capacity, revoked the proxy or the signed instrument of appointment prior to the voting, or the relevant shares have been transferred prior to the voting, the vote given in accordance with the terms of instrument of proxy shall remain valid as long as the Company did not receive a written notice of the event before the commencement of the relevant meeting.</p>	<p>Article 38 All shareholders in the register as at the date of record or their proxies shall have the right to attend a shareholders' general meeting, and the Company or the convener shall not refuse them under any excuse.</p> <p>When the resolution of their proposed appointments is tabled for consideration at the shareholders' general meeting, the Board meeting or the employee representatives' assembly or other authorized institutions, the candidates for directors, supervisors and senior management should be present at the meetings in person and provide explanation on their capabilities of performance, professional capability, past experience, any violations of laws and regulations, any conflict of interest with the listing company Company, and their relationship with the controlling shareholders, de facto controllers and other directors, supervisors and senior management of the Company, etc.</p> <p>Any shareholder entitled to attend and vote at the general' meeting shall have the right to appoint one or more persons (who may not be a shareholder) as his shareholder proxy to attend and vote on his behalf. Such proxy may exercise the following rights according to the entrustment by the shareholder:</p> <p>(1) the shareholder's right to speak at the shareholders' general meeting;</p> <p>(2) the right to require by himself or in conjunction with others to make a resolution by voting;</p> <p>(3) the rights to vote by raising hands or ballot, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by ballot.</p> <p>If the shareholder is an approved clearing house (or its agent) as defined in the relevant laws and regulations of Hong Kong, the shareholder may authorize one or more persons as deemed appropriate to represent it at any shareholders' general meeting of shareholders or any type of meeting of shareholders; However, if more than one person is authorized, the power of attorney shall state the number and type of shares involved in each such person's authorization. The authorization letter is signed by the authorized personnel of the recognized clearing house. A person authorized by this can represent the recognized clearing house (or its agent) to attend a meeting (without the need to present shareholding certificates, notarized authorization and/or further evidence to confirm formal authorization) to exercise rights, as if the person was an individual shareholder of the Company.</p> <p>Where the entrusting party has deceased, lost capacity, revoked the proxy or the signed instrument of appointment prior to the voting, or the relevant shares have been transferred prior to the voting, the vote given in accordance with the terms of instrument of proxy shall remain valid as long as the Company did not receive a written notice of the event before the commencement of the relevant meeting.</p>	Improved the accuracy of expression

APPENDIX X

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

No.	Original provisions	Amended provisions	Basis or reason of amendment
13	<p>Article 39 Where an individual shareholder attends the meeting in person, he/she/it shall present his/her/its identity document or any other valid credential which can prove his/her/its identity and share account card; where an individual shareholder appoints a proxy to attend the meeting, the proxy shall present his/her/its valid identity document and the proxy form executed by the shareholder.</p> <p>In the case of a legal-person shareholder, its legal representative or the proxy appointed by the legal representative shall attend the meeting. Where the legal representative attends the meeting, he/she shall present his/her/its identity document and valid documentation that can prove their qualification as the legal representative. Shareholders shall entrust their proxies through written instruments which shall be signed by the entrusting parties or their agents. Where the entrusting party is a legal person, the instrument shall be sealed by the legal person or signed by its director(s) or duly authorized agents.</p>	<p>Article 39 Where an individual shareholder attends the meeting in person, he/she/it shall present his/her/its identity document or any other valid credential which can prove his/her/its identity and share account card; where an individual shareholder appoints a proxy is appointed to attend the meeting, the proxy he/she/it shall present his/her/its valid identity document and the proxy form executed by the shareholder.</p> <p>In the case of a legal-person shareholder, its legal representative or the proxy appointed by the legal representative shall attend the meeting. Where the legal representative attends the meeting, he/she shall present his/her/its identity document and valid documentation that can prove their qualification as the legal representative. Shareholders shall entrust their proxies through written instruments which shall be signed by the entrusting parties or their agents. Where the entrusting party is a legal person, the instrument shall be sealed by the legal person or signed by its director(s) or duly authorized agents. In the event that a proxy attends the meeting, the proxy shall present his/her/its identity card and a written power of attorney issued by the legal representative of the legal shareholder unit in accordance with the law.</p>	Consistent with amendments to the Articles of Association
14	<p>Article 40</p> <p>The proxy form issued by the shareholders appointing a proxy to attend the shareholders' general meeting, shall include the following:</p> <p>(1) name of the proxy;</p> <p>(2) whether the proxy has voting rights;</p> <p>(3) the instructions on voting for, against or abstention of each agenda item of the shareholders' general meeting;</p> <p>(4) date of issuance of the proxy form and the validity period;</p> <p>(5) signature (or affixation of seal) by the entrusting party.</p>	<p>Article 40</p> <p>The proxy form issued by the shareholders appointing a proxy to attend the shareholders' general meeting, shall include the following:</p> <p>(1) name of the principal and the class and number of shares held by him/her/it in the Company;</p> <p>(2) name of the proxy whether the proxy has voting rights;</p> <p>(3) the specific instructions of the shareholder, including, on voting for, against or abstention from of each agenda item of the shareholders' general meeting;</p> <p>(4) date of issuance of the proxy form and the validity period;</p> <p>(5) signature (or affixation of seal) by the entrusting party. <u>If the entrusting party is a corporate shareholder, the seal of the corporate entity shall be affixed.</u></p> <p><u>Any proxy form issued by the Board of Directors of the Company to the shareholders for the appointment of proxies shall allow the shareholders to instruct their proxies to cast affirmative, negative or abstained vote at their own discretion, and enable the shareholders to give separate instructions on each matter to be resolved during the meeting.</u></p>	Consistent with amendments to the Articles of Association
15	<p>Article 41</p> <p>A proxy form shall specify that in the absence of instructions from the shareholder, whether the proxy may vote at his/her/its will.</p>	<p>Article 41</p> <p>A proxy form shall specify that in the absence of instructions from the shareholder, whether the proxy may vote at his/her/its will.</p>	Consistent with amendments to the Articles of Association

APPENDIX X

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

No.	Original provisions	Amended provisions	Basis or reason of amendment
16	<p>Article 42 An instrument appointing a voting proxy shall be placed at the domicile of the Company or another place specified in the notice of the meeting at least 24 hours prior to the commencement of the meeting in question or 24 hours prior to the scheduled time for voting. Where a proxy form for a voting proxy is signed by a person authorized by the entrusting party, the proxy form or any other authorization document shall be notarized. The notarized proxy form or any other authorization document and the proxy form for a voting proxy shall be kept at the Company's premises or any other premises designated in the notice of meeting.</p> <p>Where the entrusting party is a legal person, it shall be represented at the general meeting of the Company by its legal representative or personnel authorized by its Board of Directors or other decision-making bodies.</p>	<p>Article 41Article 42 An instrument appointing a voting proxy shall be placed at the domicile of the Company or another place specified in the notice of the meeting at least 24 hours prior to the commencement of the meeting in question or 24 hours prior to the scheduled time for voting. Where a proxy form for a voting proxy is signed by a person authorized by the entrusting party, the proxy form or any other authorization document shall be notarized. The notarized proxy form or any other authorization document and the proxy form for a voting proxy shall be kept at the Company's premises or any other premises designated in the notice of meeting.</p> <p>Where the entrusting party is a legal person, it shall be represented at the general meeting of the Company by its legal representative or personnel authorized by its Board of Directors or other decision making bodies.</p>	Consistent with the amendments to the Articles of Association
17	<p>Article 43 The records for persons attending the meeting shall be prepared by the Company. The attendance records shall specify the name of the persons (or organizations) attending the meeting, identity number, address, the number of shares with voting rights held or represented and the name of the person (or organization) being represented etc.</p>	<p>Article 42Article 43 The records for persons attending the meeting shall be prepared by the Company. The attendance records shall specify the name of the persons (or organizations) attending the meeting, identity number, address, the number of shares with voting rights held or represented and the name of the person (or organization) being represented etc.</p>	Consistent with amendments to the Articles of Association
18	<p>Article 45 When the Company convenes a shareholders' general meeting, all directors, supervisors and the secretary of the Board of Directors shall attend the meeting, while the president and other senior management shall be present at the meeting.</p>	<p>Article 44Article 45For shareholders' meeting that requests the presence of the directors and senior management, the directors and senior management shall attend the meeting and address the shareholders' questions.When the Company convenes a shareholders' general meeting, all directors, supervisors and the secretary of the Board of Directors shall attend the meeting, while the president and other senior management shall be present at the meeting.</p>	Amended according to Rule 27 of the Rules of Shareholders' General Meeting of Listed Companies

APPENDIX X

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

No.	Original provisions	Amended provisions	Basis or reason of amendment
19	<p>Article 46 The shareholders' general meetings shall be presided over by the Chairman of the Board. Where the Chairman is unable or fails to perform his/her/its duties, the deputy Chairman (if there are two or more deputy chairmen, the deputy Chairman nominated by more than half of the directors) shall preside over the meetings; where the deputy Chairman is unable or fails to perform his/her/its duties, a director nominated by more than half of the directors shall preside over the meetings.</p> <p>If the board of directors is unable or fails to fulfill the obligation of convening the shareholders' general meetings, the Board of Supervisors shall convene and preside over such meetings in a timely manner. If the Board of Supervisors does not convene or preside over such meetings, the shareholders individually or jointly holding 1/10 or more of the shares of the Company for over ninety (90) consecutive days may convene and preside over such meetings on their own initiative.</p> <p>The Chairman of the Board of Supervisors shall preside over the shareholders' general meetings convened by the Board of Supervisors. Where the Chairman of the Board of Supervisors is unable or fails to perform his/her/its duties, the deputy Chairman of the Board of Supervisors shall preside over the meeting; where the deputy Chairman of the Board of Supervisors is unable or fails to perform his/her/its duties, a supervisor nominated by more than half of the supervisors shall preside over the meeting.</p> <p>In the case of a shareholders' general meeting convened by shareholders on their own initiative, the convener shall appoint a representative to preside over the meeting. If for any reason the shareholders are unable to elect a Chairman, the shareholder holding the largest number of voting shares who attends the meeting (including proxy thereof) shall preside over the meeting.</p> <p>Where a shareholders' general meeting is held and the Chairman of the meeting violates the rules of procedure and as a result thereof, the shareholders' general meeting is unable to continue, upon consent of the shareholders holding more than half of voting rights and present at the shareholders' general meeting, the shareholders' general meeting may elect a person to preside over the meeting so that the meeting may continue.</p>	<p>Article 45Article 46 The shareholders' general meetings shall be presided over by the chairman of the meeting, who shall be the Chairman of the Board. Where the Chairman is unable or fails to perform his/her/its duties, the deputy Chairman (if there are two or more deputy chairmen, the deputy Chairman nominated by more than half of the directors) shall preside over the meetings; where the deputy Chairman is unable or fails to perform his/her/its duties, a director nominated by more than half of the directors shall preside over the meetings.</p> <p>If the board of directors is unable or fails to fulfill the obligation of convening the shareholders' general meetings, the Board of Supervisors Audit Committee shall convene and preside over such meetings in a timely manner. If the Board of Supervisors Audit Committee does not convene or preside over such meetings, the shareholders individually or jointly holding 1/10 or more of the shares of the Company for over ninety (90) consecutive days may convene and preside over such meetings on their own initiative.</p> <p>The convenerChairman of the Board of Supervisors Audit Committee shall preside over the shareholders' general meetings convened by the Board of Supervisors Audit Committee. Where the Chairman convener of the Board of Supervisors Audit Committee is unable or fails to perform his/her/its duties, a member of the Audit Committee, jointly elected by a majority of the Audit Committee members, shall preside over the meeting.the deputy Chairman of the Board of Supervisors shall preside over the meeting; where the deputy Chairman of the Board of Supervisors is unable or fails to perform his/her/its duties, a supervisor nominated by more than half of the supervisors shall preside over the meeting.</p> <p>In the case of a shareholders' general meeting convened by shareholders on their own initiative, the convener shall preside over or appoint a representative to preside over the meeting. If for any reason the shareholders are unable to elect a Chairman, the shareholder holding the largest number of voting shares who attends the meeting (including proxy thereof) shall preside over the meeting.</p> <p>Where a shareholders' general meeting is held and the Chairman of the meeting violates the rules of procedure and as a result thereof, the shareholders' general meeting is unable to continue, upon consent of the shareholders holding more than half of voting rights and present at the shareholders' general meeting, the shareholders' general meeting may elect a person to preside over the meeting so that the meeting may continue.</p>	Consistent with amendments to the Articles of Association

APPENDIX X

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

No.	Original provisions	Amended provisions	Basis or reason of amendment
20	<p>Article 51 The following proposals shall be resolved by an ordinary resolution at a shareholders' general meeting:</p> <p>(1) work reports of the Board of Directors and the Board of Supervisors;</p> <p>(2) profit distribution plan and plan for covering losses formulated by the board of directors;</p> <p>(3) the appointment and dismissal of members of the Board of Directors and the Board of Supervisors, and their remuneration and the method of payment thereof;</p> <p>(4) the annual budget and final accounts, balance sheet, profit statement and other financial statements of the Company;</p> <p>(5) the Company's annual report;</p> <p>(6) all other proposals not resolved by special resolutions as provided for in laws, administrative regulations, listing rules of the place where the Company's shares are listed or the Articles of Association.</p>	<p>Article 51 Article 50 The following proposals shall be resolved by an ordinary resolution at a shareholders' general meeting:</p> <p>(1) work reports of the Board of Directors and the Board of Supervisors;</p> <p>(2) profit distribution plan and plan for covering losses formulated by the board of directors;</p> <p>(3) the appointment and dismissal of members of the Board of Directors and the Board of Supervisors, and their remuneration and the method of payment thereof;</p> <p>(4) the annual budget and final accounts, balance sheet, profit statement and other financial statements of the Company;</p> <p>(5) the Company's annual report;</p> <p>(6) all other proposals not resolved by special resolutions as provided for in laws, administrative regulations, listing rules of the place where the Company's shares are listed or the Articles of Association.</p>	Consistent with amendments to the Articles of Association
21	<p>Article 52</p> <p>The following proposals shall be resolved by a special resolution at a shareholders' general meeting:</p> <p>(1) increase or reduction in the registered share capital of the Company, and issuance of any class of shares, warrants or other similar securities;</p> <p>(2) issuance of corporate bonds;</p> <p>(3) division, spin-off, merger, dissolution and liquidation of the Company;</p> <p>(4) amendment to the Articles of Association;</p> <p>(5) the amount of purchase or disposal of material assets or providing guarantee in one year exceeds 30% of the latest audited total assets of the Company;</p> <p>(6) equity incentive plans and employee stock ownership plan;</p> <p>(7) adjustment and amendment of profit distribution policy stipulated in the Articles of Association;</p> <p>(8) authorization to the Board of Directors by the shareholders' meeting to issue shares;</p> <p>(9) any other matters to be approved by a special resolution as required by the laws, administrative regulations, listing rules of the place where the Company's shares are listed and other regulatory provisions or the Articles of Association, or considered to have a substantial impact on the Company and to require approval by a special resolution by the shareholders' meeting in an ordinary resolution.</p>	<p>Article 52 Article 51</p> <p>The following proposals shall be resolved by a special resolution at a shareholders' general meeting:</p> <p>(1) increase or reduction in the registered share capital of the Company, and issuance of any class of shares, warrants or other similar securities;</p> <p>(2) issuance of corporate bonds;</p> <p>(3) division, spin-off, merger, dissolution and liquidation of the Company;</p> <p>(4) amendment to the Articles of Association;</p> <p>(5) the amount of purchase or disposal of material assets or providing guarantee in one year exceeds 30% of the latest audited total assets of the Company;</p> <p>(6) equity incentive plans and employee stock ownership plan;</p> <p>(7) adjustment and amendment of profit distribution policy stipulated in the Articles of Association;</p> <p>(8) authorization to the Board of Directors by the shareholders' meeting to issue shares;</p> <p>(9) any other matters to be approved by a special resolution as required by the laws, administrative regulations, listing rules of the place where the Company's shares are listed and other regulatory provisions or the Articles of Association, or considered to have a substantial impact on the Company and to require approval by a special resolution by the shareholders' general meeting in an ordinary resolution.</p>	Consistent with amendments to the Articles of Association

APPENDIX X

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE GENERAL MEETING

No.	Original provisions	Amended provisions	Basis or reason of amendment
22	<p>Article 53</p> <p>When a shareholder is related to the matters considered at the general meeting, the shareholder shall refrain from voting, and the voting shares held by the shareholder shall not be included in the total number of voting shares at the general meeting.</p> <p>When the general meeting considers significant matters that have an effect on interests of small and medium sized investors, the votes of small and medium sized investors shall be counted separately. The result of separate vote counting shall be disclosed in a timely manner. The Company shall announce the resolutions passed on the general meeting in accordance with the relevant provisions of the stock exchange where the Company's shares are listed.</p> <p>Shareholders (including proxies) shall exercise their voting rights according to the number of their voting shares. Each share carries one vote. Shares held by the Company do not carry any voting right and are excluded from the total number of voting shares held by shareholders attending the general meeting.</p> <p>For shareholders who purchase the voting shares of the Company are in violation of provisions of the first clause and second clause of Article 63 of the Securities Law, they shall not exercise the voting rights of the shares that exceed the prescribed ratio within 36 months after purchasing them, and such shares shall not be included in the total number of shares with voting rights at a general meeting.</p> <p>The Board of Directors, independent directors, and shareholders who are qualified under the relevant conditions may collect from other shareholders the rights to vote. Such information as specific intent of voting shall be fully disclosed to target shareholders whose voting rights are solicited. Voting rights of shareholders shall not be solicited on a paid basis directly or in any disguised manner. In addition to the statutory conditions, the Company shall not impose any minimum shareholding percentage requirement when soliciting voting rights.</p>	<p>Article 52Article 53</p> <p>When a shareholder is related to the matters considered at the general shareholders' meeting, the shareholder shall refrain from voting, and the voting shares held by the shareholder shall not be included in the total number of voting shares at the general shareholders' meeting.</p> <p>When the general shareholders' meeting considers significant matters that have an effect on interests of small and medium sized investors, the votes of small and medium sized investors shall be counted separately. The result of separate vote counting shall be disclosed in a timely manner. The Company shall announce the resolutions passed on the general shareholders' meeting in accordance with the relevant provisions of the stock exchange where the Company's shares are listed.</p> <p>Shareholders (including proxies) shall exercise their voting rights according to the number of their voting shares. Each share carries one vote. Shares held by the Company do not carry any voting right and are excluded from the total number of voting shares held by shareholders attending the general shareholders' meeting.</p> <p>For shareholders who purchase the voting shares of the Company are in violation of provisions of the first clause and second clause of Article 63 of the Securities Law, they shall not exercise the voting rights of the shares that exceed the prescribed ratio within 36 months after purchasing them, and such shares shall not be included in the total number of shares with voting rights at a general shareholders' meeting.</p> <p>The Board of Directors, independent directors, and shareholders who are qualified under the relevant conditions, or the investor protection agency established in accordance with laws, administrative regulations or the regulations prescribed by CSRC, may collect from other shareholders the rights to vote. Such information as specific intent of voting shall be fully disclosed to target shareholders whose voting rights are solicited. Voting rights of shareholders shall not be solicited on a paid basis directly or in any disguised manner. In addition to the statutory conditions, the Company shall not impose any minimum shareholding percentage requirement when soliciting voting rights.</p>	<p>Amended according to Rule 32 of the Rules of Shareholders' General Meeting of Listed Companies</p>
23	<p>Article 59</p> <p>Prior to voting on a proposal, a shareholders' general meeting shall nominate two shareholder's representatives to participate in counting of votes and scrutinization of ballot.</p> <p>Where a shareholder is related in the matter being deliberated on, he/she/it and his/her/its proxy shall neither count the votes nor act as the scrutineer.</p> <p>When a shareholders' general meeting votes on a proposal, the lawyer, the shareholder's representatives and the supervisor's representatives shall be jointly responsible for the counting of votes and scrutinization of ballot.</p> <p>The shareholders of the Company or their proxies voting online or via any other method shall have the right to check their voting results through the corresponding voting system.</p>	<p>Article 58Article 59</p> <p>Prior to voting on a proposal, a shareholders' general meeting shall nominate two shareholder's representatives to participate in counting of votes and scrutinization of ballot.</p> <p>Where a shareholder is related in the matter being deliberated on, he/she/it and his/her/its proxy shall neither count the votes nor act as the scrutineer.</p> <p>When a shareholders' general meeting votes on a proposal, the lawyer, the shareholder's representatives and the supervisor's representatives shall be jointly responsible for the counting of votes and scrutinization of ballot, <u>and the poll results shall be announced on spot.</u></p> <p>The shareholders of the Company or their proxies voting online or via any other method shall have the right to check their voting results through the corresponding voting system.</p>	<p>Consistent with amendments to the Articles of Association</p>

APPENDIX X**DETAILS OF THE PROPOSED AMENDMENTS TO THE
RULES OF PROCEDURE FOR THE GENERAL MEETING**

No.	Original provisions	Amended provisions	Basis or reason of amendment
24	<p>Article 63 The board secretary is responsible for taking minutes of the general meeting. The meeting minutes shall include the following:</p> <p>(1) Date, venue, and agenda of the meeting and name of convener;</p> <p>(2) Names of chairperson and directors, supervisors, board secretary, manager and other senior management members present or present as non-voting;</p> <p>(3) Number of attending shareholders and proxies, total number of voting shares held by attending shareholders and their percentage of total shares in the Company; the number of voting shares held and percentage of such shares with respect to the Company's total shares, held respectively by the holders of tradable shares (including their proxies) and the holders of non-tradable shares (including their proxies) attending the shareholders' meeting;</p> <p>(4) Deliberation process, key remarks and voting result of each proposal, including the voting on each of the matters being considered by tradable shareholders and non-tradable shareholders;</p> <p>(5) Queries or suggestions of shareholders and relevant replies or clarifications;</p> <p>(6) Names of lawyer, vote counter and scrutineer;</p> <p>(7) Other items that shall be recorded in the meeting minutes under the Articles of Association.</p> <p>Directors, supervisors, the board secretary, convener or his/her representative, and chairperson of the meeting attending the meeting shall sign the meeting minutes, and ensure the truthfulness, accuracy, and completeness of the meeting minutes. The meeting minutes shall be kept together with the signature book of shareholders attending the meeting, the authorization letter of proxies as well as all valid materials of online voting or other method of voting for no less than ten years.</p>	<p>Article 62Article 63The board secretary is responsible for taking minutes of the general shareholders' meeting. The meeting minutes shall include the Following:</p> <p>(1) Date, venue, and agenda of the meeting and name of convener;</p> <p>(2) Names of chairperson and directors, supervisors, board secretary, manager and other senior management members present or present as non-voting;</p> <p>(3) Number of attending shareholders and proxies, total number of voting shares held by attending shareholders and their percentage of total shares in the Company; the number of voting shares held and percentage of such shares with respect to the Company's total shares, held respectively by the holders of tradable shares (including their proxies) and the holders of non-tradable shares (including their proxies) attending the shareholders' meeting;</p> <p>(4) Deliberation process, key remarks and voting result of each proposal, including the voting on each of the matters being considered by tradable shareholders and non-tradable shareholders;</p> <p>(5) Queries or suggestions of shareholders and relevant replies or clarifications;</p> <p>(6) Names of lawyer, vote counter and scrutineer;</p> <p>(7) Other items that shall be recorded in the meeting minutes under the Articles of Association.</p> <p>Directors, supervisors, the board secretary, convener or his/her representative, and chairperson of the meeting attending or sitting in the meeting shall sign the meeting minutes, and ensure the truthfulness, accuracy, and completeness of the meeting minutes. The meeting minutes shall be kept together with the signature book of shareholders attending the meeting, the authorization letter of proxies as well as all valid materials of online voting or other method of voting for no less than ten years.</p>	<p>Consistent with amendments to the Articles of Association</p> <p>Corresponding adjustments made in accordance with changes to corporate governance structure</p>
25	Other amendments	<p>"Regulatory agency in place where the Company's securities are listed" shall be amended to "regulatory authorities of the place where the Company's securities are listed", and all "shareholders' general meeting(s)" or "general meeting(s)" shall be amended to "shareholders' meeting(s)". The expressions of "supervisors", "Board of Supervisors" shall be deleted and be replaced by "Audit Committee" accordingly.</p>	

APPENDIX XI

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	Article 2 The Board of Directors shall comprise of eight to thirteen directors, of whom three to five shall be independent directors. There shall be one Chairman and one or two deputy chairmen. The directors are not required to hold the shares of the Company.	Article 2 The Board of Directors shall comprise of eight to thirteen directors, of whom three to five shall be independent directors, and one shall be employee representative director. There shall be one Chairman and one or two deputy chairmen. The directors are not required to hold the shares of the Company.	Consistent with the amendments to the Articles of Association
2	<p>Article 3 The Board of Directors shall exercise the following powers and functions in accordance with the Company Law and the Articles of Association:</p> <p>(1) responsible for convening the shareholders' general meeting and submitting work reports to the meeting;</p> <p>(2) implementing resolutions of the shareholders' general meeting;</p> <p>(3) determining the Company's operation plans and investment schemes;</p> <p>(4) formulating the Company' annual budgets and final accounts;</p> <p>(5) formulating the Company's profit distribution plan and plan for making up of losses;</p> <p>(6) formulating the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan;</p> <p>(7) formulating the Company's plans for significant acquisition, merger and acquisition, division, splits, dissolution and change of corporate form;</p> <p>(8) determining the matters relating to the repurchase of shares of the Company due to the circumstances specified in item (3), (5) and (6) of Article 28 of the Articles of Association;</p> <p>(9) determining, within the scope of the mandate granted by the shareholders' general meeting, the Company's external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, financial assistance, related party transactions, etc.;</p> <p>(10) determining setting up of the Company's internal management organizations;</p> <p>(11) The appointment or dismissal of the Company's president, the secretary of the Board of Directors and the secretary of the Company; appointment or dismissal of the senior management such as the Company's vice-president or financial responsible person based on nomination by the president, and determining their remunerations and incentives and penalties;</p> <p>(12) formulating the Company's basic management rules;</p> <p>(13) formulating plans for amendment of the Articles of Association;</p> <p>(14) managing information disclosure by the Company;</p> <p>(15) proposing to the shareholders' general meeting on the appointment or replacement of accounting firm which provides audit services to the Company;</p> <p>(16) determining the Company's charitable and relief donations with the annual aggregate amount being no more than RMB50 million (inclusive);</p>	<p>Article 3 The Board of Directors shall exercise the following powers and functions in accordance with the Company Law and the Articles of Association:</p> <p>(1) responsible for convening the shareholders' general meeting and submitting work reports to the <u>shareholders'</u> meeting;</p> <p>(2) implementing resolutions of the shareholders' general meeting;</p> <p>(3) determining the Company's operation plans and investment schemes;</p> <p>(4) formulating the Company' annual budgets and final accounts;</p> <p>(5) formulating the Company's profit distribution plan and plan for making up of losses;</p> <p>(6) formulating the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan;</p> <p>(7) formulating the Company's plans for significant acquisition, merger and acquisition, division, splits, dissolution and change of corporate form;</p> <p>(8) determining the matters relating to the repurchase of shares of the Company due to the circumstances specified in item (3), (5) and (6) of Article 28<u>29</u> of the Articles of Association;</p> <p>(9) determining, within the scope of the mandate granted by the shareholders' general meeting, the Company's external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, financial assistance, related party transactions, <u>external donations</u>, etc.;</p> <p>(10) determining setting up of the Company's internal management organizations;</p> <p>(11) The appointment or dismissal of the Company's president, the secretary of the Board of Directors and the secretary of the Company; appointment or dismissal of the senior management such as the Company's vice-president or financial responsible person based on nomination by the president, and determining their remunerations and incentives and penalties;</p> <p>(12) formulating the Company's basic management rules;</p> <p>(13) formulating plans for amendment of the Articles of Association;</p> <p>(14) managing information disclosure by the Company;</p> <p>(15) proposing to the shareholders' general meeting on the appointment or replacement of accounting firm which provides audit services to the Company;</p> <p>(16) determining the Company's charitable and relief donations with the annual aggregate amount being no more than RMB50 million (inclusive);</p>	Consistent with the amended Authority of the Board of Directors provision in the Articles of Association.

APPENDIX XI

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>(17) listening to the president's work reports of the Company and inspecting the president's work performance;</p> <p>(18) any other functions and powers granted by laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed or the Articles of Association, and the general meeting of shareholders.</p> <p>For resolutions by the Board of Directors on matters referred to in Items (6), (7), (8) and (13) in the first paragraph of this Article may be passed by the affirmative vote of more than two-thirds of the directors.</p> <p>.....</p> <p>Resolutions by the Board of Directors on other matters stipulated in the first paragraph of this Article may be passed by the affirmative vote of more than half the directors.</p>	<p>(17) listening to the president's work reports of the Company and inspecting the president's work performance;</p> <p>(18) any other functions and powers granted by laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed or the Articles of Association, and the general meeting of shareholders.</p> <p>For resolutions by the Board of Directors on matters referred to in Items (6), (7), (8) and (13) in the first paragraph of this Article may be passed by the affirmative vote of more than two-thirds of the directors.</p> <p>.....</p> <p>Resolutions by the Board of Directors on other matters stipulated in the first paragraph of this Article may be passed by the affirmative vote of more than half the directors.</p>	
3	<p>Article 6</p> <p>The deputy Chairmen shall assist the Chairman in performance of his/her duties. Where the Chairman is unable or fails to perform his/her duties, the deputy Chairmen shall perform the duties (where there are two or more deputy Chairmen, the deputy Chairman jointly elected by a simple majority of the directors shall perform the duties); where the deputy Chairmen are unable or fail to perform the duties, a director jointly elected by a simple majority of the directors shall perform the duties.</p>	<p>Article 6</p> <p>The deputy Chairmen shall assist the Chairman in performance of his/her duties. Where the Chairman is unable or fails to perform his/her duties, the deputy Chairmen shall perform the duties (where there are two or more deputy Chairmen, the deputy Chairman jointly elected by more than half a simple majority of the directors shall perform the duties); where the deputy Chairmen are unable or fail to perform the duties, a director jointly elected by more than half a simple majority of the directors shall perform the duties.</p>	Consistent with the amendments to the Articles of Association
4	<p>Article 7 The Board of Directors shall appoint a secretary of the Board of Directors. The secretary of the Board of Directors shall be a senior management of the Company, who is accountable to the Company and the Board of Directors and acts as the designated contact person between the Company and the relevant stock exchanges and securities authorities.</p>	<p>Article 7 The Board of Directors shall appoint a secretary of the Board of Directors. The secretary of the Board of Directors shall be a senior management of the Company, who is accountable to the Company and the Board of Directors and acts as the designated contact person between the Company and the relevant stock exchanges and securities authorities regulatory authorities of the place where the Company's securities are listed.</p>	Improved the accuracy of expression

APPENDIX XI

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

No.	Original provisions	Amended provisions	Basis or reason of amendment
5	<p>Article 9 The main responsibilities of the secretary of the Board of Directors are as follows:</p> <p>(1) being responsible for release of the Company's information to the public, coordinating the information disclosure of the Company, organizing the establishment of management systems for information disclosure of the Company, and urging the Company and the relevant persons with information disclosure obligations to observe relevant disclosure regulations; and to ensure that the Company prepares and submits the documents and reports required by relevant authorities according to law;</p> <p>(2) being responsible for investor relationship management, coordinating communications between the Company and the securities regulatory authority, investors, de facto controller, intermediaries and public media;</p> <p>(3) organizing and preparing the board meetings and the shareholders' general meetings, attending the shareholders' general meetings, the board meetings, the meetings of the Board of Supervisors and the meetings of senior management, and keeping and signing the minutes of the board meetings; and guaranteeing that the Company has complete organizational documents and records;</p> <p>(4) being responsible for confidentiality with respect to information disclosure of the Company, and reporting to the Securities Regulatory Authorities and Stock Exchanges where the Company's shares are listed and making disclosure in a timely manner whenever any non-published material information is leaked;</p> <p>(5) paying close attention to media coverage, ascertaining whether the coverage is true or not and urging the Company and other related entities to respond to the inquiries of the Securities Regulatory Authorities and Stock Exchanges where the Company's shares are listed in a timely manner;</p> <p>(6) organizing trainings for directors, supervisors and senior management of the Company on relevant laws, administrative regulations, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the relevant listing requirements of the Frankfurt Stock Exchange and other relevant requirements of the stock exchanges of the place where the Company's securities are listed, and helping them to have a clear grasp of their respective responsibilities with respect to information disclosure;</p>	<p>Article 9 The main responsibilities of the secretary of the Board of Directors are as follows:</p> <p>(1) being responsible for release of the Company's information to the public, coordinating the information disclosure of the Company, organizing the establishment of management systems for information disclosure of the Company, and urging the Company and the relevant persons with information disclosure obligations to observe relevant disclosure regulations; and to ensure that the Company prepares and submits the documents and reports required by relevant authorities according to law;</p> <p>(2) being responsible for investor relationship management, coordinating communications between the Company and the securities regulatory authority, investors, de facto controller, intermediaries and public media;</p> <p>(3) organizing and preparing the board meetings and the shareholders' general meetings, attending the shareholders' general meetings, the board meetings, the meetings of the Board of Supervisors and the meetings of senior management, and keeping and signing the minutes of the board meetings; and guaranteeing that the Company has complete organizational documents and records;</p> <p>(4) being responsible for confidentiality with respect to information disclosure of the Company, and reporting to the Securities Regulatory Authorities and Stock Exchanges where the Company's shares are listed and making disclosure in a timely manner whenever any non-published material information is leaked;</p> <p>(5) paying close attention to media coverage, ascertaining whether the coverage is true or not and urging the Company and other related entities to respond to the inquiries of the Securities Regulatory Authorities and Stock Exchanges where the Company's shares are listed in a timely manner;</p> <p>(6) organizing trainings for directors, supervisors and senior management of the Company on relevant laws, administrative regulations, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange Listing Rules, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the relevant listing requirements of the Frankfurt Stock Exchange and other relevant requirements of the stock exchanges of the place where the Company's securities are listed, and helping them to have a clear grasp of their respective responsibilities with respect to information disclosure;</p>	Improved the accuracy of expression

APPENDIX XI**DETAILS OF THE PROPOSED AMENDMENTS TO THE
RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS**

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>(7) urging directors, supervisors and senior management to comply with laws and regulations, relevant regulations of the stock exchanges where the Company's shares are listed and this Articles of Association and practically fulfill the commitments made by them; whenever the secretary of the Board of Directors becomes aware that any of directors, supervisors and senior management has violated laws, administrative regulations, departmental rules, other regulatory documents, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the relevant requirements of the regulatory authorities and the stock exchange of the place where the Company's securities are listed, and the Articles of Association or that the Company makes or is likely to make any decision in violation of relevant regulations, reminding the relevant person and promptly reporting to the Stock Exchanges where the Company's shares are listed;</p> <p>(8) being responsible managing the changes in corporate stocks and their derivatives;</p> <p>(9) other duties required by the Company Law, the Securities Regulatory Authorities where the Company's shares are listed and the Stock Exchanges.</p>	<p>(7) urging directors, supervisors and senior management to comply with laws and regulations, relevant regulations of the stock exchanges where the Company's shares are listed and this Articles of Association and practically fulfill the commitments made by them; whenever the secretary of the Board of Directors becomes aware that any of directors, supervisors and senior management has violated laws, administrative regulations, departmental rules, other regulatory documents, the Rules Governing the Listing of Stock on the Shanghai Stock Exchange Listing Rules, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the relevant requirements of the regulatory authorities and the stock exchange of the place where the Company's securities are listed, and the Articles of Association or that the Company makes or is likely to make any decision in violation of relevant regulations, reminding the relevant person and promptly reporting to the Stock Exchanges where the Company's shares are listed;</p> <p>(8) being responsible managing the changes in corporate stocks and their derivatives;</p> <p>(9) other duties required by the Company Law, the Securities Regulatory Authorities where the Company's shares are listed and the Stock Exchanges.</p>	

APPENDIX XI

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

No.	Original provisions	Amended provisions	Basis or reason of amendment
6	<p>Article 11 The secretary of the Board of Directors shall be nominated by the Chairman of the Board of Directors and appointed or dismissed by the Board of Directors. Directors (other than independent directors) or other senior management of the Company may concurrently hold the position of secretary of the Board of Directors of the Company. The certified public accountants and lawyers of the accounting firms or law firms engaged by the Company may not concurrently hold the position of secretary of the Board of Directors of the Company. Where a director concurrently serves as the secretary of the Board of Directors, such person who concurrently serves as the director and the secretary of the Board of Directors shall not act in a dual capacity if an act is to be performed by the director or the secretary of the Board of Directors respectively. The secretary of the Board of Directors shall have financial, management and legal expertise as required for performing his/her duties, good professional and personal ethics and have obtained the training certificate for board secretaries issued by the Shanghai Stock Exchange. Any of the following persons shall not serve as the secretary of the Board of Directors:</p> <p>(1) circumstances under which a person may not serve as a director, supervisor or senior management member as stipulated in the Company Law;</p> <p>(2) any person who has been subject to any administrative sanction imposed by the CSRC in the most recent three years;</p> <p>(3) he/she is under a penalty of prohibited access to the securities market that may not serve as a director, supervisor and senior management of a listed company imposed by the CSRC, which penalty is still effective;</p> <p>(4) he/she has been publicly identified by the stock exchange as not suitable to serve as a director, supervisor and senior management of a listed company, the term of which has not expired;</p> <p>(5) any person who has been censured publicly or criticized more than three times through circulating notices by stock exchanges in the most recent three years;</p> <p>(6) any person who is the incumbent supervisor and independent directors of the Company;</p> <p>(7) any other person deemed by the Shanghai Stock Exchange as inappropriate for serving as the secretary of the Board of Directors.</p>	<p>Article 11 The secretary of the Board of Directors shall be nominated by the Chairman of the Board of Directors and appointed or dismissed by the Board of Directors. Directors (other than independent directors) or other senior management of the Company may concurrently hold the position of secretary of the Board of Directors of the Company. The certified public accountants and lawyers of the accounting firms or law firms engaged by the Company may not concurrently hold the position of secretary of the Board of Directors of the Company. Where a director concurrently serves as the secretary of the Board of Directors, such person who concurrently serves as the director and the secretary of the Board of Directors shall not act in a dual capacity if an act is to be performed by the director or the secretary of the Board of Directors respectively. The secretary of the Board of Directors shall have financial, management and legal expertise as required for performing his/her duties, good professional and personal ethics and have obtained the training certificate for board secretaries issued by the Shanghai Stock Exchange. Any of the following persons shall not serve as the secretary of the Board of Directors:</p> <p>(1) circumstances under which a person may not serve as a director, supervisor or senior management member as stipulated in the Company Law;</p> <p>(2) any person who has been subject to any administrative sanction imposed by the CSRC in the most recent three years;</p> <p>(3) he/she is under a penalty of prohibited access to the securities market that may not serve as a director, supervisor and senior management of a listed company imposed by the CSRC, which penalty is still effective;</p> <p>(4) he/she has been publicly identified by the stock exchange as not suitable to serve as a director, supervisor and senior management of a listed company, the term of which has not expired;</p> <p>(5) any person who has been censured publicly or criticized more than three times through circulating notices by stock exchanges in the most recent three years;</p> <p>(6) any person who is the incumbent supervisor and independent directors of the Company;</p> <p>(7) any other person deemed by the stock exchanges of the place where the Company's securities are listed Shanghai Stock Exchange as inappropriate for serving as the secretary of the Board of Directors.</p>	Improved the accuracy of expression

APPENDIX XI

DETAILS OF THE PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

No.	Original provisions	Amended provisions	Basis or reason of amendment
7	<p>Article 15 Upon the occurrence of any of the following circumstances, the Company shall dismiss the secretary of the Board of Directors within one month from the date when such circumstance comes into existence:</p> <p>(1) any of the circumstances enumerated in Article 12 hereof arises;</p>	<p>Article 15 Upon the occurrence of any of the following circumstances, the Company shall dismiss the secretary of the Board of Directors within one month from the date when such circumstance comes into existence:</p> <p>(1) any of the circumstances enumerated in Article 114¹⁴² hereof arises;</p>	Improved the accuracy of expression
8	<p>Article 17 During the period when the office of the secretary of the Board of Directors is vacant, the Board of Directors shall designate one director or senior management to perform the duties of the secretary of the Board of Directors and report the same to the Shanghai Stock Exchange. Meanwhile, it shall determine the candidates for secretary of the Board of Directors as soon as possible. Before the Company designates an acting secretary of the Board of Directors to perform the duties of the secretary of the Board of Directors, the Chairman of the Board of Directors shall perform such duties in place of the secretary of the Board of Directors.</p> <p>If the vacancy remains unfilled for more than three months, the Chairman of the Board of Directors shall perform the duties of the secretary of the Board of Directors and the appointment of the secretary of the Board of Directors shall be completed within 6 months.</p>	<p>Article 17 During the period when the office of the secretary of the Board of Directors is vacant, the Board of Directors shall designate one director or senior management to perform the duties of the secretary of the Board of Directors and make a public announcementreport the same to the Shanghai Stock Exchange. Meanwhile, it shall determine the candidates for secretary of the Board of Directors as soon as possible. Before the Company designates an acting secretary of the Board of Directors to perform the duties of the secretary of the Board of Directors, the Chairman of the Board of Directors shall perform such duties in place of the secretary of the Board of Directors.</p> <p>If the vacancy remains unfilled for more than three months, the Chairman of the Board of Directors shall perform the duties of the secretary of the Board of Directors and the appointment of the secretary of the Board of Directors shall be completed within 6 months.</p>	Improved the accuracy of expression
9	<p>Article 19 The information disclosure and equity management affairs handled in the name of the Company by the secretary of the Board of Directors, the person who performs the duties in place of the secretary of the Board of Directors as prescribed in Article 18 or the securities affairs representative are acceptable to the Shanghai Stock Exchange.</p>	<p>Article 19 The information disclosure and equity management affairs handled in the name of the Company by the secretary of the Board of Directors, the person who performs the duties in place of the secretary of the Board of Directors as prescribed in Article 174 or the securities affairs representative are acceptable to the Shanghai Stock Exchange.</p>	Improved the accuracy of expression
10	<p>Article 35 Any matters not stipulated in these Rules shall be dealt with in accordance with the requirements in relation to the Articles of Association, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Code of Corporate Governance.</p>	<p>Article 35 Any matters not stipulated in these Rules shall be dealt with in accordance with the requirements in relation to the Articles of Association, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange Listing Rules, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Code of Corporate Governance.</p>	Improved the accuracy of expression
11	Other amendments	<p>All “shareholders’ general meeting(s)” or “general meeting(s)” shall be amended to “shareholders’ meeting(s)”. The expressions of “supervisors”, “Board of Supervisors” shall be deleted and be replaced by “Audit Committee” accordingly.</p>	Corresponding adjustments made in accordance with changes to corporate governance structure

APPENDIX XII DETAILS OF THE PROPOSED AMENDMENTS TO THE INDEPENDENT DIRECTORS SYSTEM

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	<p>Article 17 Where, after taking office, an independent director of the Company no longer meets the qualifications for serving as an independent director as set out in the provisions of this regime, he/she shall immediately cease performing his/her duties and tender his/her resignation. If he/she fails to resign within the required time, the board of directors of the Company shall, upon becoming aware, or under circumstances in which it ought to be aware, of such fact, promptly remove the director from office.</p> <p>Where an independent director tenders their resignation or is removed from office as a result of circumstances set out in the preceding paragraph, and such resignation or removal causes the proportion of independent directors on the board of directors or its specialised committees to no longer comply with the requirements of the laws and regulations or the Articles of Association, or results in the absence of an accounting professional among the independent directors, the resigning independent director shall continue to perform his/her duties until a new independent director has been appointed. The Company shall complete the reelection within 60 days from the date on which the aforementioned circumstances arise.</p>	<p>Article 17 Where, after taking office, an independent director of the Company no longer meets the qualifications for serving as an independent director as set out in the provisions of this regime, he/she shall immediately cease performing his/her duties and tender his/her resignation. If he/she fails to resign within the required time, the board of directors of the Company shall, upon becoming aware, or under circumstances in which it ought to be aware, of such fact, promptly remove the director from office.</p> <p>Where an independent director tenders their resignation or is removed from office as a result of circumstances set out in the preceding paragraph, and such resignation or removal causes the proportion of independent directors on the board of directors or its specialised committees to no longer comply with the requirements of the laws and regulations or the Articles of Association, or results in the absence of an accounting professional among the independent directors, the resigning independent director shall continue to perform his/her duties until a new independent director has been appointed. The Company shall complete the reelection within 60 days from the date on which the aforementioned circumstances arise.</p>	Improved the accuracy of expression
2	<p>Article 18 An independent director may tender his/her resignation prior to the expiry of his/her term of office. The independent director shall submit his/her resignation to the board of directors in the form of a written resignation report, in which he/she shall explain any matters relating to his/her resignation or any issues which, in his/her opinion, should be brought to the attention of the shareholders or creditors of the Company.</p> <p>Where the resignation of an independent director would result in the number or proportion of independent directors on the board of directors of the Company falling below the minimum requirements set out in the Rules on Independent Directors or the listing rules of the stock exchange on which the Company's securities are listed, the resignation report of such independent director shall take effect only upon the appointment of a successor independent director to fill the resulting vacancy.</p>	<p>Article 18 An independent director may tender his/her resignation prior to the expiry of his/her term of office. The independent director shall submit his/her resignation to the board of directors in the form of a written resignation report, in which he/she shall explain any matters relating to his/her resignation or any issues which, in his/her opinion, should be brought to the attention of the shareholders or creditors of the Company.</p> <p>Where the resignation of an independent director would result in the number or proportion of independent directors on the board of directors of the Company falling below the minimum requirements set out in the Rules on Independent Directors Management Measures or the listing rules of the stock exchange on which the Company's securities are listed, the resignation report of such independent director shall take effect only upon the appointment of a successor independent director to fill the resulting vacancy.</p>	Improved the accuracy of expression
3	<p>Article 19 The independent director shall perform the following duties:</p> <p>.....</p> <p>(2) supervise potential significant conflicts of interest between the Company and its controlling shareholders, <i>de facto</i> controllers, directors, and senior management, as outlined in the first paragraph under Article 20, Articles 25, Article 26, and Article 27 of this regime, and procure the board of directors to make decisions in the interests of the Company as a whole and protect the legitimate rights and interests of minority shareholders.</p> <p>.....</p>	<p>Article 19 The independent director shall perform the following duties:</p> <p>.....</p> <p>(2) supervise potential significant conflicts of interest between the Company and its controlling shareholders, <i>de facto</i> controllers, directors, and senior management, as outlined in the first paragraph under Article 20, Articles 25, Article 26, and Article 27 of this regime, and procure the board of directors to make decisions in the interests of the Company as a whole and protect the legitimate rights and interests of minority shareholders.</p> <p>.....</p>	Improved the accuracy of expression

APPENDIX XII DETAILS OF THE PROPOSED AMENDMENTS TO THE INDEPENDENT DIRECTORS SYSTEM

No.	Original provisions	Amended provisions	Basis or reason of amendment
4	<p>Article 38 If an independent director discovers that the listed company is involved in any of the following situations, he/she shall take active and decisive to fulfil their due diligence obligations and promptly report to the Shanghai Stock Exchange. If necessary, he/she shall engage intermediary agencies to conduct a special investigation:</p> <p>(1) failure to follow the prescribed procedures for the consideration of significant matters;</p> <p>(2) failure to timely perform information disclosure obligations;</p> <p>(3) information disclosure contains false statements, misleading representations, or material omissions;</p> <p>(4) other circumstances that may involve violations of laws and regulations or harm the legitimate rights and interests of minority shareholders.</p>	<p>Article 38 If an independent director discovers that the listed company is involved in any of the following situations, he/she shall take active and decisive to fulfil their due diligence obligations and promptly report to the Shanghai Stock Exchange. If necessary, he/she shall engage intermediary agencies to conduct a special investigation:</p> <p>(5) failure to follow the prescribed procedures for the consideration of significant matters;</p> <p>(6) failure to timely perform information disclosure obligations;</p> <p>(7) information disclosure contains false statements, misleading representations, or material omissions;</p> <p>(8) other circumstances that may involve violations of laws and regulations or harm the legitimate rights and interests of minority shareholders.</p>	<p>Corresponding adjustment due to the deletion of relevant provision from the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations</p>
5	Amendments to relevant provisions	All “shareholders’ general meeting(s)” shall be amended to “shareholders’ meeting(s)”. The expressions of “Board of Supervisors” shall be deleted.	Corresponding adjustments made in accordance with changes to corporate governance structure

APPENDIX XIII

DETAILS OF THE PROPOSED AMENDMENTS TO THE FAIR DECISION-MAKING SYSTEM FOR RELATED-PARTY (CONNECTED) TRANSACTIONS

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	<p>Article 20 When the board of directors of the Company considers connected (related) transactions, the connected (related) directors shall abstain from voting and shall not exercise voting rights on behalf of other directors. The board meeting may be held with the attendance of more than half of non-connected directors, and any resolution passed at the board meeting must be approved by more than half of non-connected directors. If the number of non-connected directors present at the board meeting is less than three, the listed company shall submit the transaction for approval at the shareholders' general meeting.</p> <p>.....</p> <p>For related transactions of a material nature, approval must be obtained from the independent directors before being submitted to the board of directors for discussion. The board of directors of the Company shall express an opinion on whether the transaction is in the interests of the Company. The Company may engage an independent financial advisor to provide an opinion on whether the related transaction is fair and reasonable to all shareholders, along with the basis, key assumptions, and considerations applied. The Company shall disclose detailed information on the transaction in its next periodic report.</p> <p>In the event that the Company purchases assets from a related party, the transaction shall be submitted to the shareholders' meeting for consideration in accordance with the applicable regulations. If the transaction price exceeds 100% of the book value of the transaction target, and the counterparty fails to provide a profit guarantee, compensation commitment, or repurchase commitment related to the transaction target within the specified period, the Company shall provide a detailed explanation of the reasons for such failure, whether any appropriate protective measures will be implemented, and whether such measures are conducive to safeguarding the interests of the Company and the legitimate rights and interests of minority shareholders.</p>	<p>Article 20 When the board of directors of the Company considers connected (related) transactions, the connected (related) directors shall abstain from voting and shall not exercise voting rights on behalf of other directors. The board meeting may be held with the attendance of more than half of non-connected directors, and any resolution passed at the board meeting must be approved by more than half of non-connected directors. If the number of non-connected directors present at the board meeting is less than three, the listed company shall submit the transaction for approval at the shareholders' general meeting.</p> <p>.....</p> <p>For related transactions of a material nature, approval must be obtained from the independent directors before being submitted to the board of directors for discussion. The board of directors of the Company shall express an opinion on whether the transaction is in the interests of the Company. The Company may engage an independent financial advisor to provide an opinion on whether the related transaction is fair and reasonable to all shareholders, along with the basis, key assumptions, and considerations applied. The Company shall disclose detailed information on the transaction in its next periodic report.</p> <p>In the event that the Company purchases assets from a related party, the transaction shall be submitted to the shareholders' meeting for consideration in accordance with the applicable regulations. If the transaction price exceeds 100% of the book value of the transaction target, and the counterparty fails to provide a profit guarantee, compensation commitment, or repurchase commitment related to the transaction target within the specified period, the Company shall provide a detailed explanation of the reasons for such failure, whether any appropriate protective measures will be implemented, and whether such measures are conducive to safeguarding the interests of the Company and the legitimate rights and interests of minority shareholders.</p>	<p>Amended in accordance with the Rules Governing the Listing of Stock on the Shanghai Stock Exchange</p>
2	<p>Article 23 The board of supervisors of the Company shall supervise the review, voting, disclosure, and execution of connected (related) transactions in accordance with the relevant requirements of the Shanghai Stock Exchange, and shall provide an opinion in the annual report.</p>	<p>Article 23 The board of supervisors of the Company shall supervise the review, voting, disclosure, and execution of connected (related) transactions in accordance with the relevant requirements of the Shanghai Stock Exchange, and shall provide an opinion in the annual report.</p>	<p>Corresponding adjustments made in accordance with changes to corporate governance structure</p>

APPENDIX XIII

DETAILS OF THE PROPOSED AMENDMENTS TO THE FAIR DECISION-MAKING SYSTEM FOR RELATED-PARTY (CONNECTED) TRANSACTIONS

No.	Original provisions	Amended provisions	Basis or reason of amendment
3	<p>Article 26 CONTINUING/DAILY RELATED-PARTY (CONNECTED) TRANSACTIONS</p> <p>According to the requirements of the Listing Rules of Shanghai Stock Exchange, the daily related-party transactions described in the (II) of Article 10 of this System conducted between the listed company and related parties, the following provisions shall be applied regarding disclosure and execution of the corresponding approval procedures:</p> <p>(I) as for the daily related-party transactions agreement previously approved by the general meeting or the Board of Directors and being executed, if the main terms of the agreement do not undergo significant changes during the execution, the Company shall disclose the actual performance of agreements as required in the regular reports and explain whether the performance is in accordance with the rules of the agreement; if the main terms of the agreement changes significantly during the execution or if the agreement needs to be renewed after the expiration of the period, the Company shall make disclosure promptly for the consideration of newly revised or renewed daily related-party transaction agreement by the general meeting or the Board of Directors depending on the total transaction amount involved in such agreement. Where no specific total transaction amount is provided in the agreement, the Company shall make disclosure promptly for the consideration by the general meeting.</p> <p>(II) for the newly entered daily related-party transactions not included in the previous paragraph, the Company shall make timely disclosure on consideration procedures being executed with reference to the total transaction amount involved in such agreement. Where no specific total transaction amount is provided in the agreement, the Company shall make timely disclosure on such transaction after the consideration by the general meeting. If the main terms of the agreement changes significantly during the execution or if the agreement needs to be renewed after the expiration of the period, the daily related-party transactions contemplated thereunder shall be processed in accordance with the previous paragraph.</p> <p>(III) the Company may, based on the type of transactions, make reasonable estimation of the amount of such daily related-party transactions for the preceding year, and make timely disclosure on execution procedures being performed; if the actual amount of the transaction exceeds the estimated amount, the Company shall re-disclose the consideration procedures being executed with reference to the excessive amount.</p> <p>(IV) the Company shall disclose the actual performance of the daily related-party transactions based on the type of transactions in total in its annual report and interim report.</p> <p>(V) as for the daily related-party transactions agreement entered into by the Company and the related party for a period of over 3 years, the Company shall re-execute the corresponding approval procedures every 3 years in accordance with the provisions of this chapter.</p> <p>(VI) the subject matter of transaction in respect of related-party transactions relating to daily operations may not be audited or assessed.</p>	<p>Article 2625 CONTINUING/DAILY RELATED-PARTY (CONNECTED) TRANSACTIONS</p> <p>According to the requirements of the Listing Rules of Shanghai Stock Exchange, the daily related-party transactions described in the (II) of Article 10 of this System conducted between the listed company and related parties, the following provisions shall be applied regarding disclosure and execution of the corresponding approval procedures:</p> <p>(I) as for the daily related-party transactions agreement previously approved by the generalshareholders' meeting or the Board of Directors and being executed, if the main terms of the agreement do not undergo significant changes during the execution, the Company shall disclose the actual performance of agreements as required in the regular reports and explain whether the performance is in accordance with the rules of the agreement; if the main terms of the agreement changes significantly during the execution or if the agreement needs to be renewed after the expiration of the period, the Company shall make disclosure promptly for the consideration of newly revised or renewed daily related-party transaction agreement by the generalshareholders' meeting or the Board of Directors depending on the total transaction amount involved in such agreement. Where no specific total transaction amount is provided in the agreement, the Company shall make disclosure promptly for the consideration by the generalshareholders' meeting.</p> <p>(II) for the newly entered daily related-party transactions not included in the previous paragraph, the Company shall make timely disclosure on consideration procedures being executed with reference to the total transaction amount involved in such agreement. Where no specific total transaction amount is provided in the agreement, the Company shall make timely disclosure on such transaction after the consideration by the generalshareholders' meeting. If the main terms of the agreement changes significantly during the execution or if the agreement needs to be renewed after the expiration of the period, the daily related-party transactions contemplated thereunder shall be processed in accordance with the previous paragraph.</p> <p>(III) the Company may, based on the type of transactions, make reasonable estimation of the amount of such daily related-party transactions for the preceding year, and make timely disclosure on execution procedures being performed; if the actual amount of the transaction exceeds the estimated amount, the Company shall re-disclose the consideration procedures being executed with reference to the excessive amount.</p> <p>(IV) the Company shall disclose the actual performance of the daily related-party transactions based on the type of transactions in total in its annual report and interim report.</p> <p>(V) as for the daily related-party transactions agreement entered into by the Company and the related party for a period of over 3 years, the Company shall re-execute the corresponding approval procedures every 3 years in accordance with the provisions of this chapter.</p> <p>(VI) the subject matter of transaction in respect of related-party transactions relating to daily operations may not be audited or assessed.</p>	Amended in accordance with the Hong Kong Listing Rules

APPENDIX XIII

DETAILS OF THE PROPOSED AMENDMENTS TO THE FAIR DECISION-MAKING SYSTEM FOR RELATED-PARTY (CONNECTED) TRANSACTIONS

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>According to the Hong Kong Listing Rules, continuing connected transactions are connected transactions involving the provision of goods, services or financial assistance, which are carried out on a continuing or recurring basis and are expected to extend over a period of time. These connected transactions are usually conducted during the ordinary and usual course of business of the listed companies. The requirements of the annual review of the continuing connected transaction are set out below:</p> <p>(I) The Company's independent non-executive directors must review the continuing connected transactions every year and confirm in the annual report that:</p> <p>(1) Such transactions constituted the usual course of business of the Company;</p> <p>(2) Such transactions were conducted on normal commercial terms or, if transactions available for comparison were insufficient to determine whether the terms of such transactions are normal commercial terms, from the perspective of the Company, the terms of such transactions were not less favorable than the terms offered to or by (depending on the situation) independent third parties; and</p> <p>(3) Such transactions were conducted in accordance with the terms of the agreements of respective transaction and that the transaction terms were fair and reasonable and in the best interests of the Company's shareholders as a whole.</p> <p>(II) Each year the auditors of the Company shall provide a letter to the Board of Directors (with a copy provided to the Stock Exchange of Hong Kong at least 10 business days prior to the bulk printing of the annual report), confirming that the continuing connected transactions:</p> <p>(1) have received the approval of the Company's Board of Directors;</p> <p>(2) are in accordance with the Company's pricing policies if the transactions involve provision of goods or services by the Company;</p> <p>(3) have been entered into in accordance with the terms of the relevant agreement governing the transactions;</p> <p>(4) have not exceeded the cap disclosed in previous announcement(s).</p> <p>III) The Company shall allow, and shall procure that the counter party to the continuing connected transactions shall allow, that the auditors have sufficient access to the Company's accounts records for the purpose of reporting on the transactions as set out in this Rules. The Company's Board of Directors must state in the annual report whether its auditors have confirmed the matters required in the (II) above.</p> <p>(IV) The Company shall promptly notify the Stock Exchange of Hong Kong and publish an announcement if it knows or has reason to believe that the independent directors and/or the auditors will not be able to confirm the matters required in (I) or (II) above respectively. The Company may have to re-comply with the requirements of this System and other conditions the Stock Exchange of Hong Kong considers appropriate.</p>	<p>According to the Hong Kong Listing Rules, continuing connected transactions are connected transactions involving the provision of goods, services or financial assistance, which are carried out on a continuing or recurring basis and are expected to extend over a period of time. These connected transactions are usually conducted during the ordinary and usual course of business of the listed companies. The requirements of the annual review of the continuing connected transaction are set out below:</p> <p>(I) The Company's independent non-executive directors must review the continuing connected transactions every year and confirm in the annual report that:</p> <p>(1) Such transactions constituted the usual course of business of the Company;</p> <p>(2) Such transactions were conducted on normal commercial terms or, if transactions available for comparison were insufficient to determine whether the terms of such transactions are normal commercial terms, from the perspective of the Company, the terms of such transactions were not less favorable than the terms offered to or by (depending on the situation) independent third parties; and</p> <p>(3) Such transactions were conducted in accordance with the terms of the agreements of respective transaction and that the transaction terms were fair and reasonable and in the best interests of the Company's shareholders as a whole.</p> <p>(II) Each year the auditors of the Company shall provide a letter to the Board of Directors (with a copy provided to the Stock Exchange of Hong Kong at least 10 business days prior to the bulk printing of the annual report), confirming that the continuing connected transactions:</p> <p>(1) have received the approval of the Company's Board of Directors;</p> <p>(2) are in accordance with the Company's pricing policies if the transactions involve provision of goods or services by the Company;</p> <p>(3) have been entered into in accordance with the terms of the relevant agreement governing the transactions;</p> <p>(4) have not exceeded the cap disclosed in previous announcement(s).</p> <p>(III) The Company shall allow, and shall procure that the counter party to the continuing connected transactions shall allow, that the auditors have sufficient access to the Company's accounts records for the purpose of reporting on the transactions as set out in this Rules. The Company's Board of Directors must state in the annual report whether its auditors have confirmed the matters required in the (II) above.</p> <p>(IV) The Company shall promptly notify the Stock Exchange of Hong Kong and publish an announcement if it knows or has reason to believe that the independent directors and/or the auditors will not be able to confirm the matters required in (I) or (II) above respectively. The Company may have to re-comply with the requirements of this System and other conditions the Stock Exchange of Hong Kong considers appropriate.</p>	

APPENDIX XIII

DETAILS OF THE PROPOSED AMENDMENTS TO THE FAIR DECISION-MAKING SYSTEM FOR RELATED-PARTY (CONNECTED) TRANSACTIONS

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>(V) Where the Company has entered into an agreement involving continuing transactions and such transactions subsequently become continuing connected transactions for whatever reason (e.g. due to a party becoming a director of the Company), the Company must, upon it becoming aware of the above matter, fully comply with all applicable reporting, annual review and disclosure requirements immediately. In case of any amendment to or update of the agreement, the Company must comply with all applicable reporting, annual review, disclosure and independent shareholders' approval requirements for all the continuing connected transactions upon such amendment or update takes effect.</p> <p>(VI) Where the continuing connected transactions of the Company have exceeded the cap or the Company proposes to renew the agreement thereof or substantially amend its terms, the Company shall re-comply with the requirements of the announcement and shareholder approval (if required).</p>	<p>(V) Where the Company has entered into an agreement involving continuing transactions and such transactions subsequently become continuing connected transactions for whatever reason (e.g. due to a party becoming a director of the Company), the Company must, upon it becoming aware of the above matter, fully comply with all applicable reporting, annual review and disclosure requirements under Chapter 14A of the Hong Kong Listing Rules immediately. In case of any amendment to or update of the agreement, the Company must comply with all applicable reporting, annual review, disclosure and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules for all the continuing connected transactions upon such amendment or update takes effect.</p> <p>(VI) Where the continuing connected transactions of the Company have exceeded the cap or the Company proposes to renew the agreement thereof or substantially amend its terms, the Company shall re-comply with the requirements of the announcement and shareholder approval (if required).</p>	
4	<p>Article 30 AGGREGATION/CONSOLIDATION ON RELATED-PARTY (CONNECTED) TRANSACTIONS</p> <p>According to the requirements of the Listing Rules of Shanghai Stock Exchange, in the case of entrusted financial management between the Company and its related parties, if it is difficult to fulfill the consideration procedures and disclosure obligations for each investment transaction due to the frequency of transactions and the requirement of timeliness, etc., but the investment scope and amount and its period can be reasonably anticipated, and the amount will be used as the calculation standard, the provisions of Article 15, Article 16 and Article 17 of this System shall apply to such transactions.</p> <p>The relevant amount shall be used for a period of no more than 12 months, and the amount of transactions at any point in the period (including the amount related to reinvestment of proceeds from the aforementioned investments) shall not exceed the investment amount.</p> <p>The listed company shall apply the corresponding disclosure requirements and review procedures in accordance with principle of aggregating in 12 consecutive months to transactions between the listed company and the same related parties or transactions in relation to the subject under the same transaction category between the listed company and different related parties. If the Company have performed the relevant obligation in accordance with the corresponding disclosure requirements and consideration procedures, these items shall not be included in the scope of relevant aggregation. However, if the transaction matters of consideration procedures at the shareholders' general meeting have been disclosed but not been executed by the Company, these items shall be included in the scope of relevant aggregation in order to determine the consideration procedures that should be executed.</p>	<p>Article 3029 AGGREGATION/CONSOLIDATION ON RELATED-PARTY (CONNECTED) TRANSACTIONS</p> <p>According to the requirements of the Listing Rules of Shanghai Stock Exchange, in the case of entrusted financial management between the Company and its related parties, if it is difficult to fulfill the consideration procedures and disclosure obligations for each investment transaction due to the frequency of transactions and the requirement of timeliness, etc., but the investment scope and amount and its period can be reasonably anticipated, and the amount will be used as the calculation standard, the provisions of Article 15, Article 16 and Article 17 of this System shall apply to such transactions.</p> <p>The relevant amount shall be used for a period of no more than 12 months, and the amount of transactions at any point in the period (including the amount related to reinvestment of proceeds from the aforementioned investments) shall not exceed the investment amount.</p> <p>The listed company shall apply the corresponding disclosure requirements and review procedures in accordance with principle of aggregating in 12 consecutive months to transactions between the listed company and the same related parties or transactions in relation to the subject under the same transaction category between the listed company and different related parties. If the Company have performed the relevant obligation in accordance with the corresponding disclosure requirements and consideration procedures, these items shall not be included in the scope of relevant aggregation. However, if the transaction matters of consideration procedures at the shareholders' general meeting have been disclosed but not been executed by the Company, these items shall be included in the scope of relevant aggregation in order to determine the consideration procedures that should be executed.</p>	Improve the accuracy of expression

APPENDIX XIII

DETAILS OF THE PROPOSED AMENDMENTS TO THE FAIR DECISION-MAKING SYSTEM FOR RELATED-PARTY (CONNECTED) TRANSACTIONS

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>According to the Hong Kong Listing Rules, the Hong Kong Stock Exchange will aggregate a series of connected transactions and treat them as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. The Company must comply with the applicable connected transaction requirements based on the classification of the connected transactions when aggregated and make proper disclosure. The aggregation period will cover 24 months if the connected transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover. The Hong Kong Stock Exchange will consider the following factors for aggregation of a series of connected transactions include whether:</p> <p>(I) they are entered into by the Company with the same party, or parties who are connected with one another;</p> <p>(II) they involve the acquisition or disposal of parts of one asset, or securities or interests in a company or group of companies;</p> <p>(III) they together lead to substantial involvement by the Company in a new business activity. The Hong Kong Stock Exchange may aggregate all continuing connected transactions with a connected person.</p>	<p>According to the Hong Kong Listing Rules, the Hong Kong Stock Exchange will aggregate a series of connected transactions and treat them as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. The Company must comply with the applicable connected transaction requirements based on the classification of the transaction category designated to such connected transactions when aggregated and make proper disclosure. The aggregation period will cover 24 months if the connected transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover. The Hong Kong Stock Exchange will consider the following factors for aggregation of a series of connected transactions include whether:</p> <p>(I) they are entered into by the Company with the same party, or parties who are connected with one another;</p> <p>(II) they involve the acquisition or disposal of parts of one asset, or securities or interests in a company or group of companies;</p> <p>(III) they together lead to substantial involvement by the Company in a new business activity. The Hong Kong Stock Exchange may aggregate all continuing connected transactions with a connected person.</p>	
5	<p>Article 35 This System shall become effective on the date when the same is considered and approved at the shareholders' general meeting. The original Fair Decision-making System for Related Party Transactions of Haier Smart Home Co. Ltd. shall be automatically invalidated from the effective date of this System.</p>	<p>Article 3534 This System shall become effective on the date when the same is considered and approved at the shareholders' general meeting. The original Fair Decision-making System for Related Party (Connected) Transactions of Haier Smart Home Co. Ltd. shall be automatically invalidated from the effective date of this System.</p>	<p>Improve the accuracy of expression</p>
6	<p>Other amendments</p>	<p>All "shareholders' general meeting(s)" or "general meeting(s)" shall be amended to "shareholders' meeting(s)". The expressions of "supervisors", "the Board of Supervisors" shall be deleted. "The office of Secretary to the Board" shall be adjusted to "Securities Department".</p>	<p>Corresponding adjustments made in accordance with changes to corporate governance structure</p>

APPENDIX XIV DETAILS OF THE PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF EXTERNAL GUARANTEE

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	Article 11 The board secretary or the board office shall, within 3 working days of receiving the written report from the finance department and the relevant materials related to the guarantee application, conduct a compliance review and provide feedback.	Article 11 The board secretary or the board office security department shall, within 3 working days of receiving the written report from the finance department and the relevant materials related to the guarantee application, conduct a compliance review and provide feedback.	Improved the accuracy of expression
2	Article 14 The following external guarantees by the Company shall be submitted to the general meeting for deliberation after reviewed and passed by the Board of Directors: (1) the guarantee of which the single guarantee amount exceeds 10% of the latest audited net assets of the Company; (2) any guarantee which is provided after the total amount of external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets of the Company; (3) external guarantees provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 30% of the latest audited total assets of listed companies, or the single amount of external guarantees provided by the Company and/or its subsidiaries exceeds 25% of the latest audited total assets of the Company (the guarantees made for the same party or related parties for 12 consecutive months shall be calculated in aggregate, except the guarantees provided to its subsidiaries by the Company); (4) guarantees exceeding 30% of the latest audited total assets of listed companies when being aggregated with guarantees incurred in the preceding 12 consecutive months; (5) the guarantee which is provided to the guaranteed party with a gearing ratio exceeding 70%; (6) the guarantee which is provided to the shareholders, de facto controller or their related parties; (7) the single guarantee amount exceeds 25% of the Company's audited total profit before tax in the latest fiscal year (the guarantees made for the same party or related parties for 12 consecutive months shall be calculated in aggregate, except the guarantees provided to its subsidiaries by the Company); (8) the single guarantee amount exceeds 25% of the Company's audited income in the latest fiscal year (the guarantees made for the same party or related parties for 12 consecutive months shall be calculated in aggregate, except the guarantees provided to its subsidiaries by the Company); (9) the single guarantee amount exceeds 25% of the Company's total market capitalization (based on the average closing price of the listed company's shares 5 trading days before the transaction) (the guarantees made for the same party or related parties for 12 consecutive months shall be calculated in aggregate, except the guarantees provided to its subsidiaries by the Company); (10) other guarantees stipulated by the stock exchange or the Articles of Association.	Article 14 The following external guarantees by the Company shall be submitted to the shareholders' general meeting for deliberation after reviewed and passed by the Board of Directors: (1) the guarantee of which the single guarantee amount exceeds 10% of the latest audited net assets of the Company; (2) any guarantee which is provided after the total amount of external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets of the Company; (3) external guarantees provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 30% of the latest audited total assets of listed companies, or the single amount of external guarantees provided by the Company and/or its subsidiaries exceeds 25% of the latest audited total assets of the Company (the guarantees made for the same party or related parties for 12 consecutive months shall be calculated in aggregate, except the guarantees provided to its subsidiaries by the Company); (4) guarantees exceeding 30% of the latest audited total assets of listed companies when being aggregated with guarantees incurred in the preceding 12 consecutive months; (5) the guarantee which is provided to the guaranteed party with a gearing ratio exceeding 70%; (6) the guarantee which is provided to the shareholders, de facto controller or their related parties; (7) the single guarantee amount exceeds 25% of the Company's audited total profit before tax in the latest fiscal year (the guarantees made for the same party or related parties for 12 consecutive months shall be calculated in aggregate, except the guarantees provided to its subsidiaries by the Company); (8) the single guarantee amount exceeds 25% of the Company's audited income in the latest fiscal year (the guarantees made for the same party or related parties for 12 consecutive months shall be calculated in aggregate, except the guarantees provided to its subsidiaries by the Company); (9) the single guarantee amount exceeds 25% of the Company's total market capitalization (based on the average closing price of the listed company's shares 5 trading days before the transaction) (the guarantees made for the same party or related parties for 12 consecutive months shall be calculated in aggregate, except the guarantees provided to its subsidiaries by the Company); (10) other guarantees stipulated by the stock exchange or the Articles of Association.	Adjustment in accordance with the Hong Kong Listing Rules

APPENDIX XIV DETAILS OF THE PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF EXTERNAL GUARANTEE

No.	Original provisions	Amended provisions	Basis or reason of amendment
	<p>The guarantee referred to in item (4) of this Article shall be subject to approval by more than two-thirds of the voting rights held by the shareholders attending the general meeting.</p> <p>When the general meeting is considering resolutions on guarantees provided for shareholders, de facto controllers or related parties, such shareholders or shareholders under the control of such de facto controllers shall abstain from voting in respect of such resolutions. Such resolutions shall be subject to the approval of more than half of the voting rights held by the other shareholders presented at the relevant general meetings.</p> <p>The Company's external guarantees incurred within a twelve-month period shall be aggregated in accordance with the provisions of this Article, and those obligations that have been fulfilled in accordance with the relevant provisions shall no longer be included in the scope of the relevant aggregation.</p> <p>When the amount of external guarantee approved by the shareholders' general meeting or the Board of Directors needs to be implemented in several installments, the Chairman of the Board of the Company may be authorized to sign the guarantee documents within the approved amount.</p> <p>If the guarantee matters referred to in the preceding paragraph are related to major matters that the Company and its subsidiaries shall separately consider and disclose in accordance with the law (such as the signing of major contracts, major litigation, etc.), the procedures for consideration and disclosure of such matters and the relevant guarantees to be performed by the Company shall at the same time be in compliance with the provisions of this System and the laws, regulations and documents of the Company System relating to the major matters concerned.</p>	<p>The guarantee referred to in item (4) of this Article shall be subject to approval by more than two-thirds of the voting rights held by the shareholders attending the shareholders' general meeting.</p> <p>When the general shareholders' meeting is considering resolutions on guarantees provided for shareholders, de facto controllers or related parties, such shareholders or shareholders under the control of such de facto controllers shall abstain from voting in respect of such resolutions. Such resolutions shall be subject to the approval of more than half of the voting rights held by the other shareholders presented at the relevant shareholders' general meetings.</p> <p>The Company's external guarantees incurred within a twelve-month period shall be aggregated in accordance with the provisions of this Article, and those obligations that have been fulfilled in accordance with the relevant provisions shall no longer be included in the scope of the relevant aggregation.</p> <p>When the amount of external guarantee approved by the shareholders' general meeting or the Board of Directors needs to be implemented in several installments, the Chairman of the Board of the Company may be authorized to sign the guarantee documents within the approved amount.</p> <p>If the guarantee matters referred to in the preceding paragraph are related to major matters that the Company and its subsidiaries shall separately consider and disclose in accordance with the law (such as the signing of major contracts, major litigation, etc.), the procedures for consideration and disclosure of such matters and the relevant guarantees to be performed by the Company shall at the same time be in compliance with the provisions of this System and the laws, regulations and documents of the Company System relating to the major matters concerned.</p>	
3	<p>Article 20 The Board of Directors of the Company shall exercise prudence and strict control over the debt risks arising from external guarantees when reviewing the guarantee applications of the guaranteed parties, and the Board of Directors may, when necessary, engage external professional organizations to assess the risks associated with external guarantees, which shall serve as the basis for the Board of Directors or the shareholders' general meeting to make decisions.</p> <p>The independent directors of the Company shall express their independent opinions when the Board of Directors deliberates on the matters of external guarantee, and if necessary, they may engage an accounting firm to verify the Company's cumulative and current external guarantees. If abnormalities are found, they should be reported to the Board of Directors and the regulatory authorities and announced in a timely manner.</p>	<p>Article 20 The Board of Directors of the Company shall exercise prudence and strict control over the debt risks arising from external guarantees when reviewing the guarantee applications of the guaranteed parties, and the Board of Directors may, when necessary, engage external professional organizations to assess the risks associated with external guarantees, which shall serve as the basis for the Board of Directors or the shareholders' general meeting to make decisions.</p> <p>The independent directors of the Company shall express their independent opinions when the Board of Directors deliberates on the matters of external guarantee, and if necessary, they may engage an accounting firm to verify the Company's cumulative and current external guarantees. If abnormalities are found, they should be reported to the Board of Directors and the regulatory authorities and announced in a timely manner.</p>	Amended in accordance with the Measures for the Administration of Independent Directors of Listed Companies
4	<p>Article 32 The Company shall prepare the corresponding chapter of the annual report in accordance with the relevant laws and regulations and the relevant disclosure requirements of the stock exchanges in respect of the information and data guaranteed in the annual report.</p> <p>The independent directors of the Company shall include in the annual report a special description of the Company's external guarantees outstanding at the end of the reporting period and for the current period, as well as an independent opinion.</p>	<p>Article 32 The Company shall prepare the corresponding chapter of the annual report in accordance with the relevant laws and regulations and the relevant disclosure requirements of the stock exchanges in respect of the information and data guaranteed in the annual report.</p> <p>The independent directors of the Company shall include in the annual report a special description of the Company's external guarantees outstanding at the end of the reporting period and for the current period, as well as an independent opinion.</p>	Amended in accordance with the Measures for the Administration of Independent Directors of Listed Companies

APPENDIX XIV	DETAILS OF THE PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF EXTERNAL GUARANTEE
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No.	Original provisions	Amended provisions	Basis or reason of amendment
5	Other amendments	All “shareholders’ general meeting(s)” or “general meeting(s)” shall be amended to “shareholders’ meeting(s)”. The expressions of “supervisors” shall be deleted. “The office of Secretary to the Board” shall be adjusted to “Securities Department”.	Corresponding adjustments made in accordance with changes to corporate governance structure, improve the accuracy of expression

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	<p>Article 1 The Administrative Measures are formulated pursuant to the relevant requirements of the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), Administrative Measures for Initial Public Offerings and Listing of Stocks, Administrative Measures for the Issuance of Securities by Listed Companies, Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations, Rules Governing the Report on the Use of Proceeds from Previous Fund Raising Activity, Regulatory Guidance for Listed Companies No. 2 — Regulatory Requirements for the Administration and Use of Raised Funds of the Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (hereinafter referred to as the "Listing Rules of Shanghai Stock Exchange"), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and other laws, regulations, regulatory documents, regulatory rules of the place where the securities of the Company are listed and the actual conditions of the Company for the purpose of regulating the management and usage of the raised funds of Haier Smart Home Co., Ltd. (hereinafter referred to as the "Company"), improving efficiency in raised funds utilization and protecting the interest of investors.</p>	<p>Article 1 The Administrative Measures are formulated pursuant to the relevant requirements of the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), Administrative Measures for Initial Public Offerings and Listing of Stocks, Administrative Measures for the Issuance of Securities by Listed Companies, Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations, Rules Governing the Report on the Use of Proceeds from Previous Fund Raising Activity, Regulatory Guidance for Listed Companies No. 2 — Regulatory Requirements for the Administration and Use of Raised Funds of the Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (hereinafter referred to as the "Listing Rules of Shanghai Stock Exchange"), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and other laws, regulations, regulatory documents, regulatory rules of the place where the securities of the Company are listed and the actual conditions of the Company for the purpose of regulating the management and usage of the raised funds of Haier Smart Home Co., Ltd. (hereinafter referred to as the "Company"), improving efficiency in raised funds utilization and protecting the interest of investors.</p>	The basis of the expired rules has been deleted
2	<p>Article 14 The Company shall not conduct the following acts with the proceeds:</p> <p>(I) Participate in Proceeds-financed Projects that make financial investments through holding of transactional financial assets and available-for-sale financial assets, lending to others and entrusted assets management, and direct or indirect investment in companies that principally engage in the trading of marketable securities;</p> <p>(II) Essentially change the use of proceeds through pledges, entrusted loans or other means;</p> <p>(III) Use or misappropriation of proceeds by related parties such as controlling shareholders and de facto controllers for the purpose of obtaining improper gains through the Proceeds-financed Project.</p>	<p>Article 14 The Company shall not conduct the following acts with the proceeds:</p> <p>(I) Participate in Proceeds-financed Projects that make financial investments through holding of transactional financial assets and available-for-sale financial assets, lending to others and entrusted assets management, and direct or indirect investment in companies that principally engage in the trading of marketable securities;</p> <p>(II) Essentially change the use of proceeds through pledges, entrusted loans or other means;</p> <p>(III) Use or misappropriation of Make available the proceeds, whether directly or indirectly, for by related parties such as controlling shareholders and de facto controllers and other related parties, providing convenience for related parties to obtain for the purpose of obtaining improper gains through the Proceeds-financed Project;</p> <p>(IV) Other acts in violation of the provisions on the management of proceeds.</p>	Amendments in accordance with Article 6.3.9 of the Guidelines of the Shanghai Stock Exchange for Self-governance of Listed Companies No. 1 — Standardized Operation

No.	Original provisions	Amended provisions	Basis or reason of amendment
3	<p>Article 17 The Company may use the raised funds unused to supplement the working capital on a temporary basis, provided that:</p> <p>(1) The funds shall only be used for production and operation related to the primary business;</p> <p>(2) The purpose of the raised funds shall not be changed in the disguised form and proper implementation of the raised funds investment plan shall not be affected;</p> <p>(3) The purpose of the funds shall not be used directly or indirectly for placement or subscription of new shares, or used in transactions in shares or its derivatives or convertible corporate bonds;</p> <p>(4) The time for each supplement to the working capital shall not exceed 12 months;</p> <p>(5) The raised funds previously used to supplement the working capital on a temporary basis (if applicable) have been returned within due time.</p> <p>The Company may use the raised funds unused to supplement the working capital on a temporary basis, to the extent that such use is approved by the Board of Directors after consideration and the sponsor or independent financial advisor and the Board of Supervisors offer explicit opinions on approval of the same, in which case, the Company shall make an announcement within 2 trading days after the board meeting.</p> <p>The Company shall return the funds used to supplement the working capital to the Special Account for Raised Funds before the due date and make an announcement within 2 trading days after the funds are returned in full.</p>	<p>Article 17 The Company may use the raised funds unused to supplement the working capital on a temporary basis <u>through the special account for proceeds</u>, provided that:</p> <p>(1) The funds shall only be used for production and operation related to the primary business;</p> <p>(2) The purpose of the raised funds shall not be changed in the disguised form and proper implementation of the raised funds investment plan shall not be affected;</p> <p>(3) The purpose of the funds shall not be used directly or indirectly for placement or subscription of new shares, or used in transactions in shares or its derivatives or convertible corporate bonds;</p> <p>(4) The time for each supplement to the working capital shall not exceed 12 months;</p> <p>(5) The raised funds previously used to supplement the working capital on a temporary basis (if applicable) have been returned within due time.</p> <p>The Company may use the raised funds unused to supplement the working capital on a temporary basis, to the extent that such use is approved by the Board of Directors after consideration and the sponsor or independent financial advisor and the Board of Supervisors offer explicit opinions on approval of the same, in which case, the Company shall make an announcement within 2 trading days after the board meeting.</p> <p>The Company shall return the funds used to supplement the working capital to the Special Account for Raised Funds before the due date and make an announcement within 2 trading days after the funds are returned in full.</p>	For improving the accuracy of expression
4	<p>Article 30 Independent directors, the Audit Committee of the Board of Directors and the Board of Supervisors shall continue to monitor the actual management and use of raised funds. More than 1/2 of independent directors can engage an accounting firm to issue verification report with regard to the storage and use of the raised funds. The Company shall provide active cooperation and bear necessary expenses.</p> <p>The aforementioned verification report shall be announced by the Board of Directors within 2 trading days after the receipt of the same. In case the report indicates that the raised funds of the Company are managed and used in violation of regulations, violations in relation to the management and deposit of raised funds, actual or potential consequences and the measures taken or to be taken shall also be announced by the Board of Directors.</p>	<p>Article 30 Independent directors, the Audit Committee of the Board of Directors and the Board of Supervisors shall continue to monitor the actual management and use of raised funds. More than 1/2 of independent directors can engage an accounting firm to issue verification report with regard to the storage and use of the raised funds. The Company shall provide active cooperation and bear necessary expenses.</p> <p>The aforementioned verification report shall be announced by the Board of Directors within 2 trading days after the receipt of the same. In case the report indicates that the raised funds of the Company are managed and used in violation of regulations, violations in relation to the management and deposit of raised funds, actual or potential consequences and the measures taken or to be taken shall also be announced by the Board of Directors.</p>	Amended in accordance with the “Rules Governing Independent Directors of Listed Companies”, with the subsequent clauses in descending order
5	<p>Article 31 The Company shall ensure that the subsidiary or other controlled enterprise complies with these Measures for Investment Projects implemented by subsidiaries of the Company or other enterprise controlled by the Company.</p>	<p>Article 31 The Company shall ensure that the subsidiary or other controlled enterprise complies with these Measures for Investment Projects implemented by subsidiaries of the Company or other enterprise controlled by the Company.</p>	Duplicated with Article 3 above, subsequent clauses in descending order
6	Other amendments	<p>All “shareholders’ general meeting(s)” or “general meeting(s)” shall be amended to “shareholders’ meeting(s)”. The expressions of “supervisors” and “Board of Supervisors” shall be deleted.</p>	Corresponding adjustments made in accordance with changes to corporate governance structure

APPENDIX XVI DETAILS OF THE PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF FOREIGN EXCHANGE DERIVATIVE TRADING BUSINESS

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	Article 3 This System applies to all companies and holding subsidiaries, but without the Company's consent, holding subsidiaries shall not engage in foreign exchange derivative trading business. At the same time, the Company should comply with the relevant provisions of this System and perform relevant decision-making procedures and information disclosure business.	Article 3 This System applies to all companies and holding subsidiaries, but without the Company's consent, holding subsidiaries shall not engage in foreign exchange derivative trading business. At the same time, the Company should comply with the relevant provisions of this System and perform relevant decision-making procedures and information disclosure business obligations.	Improved the accuracy of expression
2	Article 4 The management of the Company's foreign exchange and foreign exchange derivative business shall comply with the Company's foreign exchange management principles and requirements. All foreign exchange derivative trading businesses shall be based on normal production and operation, supported by specific business operations, and aimed at avoiding and preventing exchange rate or interest rate risks. The Company shall adhere to the principle of prudent and stable operation. The basic principles are as follows: ... (III) Principle of counterparty management: The Company and its domestic holding subsidiaries are only allowed to conduct foreign exchange derivative transactions with financial institutions approved by the State Administration of Foreign Exchange and the People's Bank of China and qualified to conduct foreign exchange derivative transactions, and are not allowed to conduct transactions with other organizations or individuals other than the aforementioned financial institutions. If the Company and its holding subsidiaries engage in foreign exchange derivative trading business with their related parties that meet the circumstances in the preceding paragraph, in addition to complying with the provisions of this system, they must also comply with the "Fair Decision-Making System for Related Party Transactions" and the relevant service agreements jointly signed by the Company and its related parties.	Article 4 The management of the Company's foreign exchange and foreign exchange derivative business shall comply with the Company's foreign exchange management principles and requirements. All foreign exchange derivative trading businesses shall be based on normal production and operation, supported by specific business operations, and aimed at avoiding and preventing exchange rate or interest rate risks. The Company shall adhere to the principle of prudent and stable operation. The basic principles are as follows: ... (III) Principle of counterparty management: The Company and its domestic holding subsidiaries are only allowed to conduct foreign exchange derivative transactions with financial institutions approved by the State Administration of Foreign Exchange and the People's Bank of China and qualified to conduct foreign exchange derivative transactions, and are not allowed to conduct transactions with other organizations or individuals other than the aforementioned financial institutions. If the Company and its holding subsidiaries engage in foreign exchange derivative trading business with their related parties that meet the circumstances in the preceding paragraph, in addition to complying with the provisions of this system, they must also comply with the "Fair Decision-Making System for Related Party (Connected) Transactions" and the relevant service agreements jointly signed by the Company and its related parties.	Improved the accuracy of expression
3	Article 5 The shareholders' general meeting, the Board of Directors and the president/president's office are the decision-making bodies for foreign exchange derivatives trading business. The overall amount of foreign exchange derivatives trading business conducted by the Company and its holding subsidiaries must be executed within the amount approved by the shareholders' general meeting or the Board of Directors. The Company shall not engage in additional foreign exchange derivative trading business without the approval of the Company's shareholders' general meeting or the Board of Directors. The Company's Board of Directors may authorize the Company's president/president's office to be responsible for handling the Company's foreign exchange derivatives trading business within the scope of its approval authority. Independent directors shall express special opinions on the Company's foreign exchange derivative transactions.	Article 5 The shareholders' general meeting, the Board of Directors and the president/president's office are the decision-making bodies for foreign exchange derivatives trading business. The overall amount of foreign exchange derivatives trading business conducted by the Company and its holding subsidiaries must be executed within the amount approved by the shareholders' general meeting or the Board of Directors. The Company shall not engage in additional foreign exchange derivative trading business without the approval of the Company's shareholders' general meeting or the Board of Directors. The Company's Board of Directors may authorize the Company's president/president's office to be responsible for handling the Company's foreign exchange derivatives trading business within the scope of its approval authority. Independent directors shall express special opinions on the Company's foreign exchange derivative transactions.	Amended in accordance with the "Rules Governing Independent Directors of Listed Companies"

APPENDIX XVI DETAILS OF THE PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF FOREIGN EXCHANGE DERIVATIVE TRADING BUSINESS

No.	Original provisions	Amended provisions	Basis or reason of amendment
4	<p>Article 6 The Company's approval authorities for conducting foreign exchange derivatives trading business are as follows:</p> <p>(I) The amount of the Company's single or all foreign exchange derivatives trading business in one year exceeding 10% of the Company's audited net assets of the latest year shall be reviewed by the Board of Directors.</p> <p>(II) The amount of the Company's single or all foreign exchange derivatives trading business in one year exceeding 50% of the Company's audited net assets of the latest year shall be submitted to the Company's general meeting for consideration after being reviewed by the Board of Directors.</p> <p>(III) The Company's Board of Directors may authorize the Company's president and its operation team to make decisions on the Company's foreign exchange derivatives trading business within the scope of approval authorities. The decision-making authorities of the Company and its operation teams shall be: the single foreign exchange derivatives trading business with an amount not exceeding 5% of the Company's the latest audited net assets.</p> <p>If it is difficult for the Company to perform consideration procedures and disclosure obligations for each foreign exchange derivatives transaction due to reasons such as the requirements on transaction frequency and timeliness, it may make a reasonable estimate on the scope, limit and duration of foreign exchange derivatives transactions in next 12 months. If the limit amount exceeds the authority of the Board of Directors, the transaction shall also be submitted to the general meeting for consideration.</p> <p>The utilization period of the limit shall not exceed 12 months, and the transaction amount at any point of time during the period (including the relevant amount for reinvestment of the aforementioned investment income) shall not exceed the investment limit of foreign exchange derivatives.</p>	<p>Article 6 The Company's approval authorities for conducting foreign exchange derivatives trading business are as follows:</p> <p>(I) The amount of the Company's single or all foreign exchange derivatives trading business in one year exceeding 10% of the Company's audited net assets of the latest year shall be reviewed by the Board of Directors.</p> <p>(II) The amount of the Company's single or all foreign exchange derivatives trading business in one year exceeding 50% of the Company's audited net assets of the latest year; The upper limit of the transaction margin and royalties expected to be used (including the value of the collateral provided for the transaction, the expected credit limit of the financial institution, the margin reserved for emergency measures, etc., the same below) accounting for more than 50% of the latest audited net profits of the Company, and the absolute amount exceeding RMB5 million; the highest contract value held on any trading day expected to account for more than 50% of the latest audited net assets of the Company, and the absolute amount exceeding RMB50 million, shall be submitted to the Company's general shareholders' meeting for consideration after being reviewed by the Board of Directors.</p> <p>(III) The Company's Board of Directors may authorize the Company's president and its operation team to make decisions on the Company's foreign exchange derivatives trading business within the scope of approval authorities. The decision-making authorities of the Company and its operation teams shall be: the single foreign exchange derivatives trading business with an amount not exceeding 5% of the Company's the latest audited net assets.</p> <p>If it is difficult for the Company to perform consideration procedures and disclosure obligations for each foreign exchange derivatives transaction due to reasons such as the requirements on transaction frequency and timeliness, it may make a reasonable estimate on the scope, limit and duration of foreign exchange derivatives transactions in next 12 months. If the limit amount exceeds the authority of the Board of Directors, the transaction shall also be submitted to the general shareholders' meeting for consideration.</p> <p>The utilization period of the limit shall not exceed 12 months, and the transaction amount at any point of time during the period (including the relevant amount for reinvestment of the aforementioned investment income) shall not exceed the investment limit of foreign exchange derivatives.</p>	<p>Amendment made according to the Guidelines of the Shanghai Stock Exchange for Self-governance of Listed Companies No.5 — Transaction and Connected Transaction to improve the accuracy of expression</p>
5	<p>Article 7 The president or management of the subsidiaries at all levels of the Company does not have the final authority to approve foreign exchange derivatives transactions, and all foreign exchange derivatives transactions must be reported to and approved by the management team.</p>	<p>Article 7 The president or management of the subsidiaries at all levels of the Company does not have the final authority to approve foreign exchange derivatives transactions, and all foreign exchange derivatives transactions must be reported to and approved by the superior management team for approval.</p>	<p>Improved the accuracy of expression</p>
6	<p>Other amendments</p>	<p>All "shareholders' general meeting(s)" or "general meeting(s)" shall be amended to "shareholders' meeting(s)". The expressions of "Board of Supervisors" shall be deleted.</p>	<p>Corresponding adjustments made in accordance with changes to corporate governance structure</p>

APPENDIX XVII DETAILS OF THE PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF ENTRUSTED WEALTH MANAGEMENT

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	Article 3 The term “entrusted wealth management” as mentioned in the Management Measures refers to the short-term and low-risk entrusted wealth management by the Company through independent third-party financial institutions such as entrusting commercial banks or trust companies with raised idle funds and self-owned idle funds, mainly including such entrusted wealth management products guaranteed fixed income and guaranteed floating income. In principle, no non-guaranteed wealth management products shall be invested in.	Article 3 The term “entrusted wealth management” as mentioned in the Management Measures refers to the short term and low risk entrusted wealth management by the Company through independent third-party financial institutions such as entrusting commercial banks or trust companies with raised idle funds and self-owned idle funds, mainly including such entrusted wealth management products guaranteed fixed income and guaranteed floating income. In principle, no non-guaranteed wealth management products shall be invested in the behavior of the Company entrusting independent third-party financial institutions, such as banks, trusts, securities, funds, futures, insurance asset management institutions, financial asset investment companies, etc., to invest in and manage the Company’s property or to purchase relevant financial management products based on the principle of improving capital utilisation efficiency and increasing the return on cash assets under the circumstances as permitted by the national policies and under the premise of controlling investment risks.	Amendment made according to the Guidelines of the Shanghai Stock Exchange for Self-governance of Listed Companies No.5 — Transaction and Connected Transaction
2	Article 4 When the Company uses idle funds raised for entrusted financial management, such funds shall not be used in the investment in stocks and their derivatives, securities investment funds, or entrusted financial management products of non-principal-protected type for the purpose of securities investment, etc.	Article 4 When the Company uses idle funds raised for entrusted financial management, such funds shall not be used in the investment in stocks and their derivatives, securities investment funds, or entrusted financial management products of non-principal-protected type for the purpose of securities investment, etc. the term of its investment products shall not be longer than the term of authorised use of internal resolutions and shall not exceed 12 months. The investment products shall be highly secure and liquid and shall not affect the normal progress of the fund-raising investment plan.	Amendment made in accordance with provisions of Article 6.3.12 of the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 — Regulation of Operations
3	Article 5 In order to ensure the safety of the Company’s funds and assets, the Company shall follow the following principles when engaging in entrusted financial management: (I) If the Company engages in entrusted financial management business with its own idle funds, it will not affect the Company’s normal production and operation activities and the demand for funds in project construction; if the Company engages in entrusted financial management business with temporary raised idle funds, it will not affect the normal implementation of the fund-raising investment plan; (II) Financial management products that are low-risk, highly-liquid and stable and trust products that are low-risk are traded in financial management product transactions; (III) The Company’s financial management product business shall only conduct transactions with financial institutions with legal operating qualifications and are not allowed to conduct transactions with informal institutions.	Article 5 In order to ensure the safety of the Company’s funds and assets, the Company shall follow the following principles when engaging in entrusted financial management: (I) If the Company engages in entrusted financial management business with its own idle funds, it will not affect the Company’s normal production and operation activities and the demand for funds in project construction; if the Company engages in entrusted financial management business with temporary raised idle funds, it will not affect the normal implementation of the fund-raising investment plan; (II) Financial management products that are low-risk, highly liquid and stable and trust products that are low risk are traded in financial management product transactions; The investment products, scale and term are reasonably determined in accordance with the Company’s risk tolerance level; (III) The Company’s financial management product business shall only conduct transactions with financial institutions with legal operating qualifications and are not allowed to conduct transactions with informal institutions.	Improved the accuracy of expression

APPENDIX XVII DETAILS OF THE PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF ENTRUSTED WEALTH MANAGEMENT

No.	Original provisions	Amended provisions	Basis or reason of amendment
4	<p>Article 6 With reference to relevant provisions of the Articles of Association, the Rules of Procedure of the General Meeting of Haier Smart Home Co., Ltd. and the Rules of Procedure of the Board of Directors of Haier Smart Home Co., Ltd., the relevant requirements of the procedures for examination and approval of entrusted wealth management are as follows:</p> <p>.....</p> <p>(II) If one of the following conditions is met, it shall not be implemented until being considered and approved by the general meeting of the Company: (i) the amount of entrusted wealth management accounts for more than 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million; (ii) the amount of entrusted wealth management accounts for more than 25% of the Company's latest audited total assets; (iii) the highest total income (annual expected income or realizable income) of entrusted wealth management accounts for 25% of the Company's audited income or total profit before tax in the latest fiscal year; or (iv) the amount of entrusted wealth management accounts for more than 25% of the Company's total market capitalization (based on the average closing price of the listed company's shares 5 trading days before the transaction).</p> <p>(III) When entrusted wealth management is submitted to the Board of Directors or the general meeting for consideration, the Board of Supervisors shall give explicit consent for its implementation. If the temporary raised idle funds are used for entrusted wealth management, the sponsor institution shall also issue special review opinions.</p> <p>(IV) The total investment amount of entrusted wealth management transactions shall not exceed the amount approved by the Board of Directors or the general meeting.</p> <p>(V) For the entrusted wealth management products involving related-party transactions, the relevant approval procedures shall be carried out in accordance with the Articles of Association, the Rules of Procedure of the Board of Directors of Haier Smart Home Co., Ltd., the Rules of Procedure of the General Meeting of Haier Smart Home Co., Ltd. and the Management Measures of the Related-party Transactions of Haier Smart Home Co., Ltd.</p> <p>(VI) The Board of Supervisors and independent directors of the Company shall be entitled to verify the entrusted wealth management business of the Company.</p>	<p>Article 6 With reference to relevant provisions of the Articles of Association, the Rules of Procedure of the General Shareholders' Meeting of Haier Smart Home Co., Ltd. and the Rules of Procedure of the Board of Directors of Haier Smart Home Co., Ltd., the relevant requirements of the procedures for examination and approval of entrusted wealth management are as follows:</p> <p>.....</p> <p>(II) If one of the following conditions is met, it shall not be implemented until being considered and approved by the general meeting shareholders' meeting of the Company: (i) the amount of entrusted wealth management accounts for more than 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million; (ii) the amount of entrusted wealth management accounts for more than 25% of the Company's latest audited total assets; (iii) the highest total income (annual expected income or realizable income) of entrusted wealth management accounts for 25% of the Company's audited income or total profit before tax in the latest fiscal year; or (iv) the amount of entrusted wealth management accounts for more than 25% of the Company's total market capitalization (based on the average closing price of the listed company's shares 5 trading days before the transaction).</p> <p>(III) When entrusted wealth management is submitted to the Board of Directors or the general meeting shareholders' meeting for consideration, the Board of Supervisors shall give explicit consent for its implementation. If the temporary raised idle funds are used for entrusted wealth management, the sponsor institution shall also issue special review opinions.</p> <p>(IV) The total investment amount of entrusted wealth management transactions shall not exceed the amount approved by the Board of Directors or the general meeting shareholders' meeting.</p> <p>(V) For the entrusted wealth management products involving related-party transactions, the relevant approval procedures shall be carried out in accordance with the Articles of Association, the Rules of Procedure of the Board of Directors of Haier Smart Home Co., Ltd., the Rules of Procedure of the General Meeting Shareholders' Meeting of Haier Smart Home Co., Ltd. and the Management Measures of the Related-party Transactions of Haier Smart Home Co., Ltd.</p> <p>(VI) The Board of Supervisors and independent directors of the Company shall be entitled to verify the entrusted wealth management business of the Company.</p>	<p>Deleted expressions of corresponding functions of the Board of Supervisors, adjustments made in accordance with the Hong Kong Listing Rules</p>
5	Other amendments	<p>All "shareholders' general meeting(s)" or "general meeting(s)" shall be amended to "shareholders' meeting(s)". The expressions of "Board of Supervisors" shall be deleted.</p>	<p>Corresponding adjustments made in accordance with changes to corporate governance structure</p>

No.	Original provisions	Amended provisions	Basis or reason of amendment
1	<p>Article 8 The Company adopts a tiered authorization management for hedging business operations. The Board of Directors of the Company authorizes the leadership group to be responsible for deciding on the hedging business conducted under these Regulations within the prescribed limits and the risk management measures of the hedging business; the leadership group authorizes the head of the working group to be responsible for the execution of the hedging plan; the head of the working group issues the trading instructions, and in the event that the head of the working group is unable to issue the trading instructions in a timely manner, the leadership group shall designate one of the members of the leadership group to issue the trading instructions, which are confirmed by the head of the working group after the transaction. All instructions must be documented in writing.</p> <p>The issuance of instructions, fund transfers, and confirmation of settlement statements must be executed solely by personnel with written authorization from the Company. In the event of any changes to such authorized personnel, new person in charge may assume responsibilities only after obtaining equivalent written authorization.</p>	<p>Article 8 The Company adopts a tiered authorization management for hedging business operations. The Board of Directors of the Company authorizes the leadership group to be responsible for deciding on the hedging business conducted under these Regulations within the prescribed limits and the risk management measures of the hedging business; the leadership group authorizes the head of the working group to be responsible for the execution of the hedging plan; the head of the working group issues the trading instructions, and in the event that the head of the working group is unable to issue the trading instructions in a timely manner, the leadership group shall designate one of the members of the leadership group to issue the trading instructions, which are confirmed by the head of the working group after the transaction. All instructions must be documented in writing.</p> <p>The issuance of instructions, fund transfers, and confirmation of settlement statements must be executed solely by authorized personnel with written authorization from designated by the Company. In the event of any changes to such authorized personnel, new person in charge may assume responsibilities only after obtaining equivalent written authorization.</p>	Improved the accuracy of expression
2	Amendments to relevant provisions	All “shareholders’ general meeting(s)” or “general meeting(s)” shall be amended to “shareholders’ meeting(s)”.	Corresponding adjustments made in accordance with changes to corporate governance structure

CANDIDATES FOR EXECUTIVE DIRECTORS

Mr. LI Huagang (“Mr. LI”), born in 1969, graduated from Huazhong University of Technology in 1991 with a Bachelor’s degree of Economics, and from China Europe International Business School in 2014 with a degree of Executive Master of Business Administration (EMBA). He is currently the chairman and Chief Executive Officer of Company. Mr. LI joined Haier in 1991 and served as the sales head of the Marketing and Promotion Division of Haier (海爾商流本部銷售事業部長) and the general manager of China operations of the Company. From August 2017 to March 2019, he served as the chief executive officer of Haier Electronics Group Co., Ltd. (“**Haier Electronics**”). Since March 2019, he has been appointed as an executive director of Haier Electronics. He has been an executive director and president of the Company since 2019. Mr. LI has extensive experience in the fields of corporate management, marketing, brand operation, and global business operation. Mr. LI has been honored with the 2018 Outstanding Contribution Award for the Forty Years of China’s Household Appliance Industry Development (2018年中國家用電器行業發展四十年傑出貢獻獎), and the 2019 China Top Ten Brand Person of the Year (2019中國十大品牌年度人物), the 2021 Taishan Industry Leading Talent (2021年度泰山產業領軍人才), and the 2023 Shandong Provincial Model Worker (2023年山東省勞動模範) and was named in Forbes’ “2024 China’s Best CEOs” list.

As of the Latest Practicable Date, Mr. LI holds 1,050,444 A Shares and 812,145 H shares of the Company, and was granted 489,924 A Shares (not vested) and 503,332 H Shares (not vested) under the A Share Core Employee Stock Ownership Plan of the Company and H Share Core Employee Stock Ownership Plan, respectively. In addition, Mr. LI was granted 365,576 A Share options under the A Share Option Incentive Plan for 2021 of the Company and has invested in certain trust and asset management schemes and structured notes issued by Golden Sunflower which invested in the shares of the Company. Relevant shares are 262,122 H shares of the Company.

Mr. Kevin Nolan (“Mr. Nolan”), born in 1966, graduated magna cum laude with a Bachelor of Science in Mechanical Engineering from the University of Connecticut in 1989, where he was also a member of the Honors Scholar Program. He currently serves as President and Chief Executive Officer of GE Appliances, a Haier company.

After Mr. Nolan joined GE, he held multiple engineering and manufacturing roles across GE ED&C. He later advanced through leadership positions within GE’s appliance, lighting, and industrial divisions. From 2001 to 2006, he led sourcing and new product introduction efforts, launching over 150 products annually while establishing global sourcing capabilities, notably in China, to enhance profitability and drive operational efficiency. He was instrumental in developing new NPI processes and building a quality-focused culture across GE Consumer and Industrial Products.

As Vice President of Technology from 2006 to 2016, Mr. Nolan led GE Appliances’ global engineering organization, guiding the business through a billion-dollar transformation of its U.S. manufacturing and product leadership. He founded FirstBuild, a groundbreaking open innovation platform, and drove the internal capability shift from

outsourced to in-house manufacturing. Following Haier’s acquisition of GE Appliances in 2016 and since becoming CEO of GE Appliances in 2017, Mr. Nolan has restructured the business to emphasize customer value and employee empowerment, introducing a microenterprise model to encourage entrepreneurship while leveraging scale. Under his leadership, the company doubled in size within five years, becoming the fastest-growing and largest appliance company in the U.S. He has championed a culture of innovation, diversity, and inclusion, entering new markets and reinvigorating GE Appliances as a nimble, consumer-driven organization.

Mr. Nolan has received numerous honors throughout his career, including the 2014 GE Chairman’s Award, six consecutive Haier CEO Special Awards (2018–2023), and the 2019 Business First Most Admired CEO. He is a Six Sigma Master Black Belt and a founding member of the Lean Institute for Product and Process Development. In recognition of his leadership, innovation, and commitment to public education, Mr. Nolan was awarded an honorary Doctor of Science degree from the University of Louisville in 2022.

As of the Latest Practicable Date, Mr. Nolan holds 315,546 H shares of the Company. He was also granted 580,224 Restricted Share Units (H Shares) of the Company which have not vested.

CANDIDATES FOR NON-EXECUTIVE DIRECTORS

Mr. GONG Wei (“Mr. GONG”), born in 1973, currently serves as the Company’s Director, Chief Financial Officer and vice president. Mr. GONG obtained a degree of Executive Master of Business Administration from the University of International Business and Economics in 2011. He is a member of CIMA Chartered Management Accountant and an ICPA Certified Public Accountant. Mr. GONG was the finance manager of the Company, the senior finance manager and senior financial analyst of Haier Group, the chief financial officer of Haier Washing Machine Division, the chief financial officer of Haier Air Conditioning Division, and the chief financial officer of Haier White Goods, and has extensive experience in financial management. Mr. GONG has been awarded the titles of Qingdao Young Job Expert, Qingdao Top Talent, Shandong Outstanding Accountant, and National Outstanding Accountant. He was selected as one of the Top Ten CFOs of the Year by New Finance Magazine, China International Finance Leader of the Year, and other awards.

As of the Latest Practicable Date, Mr. GONG holds 2,072,527 A Shares of the Company, and was granted 215,801 A Shares (not vested) and 222,426 H Shares (not vested) under the A Share Core Employee Stock Ownership Plan of the Company and H Share Core Employee Stock Ownership Plan, respectively. In addition, Mr. GONG was granted 182,788 A Share options under the A Share Option Incentive Plan for 2021 of the Company and has invested in certain trust and asset management schemes and structured notes issued by Golden Sunflower which invested in the shares of the Company. Relevant shares are 131,061 H shares of the Company.

Mr. YU Hon To, David (“Mr. YU”), born in 1948, has been appointed as a Non-executive Director of the Company since 5 March 2021. Mr. YU holds a Bachelor of Social Science degree from The Chinese University of Hong Kong. Mr. YU is a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate Member of Hong Kong Institute of Certified Public Accountants. Mr. YU is a chartered accountant with over 40 years’ experience in the fields of auditing, corporate finance (including advisory on IPO, mergers & acquisitions and financial restructuring), financial investigation and corporate governance. Mr. YU was formerly a partner of one of the Big Four Accounting Firms, with extensive experience in the corporate finance advisory assignments in Greater China for Hong Kong corporations, private equity groups and multinationals.

Mr. Yu is currently an independent non-executive director of several other companies listed on the Hong Kong Stock Exchange, namely One Media Group Limited (stock code: 426), Playmates Toys Limited (stock code: 869), China Resources Gas Group Limited (stock code: 1193), Keck Seng Investments (Hong Kong) Limited (stock code: 184) and MS Group Holdings Limited (stock code: 1451).

As of the Latest Practicable Date, Mr. YU holds 810,000 H shares of the Company.

Mr. CHIEN Da-chun (“Mr. CHIEN”), born in 1953, has been an Independent Non-executive Director of the Company since June 2019. Mr. CHIEN was formerly the ASEAN executive president of International Business Machines Corporation (“IBM”), and the chairman and chief executive officer of IBM Greater China. Mr. CHIEN graduated from the Department of Mathematics at Tamkang University in Taiwan. He has studied in the Advanced Management Program of Harvard University’s Graduate School of Business and IBM’s Global Executive Program. He was a director of ENN Group and is currently a professor of management practice and academic director of the EE Center at the School of Business of Renmin University of China.

Mr. LI Shaohua (“Mr. LI”) was born in 1968. Mr. LI graduated from Ohio State University and Georgia State University in the United States and obtained a MA and a MBA degree, respectively. He holds various international professional certifications such as CPA (Certified Public Accountant), CIA (Certified Internal Auditor), CISA (Certified Information Systems Auditor), CRMA (Certification in Risk Management Assurance) and CRISC (Certified in Risk and Information Systems Control). Mr. LI has over 30 years of working experience in internal and external auditing, risk management, compliance governance, financial and operational management. He has worked for Deloitte (one of the Big Four accounting firms), and held important positions in various institutions, including AKZO Nobel (a Fortune Global 500 company), and Trina Solar (a listed company). Moreover, he has served as a director and vice president of internal audit and internal control of Haier Electronics Group Co., Ltd. and is currently the general manager of Haier Group’s Audit and Risk Control Committee, Chief Audit and Risk Control Officer, and the chairman of the Haier Group’s ESG execution committee.

As of the Latest Practicable Date, Mr. LI held 71,870 A Shares and 401,577 H Shares in the Company.

CANDIDATES FOR INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WONG Hak Kun (“Mr. WONG”), born in 1956, has been appointed as an Independent Non-executive Director of the Company since June 2020. He holds a Bachelor’s degree of social science from the University of Hong Kong. He has over 36 years of experience in auditing, assurance and management in Deloitte China. He has been a partner of Deloitte China since 1992 and served as a member of the board of directors of Deloitte China from 2000 to 2008. Prior to his retirement in May 2017, Mr. WONG was Deloitte China’s National Managing Partner of Audit & Assurance. Mr. WONG is an associate of the Hong Kong Institute of Certified Public Accountants (HKICPA), an associate of the Association of Chartered Certified Accountants (ACCA), an associate of the Chartered Institute of Management Accountants (CIMA), an associate of The Chartered Governance Institute (previously known as “The Institute of Chartered Secretaries and Administrators”). Mr. WONG currently serves as an independent non-executive director of Yue Yuen Industrial Holdings (Limited), Lung Kee (Bermuda) Holdings Limited, Guangzhou Automobile Group Co., Ltd. and Hangzhou SF Intra-City Industrial Co., Ltd.

Mr. LI Shipeng (“Mr. LI”), born in 1967, has been appointed as an Independent Non-executive Director of the Company since 5 March 2021. Mr. LI holds a bachelor’s and master’s degree from University of Science and Technology of China, and a PhD degree from Lehigh University, USA. Mr. LI has extensive experience in areas such as Internet of Things technology, and artificial intelligence. Mr. LI is currently a chair scientist at the International Digital Economy Academy and an executive director of the Low Altitude Economic Branch. Prior to that, he served as the Chief Researcher and Deputy Dean of Microsoft Research Asia, Chief Technology Officer of Cogobuy Group, Vice President of iFlytek Group, and the Executive President and Chief Scientist of Shenzhen Institute of Artificial Intelligence and Robotics. Mr. LI is a member of the International Eurasian Academy of Sciences and a fellow of the International Institute of Electrical and Electronics Engineers (IEEE fellow). He was listed as one of the world’s top 1,000 computer scientists by Guide2Research and ranked top 20 in Mainland China in 2020. Mr. LI is a renowned expert in areas such internet, computer vision, cloud computing, Internet of Things and artificial intelligence.

Mr. WU Qi (“Mr. WU”), born in 1967, has been appointed as an Independent Non-executive Director of the Company since 25 June 2021. He has 25 years of work and management experience in world-class management and consulting companies. He served as the vice president (Global) and vice chairman (Greater China) of Accenture, and the chairman of Shun Zhe Technology Development Co., Ltd. He was a member and the president (Greater China) of Roland Berger’s Global Management Committee, a member of Roland Berger’s Global Supervisory Board, and a senior consultant for Foxconn’s D sub-business group strategy and intelligent manufacturing and a consultant of Xnode, a famous accelerator for startups. Mr. WU’s past experience in consulting industry involves transportation/logistics, high-tech manufacturing, tourism, finance, consumer goods, real estate, government departments and other industries. He has extensive experience in fields such as development strategy, organizational change, sales and brand strategy, corporate innovation, digital transformation and intelligent manufacturing, post-merger integration, regional industrial and economic development and upgrading. Mr. WU Qi is a well-known expert in Industry 4.0, transportation and regional planning and development in the PRC. He served as a consultant for Hangzhou Bay Development Planning, a member of the Intelligent Manufacturing Expert Committee of the Shenzhen Municipal Government, deputy head of the 13th Five-Year Planning Expert Committee of Zhengzhou City, Henan Province, vice chairman of China Cold Chain Alliance and other social positions.

Mr. WANG Hua (“Mr. WANG”), born in 1977. Mr. WANG received a Bachelor’s degree in automation from Shanghai University of Electric Power, Shanghai, China in July 1999 and a Master’s degree in business administration from Stanford University, California, the United States in June 2006. Mr. WANG is the co-founder of Sinovation Ventures, an established technology investment company in China, and currently serves as the co-CEO and Managing Partner of the investment department of Sinovation Ventures. Mr. WANG has extensive experience in capital investment and information technology industry, mainly focusing on AI and cutting-edge technologies and expanding to the upstream and downstream industrial chains. He led investments in technology projects such as 4Paradigm, AInnovation, WeRide, Horizon Robotics, Zhihu, Waterdrop Inc, Momena, Luchen, and Silicon Mobility. From September 2006 to October 2009, Mr. WANG worked at Google China’s Business Development Headquarters, where he built Google China’s premium ad network. He was also responsible for managing investments during his three years at Google China. Prior to joining Google China, he founded Shanghai Yinda Technology Group Co., Ltd., a company that provides technology solutions to telecommunications operators and equipment providers. In addition, Mr. WANG has been appointed as an independent non-executive director of AInnovation Technology Group Co., Ltd. since 6 February 2018. He has been appointed as an independent non-executive director of Maoyan Entertainment since 22 August 2018.

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 AND SUPERVISORS

- (1) As at the Latest Practicable Date, the Directors, Supervisors 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, Supervisors 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	1,050,444	Beneficial owner	0.0168%	0.0112%
		H Share	812,145	Beneficial owner	0.0284%	0.0087%
Mr. GONG Wei	Executive Director, Vice President and Chief Financial Officer	A Share	2,072,527	Beneficial owner	0.0331%	0.0221%
Ms. SHAO Xinzhi	Vice Chairman of the Board, Non-executive Director	A Share	25,457	Beneficial owner	0.0004%	0.0003%
		H Share	1,045,056	Beneficial owner	0.0366%	0.0111%
Mr. YU Hon To, David	Non-executive Director	H Share	810,000	Beneficial owner	0.0283%	0.0086%
Ms. Eva LI Kam Fun	Non-executive Director	H Share	355,200	Beneficial owner	0.0124%	0.0038%
Mr. LIU Dalin	Chairman of the Board of Supervisors	A Share	68,391	Beneficial owner	0.0011%	0.0007%
		H Share	21,355	Beneficial owner	0.0007%	0.0002%
Mr. YU Miao	Supervisor	A Share	13,648	Beneficial owner	0.0002%	0.0001%

* The percentage is calculated on the basis that the share capital of the Company as at the Latest Practicable Date totalling 9,382,913,334 comprise 6,254,501,095 A Shares, 271,013,973 D Shares and 2,857,398,266 H Shares, representing approximately 66.66%, 2.89% and 30.45% of the total share capital of the Company, respectively.

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

Names	Positions	Class of Shares	Number of outstanding shares of ESOP (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	158,899 (2023)	0.0025%	0.0017%
			282,743 (2024)	0.0045%	0.0030%
		H Share	163,921 (2023)	0.0057%	0.0017%
			285,268 (2024)	0.0100%	0.0030%
			322,886 (vested)	0.0113%	0.0034%
Mr. GONG Wei	Executive Director, Vice President and Chief Financial Officer	A Share	78,331 (2023)	0.0013%	0.0008%
			111,504 (2024)	0.0018%	0.0012%
		H Share	80,807 (2023)	0.0028%	0.0009%
			112,500 (2024)	0.0039%	0.0012%
			180,360 (vested)	0.0063%	0.0019%
Ms. SHAO Xinzhi	Vice Chairman of the Board, Non-executive Director	A Share	79,450 (2023)	0.0013%	0.0008%
			104,535 (2024)	0.0017%	0.0011%
		H Share	81,961 (2023)	0.0029%	0.0009%
			105,469 (2024)	0.0037%	0.0011%
			26,262 (vested)	0.0009%	0.0003%
Mr. LIU Dalin	Chairman of the Board of Supervisors	A Share	37,833 (2023)	0.0006%	0.0004%
			49,779 (2024)	0.0008%	0.0005%
Mr. YU Miao	Supervisor	A Share	12,634 (2023)	0.0002%	0.0001%
			16,593 (2024)	0.0003%	0.0002%

* The percentage is calculated on the basis that the share capital of the Company as at the Latest Practicable Date totalling 9,382,913,334 comprise 6,254,501,095 A Shares, 271,013,973 D Shares and 2,857,398,266 H Shares, representing approximately 66.66%, 2.89% and 30.45% 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 and supervisor 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 remaining 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	0.0092%	0.0028%
Mr. GONG Wei	Executive Director, Vice President and Chief Financial Officer	3.67	131,061	0.0046%	0.0014%
Ms. SHAO Xinzhi	Vice Chairman of the Board, Non-executive Director	7.34	262,122	0.0092%	0.0028%
Mr. LIU Dalin	Supervisor	2.44	87,314	0.0031%	0.0009%

* The percentage is calculated on the basis that the share capital of the Company as at the Latest Practicable Date totalling 9,382,913,334 comprise 6,254,501,095 A Shares, 271,013,973 D Shares and 2,857,398,266 H Shares, representing approximately 66.66%, 2.89% and 30.45% of the total share capital of the Company, respectively.

Long positions in underlying shares of the Company pursuant to share options:

Names	Positions	Class of Shares	Number of share options granted and not yet exercised	Approximate percentage* of shareholding interest in the relevant class of Shares upon exercise of share options	Approximate percentage* of shareholding interest in the total share capital of the Company upon exercise of share options
Mr. LI Huagang	Chairman of the Board, Executive Director and CEO	A Share	182,788	0.0029%	0.0019%
Mr. GONG Wei	Executive Director, Vice President and Chief Financial Officer	A Share	91,394	0.0015%	0.0010%

Note: The exercise price of each of the above A Share options is RMB25.63 for subscription of one share. The exercisable period is from 15 September 2022 to 15 September 2027.

* The percentage is calculated on the basis that the share capital of the Company as at the Latest Practicable Date totalling 9,382,913,334 comprise 6,254,501,095 A Shares, 271,013,973 D Shares and 2,857,398,266 H Shares, representing approximately 66.66%, 2.89% and 30.45% 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 2024 (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, a Supervisor 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 ^{Notes 1 to 4}	A Share	2,637,339,206	Beneficial owner Interest in controlled corporation Interest through voting rights entrustment arrangement	42.17%	28.11%
	H Share	538,560,000	Interest in controlled corporation	18.85%	5.74%
	D Share	58,135,194	Interest in controlled corporation	21.45%	0.62%
Haier COSMO Co., Ltd. ^{Notes 1 and 2}	A Share	1,258,684,824	Beneficial owner	20.12%	13.41%
HCH (HK) Investment Management Co., Limited ^{Note 3}	H Share	538,560,000	Beneficial owner	18.85%	5.74%
Haier International Co., Limited ^{Note 4}	D Share	58,135,194	Beneficial owner	21.45%	0.62%
Other H Class Shareholders ^{Note 5}					
Other D Class Shareholders ^{Note 6}					

* The percentage is calculated on the basis that the share capital of the Company as at the Latest Practicable Date totalling 9,382,913,334 comprise 6,254,501,095 A Shares, 271,013,973 D Shares and 2,857,398,266 H Shares, representing approximately 66.66%, 2.89% and 30.45% of the total share capital of the Company, respectively.

Notes:

1. 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 212,971,568 H Shares, representing approximately 7.45% 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.

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:

Name	Qualification
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 2024, 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 Products and Materials Procurement 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 2024, 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 Information Industry 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.

REVISED NOTICE OF THE 2024 AGM

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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 2024

REVISED NOTICE IS HEREBY GIVEN that the annual general meeting of 2024 (the “AGM”) of Haier Smart Home Co., Ltd. (the “**Company**”) will be held at 2:00 p.m. on 28 May 2025 (Wednesday) at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC for the purpose of considering and, if thought fit, approving the resolutions (of which, resolutions No. 20, No. 21, No. 23 to No. 34 were added according to the provisional proposals by Haier Group Corporation, which individually or in aggregate holds 34.47% of the shares of the Company, special resolutions are marked with[#]) by the shareholders of the Company set out below:

1. To Consider and Approve 2024 Financial Statements
2. To Consider and Approve 2024 Report on the Work of the Board of Directors
3. To Consider and Approve 2024 Report on the Work of the Board of Supervisors
4. To Consider and Approve 2024 Annual Report and Annual Report Summary
5. To Consider and Approve 2024 Audit Report on Internal Control
6. To Consider and Approve 2024 Profit Distribution Plan
7. To Consider and Approve the Resolution on the Re-appointment of PRC Accounting Standards Auditor
8. To Consider and Approve the Resolution on the Re-appointment of International Accounting Standards Auditor

REVISED NOTICE OF THE 2024 AGM

9. To Consider and Approve the Resolution on the Renewal of the Products and Materials Procurement Framework Agreement between Haier Smart Home Co., Ltd. and Haier Group Corporation
10. To Consider and Approve the Resolution on the Anticipated Guarantees' Amounts for the Company and its Subsidiaries in 2025
11. To Consider and Approve the Resolution on the Conduct of Foreign Exchange Fund Derivatives Business
12. #To Consider and Approve the Resolution on the General Meeting to Grant a General Mandate to the Board of Directors to Decide to Issue Domestic and Overseas Debt Financing Instruments
13. #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
14. #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
15. #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
16. #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
17. #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 30% of the Total Number of D Shares of the Company in Issue
18. To Consider and Approve the Resolution on Change in Commitments of Certain Asset Injection by Haier Group Corporation
19. To Consider and Approve the Resolution on the Continued Entrusted Management of Qingdao Haier Optoelectronics Co., Ltd. and Related-Party Transaction
20. #To Consider and Approve the 2025 A Share Core Employee Stock Ownership Plan (Draft) and its Summary
21. #To Consider and Approve the 2025 H Share Core Employee Stock Ownership Plan (Draft) and its Summary
22. To Consider and Approve the Resolution on Amendments to the Investment Management System

REVISED NOTICE OF THE 2024 AGM

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 Amendments to the Rules of Procedure for the General Meeting
25. To Consider and Approve the Resolution on Amendments to the Rules of Procedure for the Board of Directors
26. To Consider and Approve the Resolution on Amendments to the Independent Directors System
27. To Consider and Approve the Resolution on Amendments to the Fair Decision-Making System for Related-Party (Connected) Transactions
28. To Consider and Approve the Resolution on Amendments to the Management System of External Guarantee
29. To Consider and Approve the Resolution on Amendments to the Regulations on the Management of Fund Raising
30. To Consider and Approve the Resolution on Amendments to the Management System of Foreign Exchange Derivative Trading Business
31. To Consider and Approve the Resolution on Amendments to the Management System of Entrusted Wealth Management
32. To Consider and Approve the Resolution on Amendments to the Regulations on the Bulk Raw Materials Hedging Business
33. To Consider and Approve the Resolution on Change of the Board of Directors and Election of Non-independent Directors

33.01 LI Huagang

33.02 GONG Wei

33.03 YU Hon To, David

33.04 CHIEN Da-Chun

33.05 LI Shaohua

33.06 Kevin Nolan

REVISED NOTICE OF THE 2024 AGM

34. To Consider and Approve the Resolution on Change of the Board of Directors and Election of Independent Directors

34.01 WONG Hak Kun

34.02 LI Shipeng

34.03 WU Qi

34.04 WANG Hua

In addition, the AGM will listen to independent directors' report on their work in 2024.

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

Qingdao, the PRC
29 April 2025

As at the date of this notice, 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

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 21 May 2025 (Wednesday) to 28 May 2025 (Wednesday) (both days inclusive). Shareholders whose names appear on the register of members of the Company on 28 May 2025 (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 20 May 2025 (Tuesday).

REVISED NOTICE OF THE 2024 AGM

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 2024 of RMB9.65 (inclusive of tax) per 10 shares, totaling approximately RMB9 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 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 form of proxy 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 27 May 2025 (Tuesday)) or not less than 24 hours before any adjournment thereof (as the case may be). Completion and return of the revised form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof. In this case, the form of proxy 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.

REVISED NOTICE OF THE 2024 AGM

If a shareholder has not yet returned the proxy form (the “**Original Proxy Form**”) dated 27 March 2025 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 27 May 2025, 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 27 May 2025) 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) Voting at the AGM will be conducted by poll. The cumulative voting method shall be adopted for the voting of Resolution 33 and Resolution 34. The cumulative voting method refers to the voting for the election of directors or independent non-executive directors where each share is entitled to the same number of votes which equals to the total number of directors or independent non-executive directors to be elected, and shareholders may consolidate their voting rights when casting a vote. The cumulative voting method includes the regular voting method where shareholders may cast their votes with partial or all voting rights.
- (iv) The AGM circular will be published on the Company’s website (<http://smart-home.haier.com>) and the HKEXnews website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) in due course.

NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2025

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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

NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2025

NOTICE IS HEREBY GIVEN that the First H Share Class Meeting of 2025 (the “**H Share Class Meeting**”) of Haier Smart Home Co., Ltd. (the “**Company**”) will be held on 28 May 2025 (Wednesday) at Rendanheyi Research Center, Haier Science and Technology Innovation Ecological Park, Laoshan District, Qingdao, PRC immediately after the AGM of 2024, the First A Share Class Meeting of 2025 and the First D Share Class Meeting of 2025 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 30% of the Total Number of D Shares of the Company in Issue

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

Qingdao, the PRC
27 March 2025

As at the date of this notice, 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

NOTICE OF THE FIRST H SHARE CLASS MEETING OF 2025

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 21 May 2025 (Wednesday) to 28 May 2025 (Wednesday) (both days inclusive). For shareholders whose names appear on the register of members of the Company on 28 May 2025 (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 20 May 2025 (Tuesday).

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 stead. 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 form of proxy 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 27 May 2025 (Tuesday)) or not less than 24 hours before any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the H Share Class Meeting or any adjournment thereof. In this case, the power of attorney 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.

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.