
Announcement pursuant to Section 50 para. 1 no. 2 German Securities Trading Act (WpHG)

Announcement Regarding the Planning of a Material Asset Restructuring and the Updates in Relation to the Possible Privatisation of Haier Electronics Group Co., Ltd.

Qingdao / Shanghai / Frankfurt, 16 July 2020 - Haier Smart Home Co., Ltd. (D-Share ISIN CNE1000031C1, A-Share ISIN CNE000000CG9, "**Haier Smart Home**" or the "**Company**") published an announcement pursuant to the Hong Kong Code on Takeovers and Mergers and a reminder announcement on the Shanghai Stock Exchange with regard to the planning of a material asset restructuring and updates in relation to the Possible Privatisation of Haier Electronics Group Co., Ltd.

On December 12, 2019, the Company published an announcement in relation to the exploration of the Possible Privatisation (as defined below) pursuant to Art. 17 para. 1 MAR.

In connection with the possible privatisation (the "**Possible Privatisation**") by the Company of its subsidiary, Haier Electronics Group Co., Ltd. ("**Haier Electronics**"), a company incorporated in Bermuda and listed on The Stock Exchange of Hong Kong Limited (stock code: HK 1169)), the Company has published various announcements, including the clarification announcement on 12 December 2019 and the announcements in relation to the updates on Possible Privatisation on 16 January 2020, 14 February 2020, 16 March 2020, 14 April 2020, 15 May 2020 and 16 June 2020 respectively on the website of the Shanghai Stock Exchange (www.sse.com.cn). For further details, please refer to the above announcements disclosed by the Company on the aforementioned dates.

1. The Possible Privatisation is expected to constitute a Material Asset Restructuring

Based on the assessment of the Company and its professional advisers, the Possible Privatisation is expected to constitute a material asset restructuring by the Company under the Measures for the Administration of the Material Asset Restructurings of Listed Companies (2020 Amendment) promulgated by the China Securities Regulatory Commission. The basic information on the Possible Privatisation is as follows:

i. Basic information on the target

The target of the Possible Privatisation is Haier Electronics, whose basic information is as follows:

Company Name	Haier Electronics Group Co., Ltd.
Incorporation Date	23 September 1997
Type of Company	Exempted Company incorporated in Bermuda
Place of Incorporation	Bermuda
Registered Office	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business in Hong Kong	Unit 3513, 35/F, the Center, 99 Queen's Road Central, Hong Kong
Listing Location	The Stock Exchange of Hong Kong Limited
Stock Code	01169 HK

ii. Transaction counterparties

The counterparties of the Possible Privatisation are expected to be all the shareholders of Haier Electronics other than the Company and its wholly-owned subsidiaries which hold any shares in Haier Electronics.

iii. The proposed transaction

The Possible Privatisation is proposed to involve the privatisation of Haier Electronics by way of a scheme of arrangement, involving the cancellation of all of the shares of Haier Electronics held by the relevant counterparties, and the issuance of H-shares of the Company to be newly listed on the main board of The Stock Exchange of Hong Kong Limited by way of introduction.

2. Monthly Updates

In compliance with Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), monthly announcement(s) setting out the progress of the talks or the consideration of the Possible Privatisation will be made until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Possible Privatisation.

Therefore, the Company has published a monthly update announcement (jointly announced with Haier Electronics) pursuant to Rule 3.7 of the Takeovers Code in relation to the Possible Privatisation (the “**Monthly Update Announcement**”) in evening of 16 July 2020 on the HKEXnews website (<http://www.hkexnews.hk>).

The Monthly Update Announcement mainly states that the Company has been continuing to explore the proposal on the Possible Privatisation, and has been in ongoing consultations with the relevant regulators concerning the proposed transactions being explored in that regard, with the assistance of a number of professional advisers; in addition, the Company has been considering the potential terms and structure of the Possible Privatisation, including the consideration proposed

as well as its possible timetable. The Possible Privatisation is proposed to involve, among other terms and conditions being considered, a scheme of arrangement by way of the cancellation of all of the Haier Electronics's shares in issue, other than those held by the Company and by any of its wholly-owned subsidiaries, and the issuance of H-shares of the Company to be newly listed on the main board of The Stock Exchange of Hong Kong Limited by way of introduction. Various workstreams relating to the Possible Privatisation, including financial reporting and due diligence related work, are ongoing. Based on the assessment of the Company and its professional advisers, the Possible Privatisation is expected to constitute a material asset restructuring by the Company under the Measures for the Administration of the Material Asset Restructurings of Listed Companies (2020 Amendment) promulgated by the China Securities Regulatory Commission. As at the date of the announcement the Company has not furnished a definitive Possible Privatisation proposal to Haier Electronics, no agreement or other commitment has been made by the Company as to whether to proceed with the Possible Privatisation, and the structure, the terms and other details of the Possible Privatisation (including the consideration proposed and the timetable) are yet to be finalised, and there is no certainty that the Possible Privatisation will proceed.

3. Risk Alert

The Possible Privatisation is still in the planning stage and there is no certainty that the Possible Privatisation will proceed. All investors are advised to exercise caution in dealing in the securities of the Company.

The Company will make timely announcements in accordance with the applicable rules and regulations. China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and the Shanghai Stock Exchange website (www.sse.com.cn) are the designated disclosure media of the Company. The Company will publish any information that it should publish and that may be of importance to the public in the European Union and the European Economic Area pursuant to Section 50 para. 1 German Securities Trading Act (WpHG).

Important notice:

The Possible Privatisation is expected to constitute a material asset restructuring under the Measures for the Administration of the Material Asset Restructurings of Listed Companies (2020 Amendment) promulgated by the China Securities Regulatory Commission.

As at the date of this announcement, the Company has been continuing to explore the proposal on the Possible Privatisation, and has been in ongoing consultations with the relevant regulators concerning the proposed transactions being explored in that regard, with the assistance of a number of professional advisers; in addition, the Company has been considering the potential terms and structure of the Possible Privatisation, including the consideration proposed as well as its possible timetable. The Possible

Privatisation is proposed to involve, among other terms and conditions being considered, a scheme of arrangement by way of the cancellation of all of the Company's shares in issue, other than those held by the Company and by any of its wholly-owned subsidiaries, and the issuance of H-shares of the Company to be newly listed on the main board of The Stock Exchange of Hong Kong Limited by way of introduction. Various workstreams relating to the Possible Privatisation, including financial reporting and due diligence related work, are ongoing. The Company has not furnished a definitive Possible Privatisation proposal to Haier Electronics, no agreement or other commitment has been made by the Company as to whether to proceed with the Possible Privatisation, and the structure, the terms and other details and terms of the Possible Privatisation (including the consideration proposed and the timetable) are yet to be finalised, and there is no certainty that the Possible Privatisation will proceed.

Board of Directors

Haier Smart Home Co., Ltd.

16 July 2020