

Haier Smart Home Co., Ltd.

Announcement on Equity Allocation of Phase IV Core Employee Stock Ownership Plan

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

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 completed relevant matters recently in relation to equity allocation of employee stock ownership Plan (the equity or shares involved refer to A shares, the same below). The details are as follows:

I. Introduction to the Core Employee Stock Ownership Plan

The Company held its 2015 annual general meeting on 31 May 2016, at which the *Proposal on ‘Core Employee Stock Ownership Plan of Qingdao Haier Co., Ltd. (Draft)’ and Its Summary* (referred to as the “Core Employee Stock Ownership Plan” was considered and approved. Pursuant to the provisions of the Core Employee Stock Ownership Plan, the Company held the 27th meeting of the ninth session of the board of directors on 29 April 2019 and reviewed and approved the *Phase IV Core Employee Stock Ownership Plan (Draft) and Its Summary of Qingdao Haier Co., Ltd.* (hereinafter referred to as the "Draft of the Phase IV Stock Ownership Plan"). For details of the Phase IV Stock Ownership Plan of the Core Employee Stock Ownership Plan (referred to as the “Phase IV Stock Ownership Plan”), 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 relevant requirements of the Draft of the Phase IV Stock Ownership Plan, the *Management Measures of Phase IV Core Employee Stock Ownership Plan of Qingdao Haier Co., Ltd.*, there are 635 employees participating in Phase IV Stock Ownership Plan, holding 273,000,000 shares (RMB) in total. According to the *Announcement on the Completion of Share Purchase in Phase IV Core Employee Stock Ownership Plan of Qingdao Haier Co., Ltd. (L2019-056)* disclosed by the Company on 17 July 2019, the accumulative amount of 16,656,778 shares of the Company were purchased from the secondary market under the “Qingdao Haier Co., Ltd. Phase IV Stock Ownership Plan Single Asset Management Plan” established by the trustee Industrial Securities Assets Management Co., Ltd. in relation to the Core Employee Stock Ownership Plan, with an average trading price of RMB16.23 per share and the trading amount of RMB270,269,262.55. The above-mentioned purchased shares are required to be locked and the lock-up period of which shall be 12 months from the date of the aforementioned announcement, that is, from 17 July 2019 to 16 July 2020.

Pursuant to the Draft of the Phase IV Stock Ownership Plan, the equity interests of the underlying stocks in the Phase IV Stock Ownership Plan shall be vested to their holders in two phases and the specific vesting time will be after the expiry of the lock-up period, which shall be determined by the Management Committee. The assessment indicators and vesting arrangements under the Phase IV Stock Ownership Plan are as follows: The actual vesting time shall be determined by the Employee Stock Ownership Plan Management Committee after the end of the lock-up period. The Management Committee assesses the holders based on the Company's comprehensive assessment mechanism. As assessed by the Management Committee, if the holders of the current stock ownership plan meet the criteria in 2019 and 2020, 40% and 60% of the equity interests under the current phase stock ownership plan will be vested respectively.

II. Details of Previous Vesting

According to the vesting conditions set by the Phase IV Employee Stock Ownership Plan, the Management Committee has made the first vesting in July 2020. Prior to this vesting, a total of 5,386,118 shares have been vested under the Phase IV Stock Ownership Plan. 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.

III. Details of the Current Vesting

Under the Phase IV Stock Ownership Plan, 8,719,368 shares shall be vested to a total of 575 holders based on a comprehensive assessment of the holders at this time. No shares will be vested to the remaining holders for the time being or their entitlement may be adjusted due to reasons such as substandard performance assessment and departure.

There are 8 directors, supervisors and senior managements of the Company participating in the current vesting. A total of 1,401,617 shares are vested this time (see the table below for details). Any changes to their shares shall be subject to relevant provisions of the *Rules Governing the Holding of Shares in the Company by Directors, Supervisors and Senior Managements of Listed Companies and Changes thereof*.

No.	Name	Position	Total number of A shares vested (share)	Total number of A shares held after vesting (share)
1	Liang Haishan	Chairman	841,035	16,411,209
2	Li Huagang	CEO	69,538	764,145
3	Ma Yingjie	Supervisor	3,904	3,904
4	Gong Wei	CFO, Vice Chairman	99,475	1,911,970
5	Ming Guozhen	Board Secretary	68,992	1,395,489
6	Li Pan	Vice Chairman	146,100	533,218
7	Wu Yong	Vice Chairman	101,978	146,743
8	Wang Li	Vice Chairman	70,595	575,100

Note: This Announcement has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Total	1,401,617	21,741,778
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The Company has completed the transfer of relevant shares at Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on 28 July 2021 in accordance with the aforementioned resolutions. The transfer of shares has been completed with a total number of 8,719,368 shares being transferred.

IV. The Current Status of the Stock Ownership Plan and Follow-up Arrangements

1. As of the date of this announcement, 2,551,292 shares of the Company are held under the Phase IV Stock Ownership Plan.

2. The duration of the Phase IV Stock Ownership Plan shall not exceed 36 months, which shall be start from the registration of the underlying shares to the current phase stock ownership plan (the completion of registration took place on 16 July 2019).

3. According to the Draft of the Phase IV Stock Ownership Plan, the stock ownership plan can be terminated early provided that the assets under the stock ownership plan are all monetary funds after the expiry of the lock-up period. If the shares held under the stock ownership plan are all vested, the stock ownership plan shall be subject to early termination where the assets under the stock ownership plan are all monetary funds.

It is hereby notified the above.

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

29 July 2021