

**Stock Name:** Haier Smart Home

**Stock Code:** 600690

**No.:** L2022-049

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

### **Announcement on Termination of Phase IV of Core Employee Stock Ownership Scheme**

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

#### **IMPORTANT HIGHLIGHTS:**

All the assets under Phase IV Employee Stock Ownership Scheme of the Company are monetary funds so far. According to relevant provisions of Employee Stock Ownership Scheme, the aforementioned plan has been implemented and terminated.

Haier Smart Home Co., Ltd. (formerly known as “Qingdao Haier Co., Ltd.”, hereinafter referred to as the “Company”, “Qingdao Haier” or “Haier Smart Home”) has recently terminated Phase IV Stock Ownership Scheme of Core Employee Stock Ownership Scheme (hereinafter referred to as “Phase IV Stock Ownership Scheme”). The details are as follows:

#### **I. Details of Phase IV Employee Stock Ownership Scheme**

The Company held the 2015 Annual General Meeting on 31 May 2016, considering and approving the *Proposal on “Core Employee Stock Ownership Scheme (Draft) of Qingdao Haier Co., Ltd.” and its Summary* (referred to as the “*Core Employee Stock Ownership Scheme*”). For details, please refer to the announcement published on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the relevant statutory disclosure media by the Company on 1 June 2016. Pursuant to the requirements of *Core Employee Stock Ownership Scheme*, the Company held the 27th meeting of the Ninth Session of the Board of Directors on 29 April 2019, considering and approving the *Proposal on Phase IV Employee Stock Ownership Scheme of Core Employee Stock Ownership Scheme (Draft) of Qingdao Haier Co., Ltd. and its Summary* (referred to as the “*Phase IV Stock Ownership Scheme*”). For details, please refer to the announcement

published on the website of Shanghai Stock Exchange (www.sse.com.cn) and the relevant statutory disclosure media by the Company on 30 April 2019.

Pursuant to the requirements of the *Phase IV Stock Ownership Scheme* and the *Administrative Measures of Phase IV Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.* and the relevant requirements, there are 635 employees participating in the Phase IV Stock Ownership Scheme, holding 273,000,000 shares (RMB) in total. Pursuant to the *Announcement regarding the Completion of Share Purchase in Phase IV Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Haier Smart Home Co., Ltd.* (No: L2019-056) disclosed by the Company on 17 July 2019, the Phase IV Stock Ownership Scheme has entrusted Industrial Securities Assets Management Co., Ltd. (兴证证券资产管理有限公司) to establish the ISAM Xinzhong Qingdao Haier No. 4 Employee Stock Ownership Single Asset Management Plan, which has accumulatively bought 16,656,778 shares of the Company via the secondary market, with an average transaction price of approximately RMB16.23 per share and the transaction amount of approximately RMB270,269,262.55. The above shares purchased are to be locked up in accordance with the requirements with a lock-up period of 12 months since the disclosure date of the aforementioned announcement, being from 17 July 2019 to 16 July 2020.

Pursuant to the *Phase IV Stock Ownership Scheme*, the equity interests of the underlying shares in the Phase IV Stock Ownership Scheme shall be vested to their holders in two phases, the specific vesting time would be after the lock-up period ends, which should be determined by the Management Committee. The assessment indicators and vesting arrangements under the Phase IV Stock Ownership Scheme are as follows: the Management Committee would assess the holders based on the Company's comprehensive assessment mechanism. After the assessment by the Management Committee, if the holders of the Phase IV Stock Ownership Scheme meet the assessment requirements in 2019 and 2020, the Company shall respectively vest 40% and 60% of the equity interest under Phase IV Stock Ownership Scheme.

Pursuant to the vesting conditions set by Phase IV Stock Ownership Scheme, the Management Committee has made the first vesting in July 2020 for a total of 5,386,118 shares and the second vesting in July 2021 for a total of 8,719,368 shares. For details of the vesting, please refer to the *Announcement on Quota Distribution and Equity Allocation of Core Employee Stock Ownership Scheme of Haier Smart Home Co., Ltd.* (No: L2020-038) disclosed by the Company on 30 July 2020 and *Announcement on Equity Allocation of Phase IV Core Employee Stock Ownership Scheme of Haier Smart Home*

Co., Ltd.(No: L2021-059) disclosed on 30 July 2021.

## **II. Termination of Phase IV Employee Stock Ownership Scheme**

So far 2,551,292 shares held under Phase IV Employee Stock Ownership Scheme have been sold with all the assets of the Stock Ownership Scheme being monetary funds after two vestings in 2020 and 2021. Pursuant to the relevant provisions of *Phase IV Stock Ownership Scheme*, the aforementioned plan has been implemented and terminated, and the liquidation and distribution of property would be completed subsequently.

It is hereby notified the above.

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

4 July 2022