

Haier Smart Home Co., Ltd.

Announcement on Further Increase in Shareholding of D-Shares by the Actual Controller's Concert Party

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 content review:

- Basic information of the Shareholding Increase Plan: Haier International Co., Limited (hereinafter referred to as the “HIC”), the concerted actor of Haier Group Corporation which is the actual controller of Haier Smart Home Co., Ltd. (hereinafter referred to as the “Company”), planned to increase its holdings of the Company's D-Shares through a combination of block trading and/or market trading with an accumulated amount herein no less than EUR66 million and the number of purchasing D-Shares no more than 2% of the then total issued share capital of the Company in six-month from 26 September 2019 and within the time frame permitted by relevant laws and regulations (hereinafter referred to as the “Shareholding Increase Plan”).
- Implementation of the Shareholding Increase Plan: On 26 September 2019, HIC increased its holdings of the Company's D-Shares by 57,142,857 shares through block trading, accounting for 0.90% of the then total issued share capital of the Company (hereinafter referred to as the “First Shareholding Increase”).
- Delay of the Shareholding Increase Plan: Affected by the Company's privatization of Haier Electronics Group Co., Ltd. (hereinafter referred to as the “Privatization Project”), HIC issued the *Notice on Delay of the Shareholding*

Increase Plan of Overseas Shares of Haier Smart Home Co., Ltd. (hereinafter referred to as the "*Notice*") to the Company on 13 March 2020 and delayed the implementation period of the above-mentioned Shareholding Increase Plan until the completion or termination of the Privatization Project. In addition, the other contents of the Shareholding Increase Plan remain unchanged.

Considering that the Privatization Project was completed on 26 December 2020, HIC intends to continue to implement its Shareholding Increase Plan on the date of this announcement, and the relevant descriptions are as follows:

I. The main content and development of the Shareholding Increase Plan

Based on its confidence in the Company's business development and sound judgment on the value of the investment in the Company's D-Shares, HIC increased its holdings of the Company's D-Shares by 57,142,857 shares through block trading on 26 September 2019, accounting for 0.90% of the then total issued share capital of the Company. For details, please refer to the *Announcement on Block trade and intended purchase of further D-Shares by Haier International Co., Ltd.* disclosed by the Company on 26 September 2019.

Furthermore, HIC plans to increase its holdings of the Company's D-Shares through a combination of block trading and/or market trading as well with an accumulated amount herein no less than EUR66 million (including the shares purchased in the First Shareholding Increase) and the number of purchasing D-Shares no more than 2% of the then total issued share capital of the Company (including the shares increased in the First Shareholding Increase) in six-month from the date of the First Shareholding Increase and within the time frame permitted by relevant laws and regulations; The funds for the shareholding increase are from self-owned / self-raised funds and there is no price range for it. The Shareholding Increase Plan will be implemented by HIC step by step in line with the fluctuations of the prices of the Company's D-Shares and capital market trends.

Affected by the Privatization Project, HIC issued the *Notice* to the Company on 13

March 2020 and delayed the implementation period of the above-mentioned Shareholding Increase Plan until the completion or termination of the Privatization Project. In addition, the other contents of the Shareholding Increase Plan remain unchanged.

II. Further implementation of the Shareholding Increase Plan

The Company completed the privatization of Haier Electronics Group Co., Ltd. on 26 December 2020 (for details, please refer to the *Report on Material Asset Purchase and Implementation of Related Party Transaction of Haier Smart Home Co., Ltd.* disclosed by the Company on 26 December 2020 and other relevant announcements). Therefore, the delay on the implementation period of the Shareholding Increase Plan has been eliminated, and HIC intends to continue to implement its Shareholding Increase Plan from the date of this announcement, and the cumulative limit of the Shareholding Increase was updated to not more than 2% of the current total issued share capital of the Company (including the shares increased in the First Shareholding Increase). In addition, the other contents of the Shareholding Increase Plan remain unchanged.

III. Risk of uncertainty in the implementation of the Shareholding Increase Plan

The Shareholding Increase Plan is subject to risks that failure to achieve the expected results due to factors such as changes in securities market conditions during its implementation.

IV. Others

1. The further implementation of the Shareholding Increase Plan complies with the *Securities Law of the People's Republic of China*, the *German Securities Trading Act* and other laws and regulations, Department Rules and relevant provisions such as business rules of the Shanghai Stock Exchange, Frankfurt

Stock Exchange and Hong Kong Stock Exchange.

2. HIC undertakes not to reduce its holdings of the Company's shares during the implementation of the Shareholding Increase Plan and the legal period.
3. The Company will continue to follow up the implementation of the Shareholding Increase Plan of the Company's D-Shares by HIC and perform the information disclosure obligation in a timely manner according to the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange, Measures for the Administration of the Takeover of Listed Companies, Guidelines for Shareholdings Increase by Shareholders and their Concerted Actor of Listed Companies on Shanghai Stock Exchange* and the *German Securities Trading Act* and other related provisions.

It is hereby notified the above.

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

31 December 2020