

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

Announcement on Transfer of the Underlying Assets under Material Asset Purchase and Related Party Transaction

Qingdao / Shanghai / Frankfurt, 25 December 2020 - Haier Smart Home Co., Ltd. (the "HSH" or the "**Company**", D-Share ISIN CNE1000031C1, A-Share ISIN CNE000000CG9) published an announcement on the Shanghai Stock Exchange with regard to Transfer of the Underlying Assets under Material Asset Purchase and Related Party Transaction.

HSH held the tenth meeting of the tenth session of the board of directors and the eleventh meeting of the tenth session of the board of directors on 30 July 2020 and 21 August 2020 respectively, and held the Second Extraordinary General Meeting of 2020, the First A-Share Class General Meeting of 2020 and the First D-Share Class General Meeting of 2020 on 1 September 2020, at which the *Proposal on the Specific Plan for this Material Asset Restructuring* and other relevant proposals in relation to the privatization of Haier Electronics Group Co., Ltd. (the "HEG") through the issuance of H shares by HSH and the successful listing of HSH's H shares on The Stock Exchange of Hong Kong Limited ("HKEX") by way of introduction (the "Transaction") were considered and approved.

As at the date of this announcement, all Scheme Shares of HEG have been cancelled and HEG has issued the same number of new shares as the number of cancelled Scheme Shares to the Company. The Company and its wholly-owned subsidiary indirectly hold all the issued shares of HEG, which in turn has become a wholly-owned subsidiary of the Company. The transfer of the underlying assets under the Transaction has been completed.

I. The Implementation of This Transaction

(I) The transfer of assets

The withdrawal of the listing of HEG's shares from the HKEX became effective On 23 December 2020. As at the date of this announcement, all Scheme Shares of HEG have been cancelled. Meanwhile, HEG has issued new shares to HSH in the same amount as the number of cancelled Scheme Shares. The Company and its wholly-owned

subsidiary hold 2,816,995,476 issued shares of HEG, and HEG has become a wholly-owned subsidiary of the Company .

(II) The issuance of H shares and Cash Payment

On 22 December 2020, HSH issued 1.60 H Shares to the Scheme Shareholders (except for non-qualified overseas shareholders) for each cancelled Scheme Share and the relevant share certificates for the H Shares have been despatched on the same date.

On 24 December 2020, HEG despatched the cheques for the payment of HK\$1.95 in cash to the Scheme Shareholders for each cancelled Scheme Share.

(III) Rights and liabilities of the target company

After the completion of the Transaction, HEG has become a wholly-owned subsidiary of HSH and remains an independent legal entity. HEG remains entitled to its rights and bear its liabilities respectively. The Transaction does not involve the transfer of HEG's rights and liabilities.

II. Subsequent Matters of the Transaction

1. The Company will arrange for the registration of changes to the registered capital involved in the Transaction and the procedures for filing of the Articles of Association with the industrial and commercial registration authorities.
2. The Company will report to the China Securities Regulatory Commission on the issuance and listing of H Shares in writing, handle foreign exchange registration for the overseas listings and report on the implementation of the Transaction to the National Development and Reform Commission and the commercial department.
3. The parties to the Transaction will continue to fulfill the relevant undertakings involved in the Transaction.
4. The Company will continue to fulfill information disclosure obligations for the Transaction in accordance with the requirements of laws and administrative regulations.

III. Conclusion and Opinion of the Intermediary Institution on the Implementation of the Transaction

(I) The independent financial advisor's verification opinion

Zheshang Securities Co., Ltd., the independent financial advisor of the Company for the Transaction, issued the *Independent Financial Advisor's Verification Opinion from Zheshang Securities Co., Ltd. on Material Asset Purchase and Implementation of Related Party Transaction of Haier Smart Home Co., Ltd.* on 25 December 2020 and expressed the following opinions:

1. The implementation of the Transaction complies with the provisions of the *Company Law*, the *Securities Law* and the *Restructuring Measures* and other relevant laws, regulations and normative documents;
2. The Transaction has fulfilled the statutory decision-making and approval procedures, and the necessary approvals have been obtained, so that the parties to the Transaction can implement this material asset restructuring in accordance with the law;
3. HSH has issued H shares to Scheme Shareholders (except non-qualified overseas shareholders), HEG has made Cash Payment to Scheme Shareholders, and the transfer procedures of the underlying assets involved in the Transaction have been completed and the transfer procedures are legal and valid;
4. No material change in the directors, supervisors and senior management of the listed company has occurred as a result of the Transaction;
5. The listed company has fulfilled the relevant information disclosure obligations in relation to the Transaction, which was in compliance with the relevant laws, regulations and the requirements of *the Rules Governing the Listing of Stocks on Shanghai Stock Exchange*. There are no material differences between the relevant actual situation and the disclosed information previously during the implementation process of the Transaction except for the cases mentioned in the aforesaid;
6. During the implementation process of the Transaction, there was no appropriation of the funds and assets of the listed company by the actual controller or other related parties for purposes other than the operation of the listed company, nor did the Transaction lead to the provision of guarantee by the listed company for controlling shareholder, actual controller and their related parties;

7. The transaction documents and undertakings involved in the Transaction have been or are being performed and there is no violation of the transaction documents or undertakings;

8. There are no major compliance obstacles in the follow-up matters related to the Transaction; on the basis of the parties' actual implementation of the transaction documents and undertakings, there are no major risks in the follow-up matters related to the Transaction.

(II) Verification opinions from legal advisor

The Company's legal advisor for the Transaction, *King&Wood Mallesons*, issued the *Legal Opinion from King & Wood Mallesons on Material Asset Purchase and Implementation of Related Party Transaction of Haier Smart Home Co., Ltd.* on 25 December 2020 and expressed the following opinions:

1. HSH has obtained the approvals, authorizations and filings required for the Transaction.

2. The Scheme has become effective. HEG has been delisted from the HKEX and become a wholly-owned subsidiary of HSH. HSH's H shares have been listed and traded on the main board of the HKEX by way of introduction, and the Scheme Shareholders (except non-qualified overseas shareholders) have become H-share shareholders of HSH.

3. HSH has fulfilled the necessary statutory information disclosure obligations in relation to the Transaction.

4. There is no violation of the relevant undertakings disclosed in the *Restructuring Report* by HSH.

5. The implementation of the Transaction is in compliance with the requirements of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Administrative Measures for the Reorganization of Material Assets of Listed Companies* and other relevant laws, regulations and regulatory documents.

6. HSH is required to complete the registration of changes to the registered capital involved in the Transaction and the procedures for filing the Articles of Association with the industrial and commercial registration authorities, report on the listing and issuance of H share to China Securities Regulatory Commission in writing, handle the foreign exchange registration for the overseas listing, report the implementation of the Transaction to the National Development and Reform Commission and the commercial departments, and continue to fulfill information disclosure obligations in terms of the Transaction pursuant to the requirements of laws and regulations. The related parties of the Transaction are still required to fulfill the relevant undertakings concerning the Transaction.

IV. Documents for reference

1. *Report on Material Asset Purchase and Implementation of Related Party Transaction of Haier Smart Home Co., Ltd. ;*
2. *Independent Financial Advisor's Verification Opinion from Zheshang Securities Co., Ltd. on Material Asset Purchase and Implementation of Related Party Transaction of Haier Smart Home Co., Ltd.;*
3. *Legal Opinion from King & Wood Mallesons Beijing on Material Asset Purchase and Implementation of Related Party Transaction of Haier Smart Home Co., Ltd..*

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

25 December 2020