

Stock Code: 600690

Stock Name: Haier Smart Home

No.: L2020-005

## Haier Smart Home Co., Ltd.

# Announcement on Delay of the Phase II Stock Ownership Scheme 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.

Haier Smart Home Co., Ltd. (formerly known as 'Qingdao Haier Co., Ltd.', hereinafter referred to as the 'Company' or 'Haier Smart Home') convened the 2015 annual general meeting on 31 May 2016, considering and approving the *Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd. (draft)* and other relevant content (hereinafter referred to as the '*Core Employee Stock Ownership Scheme (draft)*'). Pursuant to the *Core Employee Stock Ownership Scheme (draft)*, the Company convened the 4th meeting of the ninth session of the Board of Directors on 27 February 2017, considering and approving the *Phase II Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd. (draft)* and its *Summary* (hereinafter referred to as the '*Phase II Stock Ownership Scheme (draft)*'). For details of the Phase II Stock Ownership Scheme of Core Employee Stock Ownership Scheme (hereinafter referred to as the 'Phase II Stock Ownership Scheme'), please refer to the Company's announcement published on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and related information disclosure media on 28 February 2017 by the Company.

Pursuant to requirements of *the Guiding Opinion on the Pilot Implementation of Employee Stock Ownership Scheme by Listed Companies* issued by the China Securities Regulatory Commission and *the Information Disclosure Guideline on*

*Employee Stock Ownership Scheme of Listing Companies issued by the Shanghai Stock Exchange*, the Company hereby announces the relevant information as follows:

## **I. Relevant information on the Phase II Stock Ownership Scheme**

Pursuant to relevant requirements of the *Phase II Stock Ownership Scheme (draft)* and the *Management Measures of the Phase II Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.*, 576 employees are identified to participate the Phase II Stock Ownership Scheme, holding 266.10 million units (RMB) in total. Pursuant to the *Announcement on Completion of Share Purchase of Phase II Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.* (L2017-006) published by the Company on 29 March 2017, Phase II Stock Ownership Scheme was entrusted to Industrial Securities Assets Management Co., Ltd.(兴证证券资产管理有限公司), who will establish a 'directional asset management plan for the Phase II Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.' for the management, and had purchased an aggregate of 22,820,787 shares of the Company in secondary market at an average trading price of approximately RMB11.43 per share with a trading volume of RMB260,768,338.35. Those shares purchased aforesaid will be locked in accordance with requirements, and the lock-up period will be 12 months from the date of the disclosure of the aforesaid announcement, being 29 March 2017 to 28 March 2018.

The Phase I Vesting of Phase II Stock Ownership Scheme was completed on May 2018 and the Phase II Vesting of Phase II Stock Ownership Scheme was completed on May 2019.

Pursuant to the *Phase II Stock Ownership Scheme (draft)*, upon the expiration of the duration, the duration of Phase II Stock Ownership Scheme can be extended with the consideration and approval by the Board of Directors. There are some shares in the Phase II Stock Ownership Scheme remaining unvested and 1,854,568 shares of the Company remaining in the Phase II Stock Ownership Scheme due to some of the

holders of Phase II Stock Ownership Scheme did not satisfy the vesting conditions. Based on the confidence in the Company's future sustainable development and the judgment on the value of the Company's share, Haier Smart Home convened the 6th Meeting of the Tenth Session of the Board of Directors on 14 February 2020, and decided to change the duration of the Phase II Stock Ownership Scheme from 'not exceed 36 months' to 'not exceed 60 months', calculating from the time when the Subject Shares are registered to the Phase II Stock Ownership Scheme, namely 28 March 2017. After the change of duration, the lock-up period will no longer be set for the Phase II Stock Ownership Scheme again. The Meeting of the Supervisory Committee convened at the same date also considers and approves the aforementioned matters while the independent director issues his independent opinion with agreement.

## **II. Changes in *Phase II Stock Ownership Scheme (draft)***

The *Phase II Stock Ownership Scheme (draft)* was amended according to the above proposals. The contents before and after the change are as follows with the other contents are unchanged:

<b>No.</b>	<b>Contents before change</b>	<b>Contents after change</b>
1	<p>Specific Reminder</p> <p>5. Duration, Lock-up Period and Vesting Period of the Scheme</p> <p>The duration of Phase II Scheme shall not exceed 36 months, calculating from the time when the Company announces that the Subject Shares of the Company are registered to Phase II Scheme. Upon the expiration of the duration, Phase II Scheme may be either terminated or extended with the consideration and approval by the Board of Directors.</p> <p>.....</p>	<p>Specific Reminder</p> <p>5. Duration, Lock-up Period and Vesting Period of the Scheme</p> <p>The duration of Phase II Scheme shall not exceed 60 months, calculating from the time when the Subject Shares of the Company are registered to Phase II Scheme. Upon the expiration of the duration, Phase II Scheme may be either terminated or extended with the consideration and approval by the Board of Directors.</p> <p>.....</p>
2	<p>V. Source and Number of Shares</p> <p>(II) Number of Subject Shares under the Scheme</p> <p>The duration of Phase II Scheme shall not exceed 36 months, calculating</p>	<p>V. Source and Number of Shares</p> <p>(II) Number of Subject Shares under the Scheme</p> <p>The duration of Phase II Scheme shall not exceed 60 months, calculating from the</p>

No.	Contents before change	Contents after change
	from the time when the Subject Shares are registered to Phase II Scheme. Upon the expiration of the duration, Phase II Scheme may be either terminated or extended with the consideration and approval by the Board of Directors. .....	time when the Subject Shares are registered to Phase II Scheme. Upon the expiration of the duration, Phase II Scheme may be either terminated or extended with the consideration and approval by the Board of Directors. .....
3	<p>VII. Duration, Lock-up Period, Vesting Period and Termination</p> <p>(I) Duration of the Scheme</p> <p>The duration of Phase II Scheme shall not exceed 36 months, calculating from the time when the Company announces that the Subject Shares are registered to Phase II Scheme. Upon the expiration of the duration, Phase II Scheme may be either terminated or extended with the consideration and approval by the Board of Directors.</p>	<p>VII. Duration, Lock-up Period, Vesting Period and Termination</p> <p>(I) Duration of the Scheme</p> <p>The duration of Phase II Scheme shall not exceed 60 months, calculating from the time when the Subject Shares are registered to Phase II Scheme. Upon the expiration of the duration, Phase II Scheme may be either terminated or extended with the consideration and approval by the Board of Directors.</p>

### III. Opinions given by the independent directors

The change of the duration of the Phase II Stock Ownership Scheme complies with the requirements of relevant regulations including the *Guiding Opinions on the Implementation of Pilot Program on Employee Stock Ownership Scheme by Listed Companies* of China Securities Regulatory Commission and the *Phase II Stock Ownership Scheme (draft)*, and the consideration and decision-making procedures are in compliance with laws and regulations without impairing the interests of the Company and the shareholders as a whole. Independent directors agree unanimously to change the duration of the Phase II Stock Ownership Scheme to not exceed 60 months, calculating from the time when the Subject Shares are registered to the Phase II Stock Ownership Scheme, namely 28 March 2017.

### IV. Status and successor arrangement of the Phase II Stock Ownership Scheme

1. As of the publish date of this announcement, the Phase II Stock Ownership Scheme holds 1,854,568 shares of the Company.

2. The duration of the Phase II Stock Ownership Scheme does not exceed 60 months, calculating from the time when the Subject Shares are registered to the current Employee Stock Ownership Scheme, namely 28 March 2017.

3. Pursuant to the *Phase II Stock Ownership Scheme (draft)*, upon the expiration of the lock-up period of Phase II Stock Ownership Scheme and when all assets of Phase II Stock Ownership Scheme are monetary funds, the Phase II Stock Ownership Scheme may be terminated in advance. In the duration (including the extension period), if the vesting of shares in Phase II Stock Ownership Scheme is finished and the assets of Phase II Stock Ownership Scheme are only monetary funds, the Phase II Stock Ownership Scheme would be terminated in advance.

It is hereby notified the above.

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

14 February 2020