

Haier Smart Home Co., Ltd.

Indicative Announcement on the Impending Expiry of Phase III Stock Ownership Scheme under the 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 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.” and hereinafter referred to as the “Company”, “Haier Smart Home” or “Qingdao Haier”) held the 2015 Annual General Meeting on 31 May 2016, on which the proposal of *Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd. (Draft)* and other subjects concerned therein (referred to as the “*Core Employee Stock Ownership Scheme*”) were considered and approved. In accordance with the requirements of the *Core Employee Stock Ownership Scheme*, the Company held the 13th meeting of the Ninth Session of the Board of Directors on 24 April 2018, on which the *Phase III Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd. (draft) and its Summary* (referred to as the “*Phase III Stock Ownership Scheme*”) was considered and approved. For details of the Phase III Stock Ownership Scheme of the Core Employee Stock Ownership Scheme (referred to as the “Phase III Stock Ownership Scheme”), please refer to the Company’s announcement published on the website of Shanghai Stock Exchange (www.sse.com.cn) by the Company on 26 April 2018 and disclosed by the relevant statutory disclosure media.

According to the China Securities Regulatory Commission’s *Guiding Opinions*

on the Implementation of the Pilot Program on Employee Stock Ownership Schemes by Listed Companies (《关于上市公司实施员工持股计划试点的指导意见》) and the *Work Guideline on Disclosure of Information of Employee Stock Ownership Schemes of Listed Companies on the Shanghai Stock Exchange* (《上海证券交易所上市公司员工持股计划信息披露工作指引》), listed companies shall make announcement in relation to the number of stocks attributed to the scheme expired within 6 months following the expiration of the employee stock ownership scheme. The relevant particulars are announced as follows:

I. Details of the Phase III Stock Ownership Scheme

Pursuant to the requirements of the Draft of Phase III Stock Ownership Scheme, *Administrative Measures of Phase III Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.* and the relevant requirements, there are 635 employees participating in Phase III Stock Ownership Scheme, holding 271,300,000 shares (RMB) in total. Pursuant to the *Announcement regarding the Completion of Share Purchase in Phase III Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.* (L2018-032) disclosed by the Company on 23 May 2018, the Core Employee 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 “Designated Asset Management Plan of Phase III Stock Ownership Scheme of the Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.”, pursuant to which the Phase III Stock Ownership Scheme has accumulatively bought 16,063,800 stocks of the Company via block trading on the secondary market, with an average transaction price of approximately RMB16.72 per share and the transaction amount of RMB268,586,736.00. The above stocks 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 23 May 2018 to 22 May 2019.

Pursuant to the Draft of Phase III Stock Ownership Scheme, the equity interests

of the underlying stocks in the Phase III 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 III Stock Ownership Scheme are as follows: 1. The assessment indicators and vesting arrangements of the holders under the Phase III Stock Ownership Scheme who are directors, supervisors, senior managements of Qingdao Haier and the personnel of the Company's platform are: if the holders were assessed by the Management Committee in 2018 with an up-to-standard result and the Company's audited net profits vested in shareholders of the parent company with deduction of non-recurring profits and losses in 2018 increased over 10% (inclusive 10%) than those of the 2017, then 40% of the equity interests of underlying stocks in the Phase III Stock Ownership Scheme under their name would all be vested to the holders; provided that the increase rate is between 8% and 10%, the percentage of vesting shall be determined by the Management Committee and the vesting shall then be proceeded after reporting to the Remuneration and Appraisal Committee of Board of Directors of the Company and obtaining approval from them; provided that the increase rate is below 8% (not inclusive 8%), then the equity interests of the stocks assessed in 2018 would not be vested. If the holders were assessed by the Management Committee in 2019 with an up-to-standard result and the Company's audited net profits vested in shareholders of the parent company with deduction of non-recurring profits and losses in 2019 increase over 21% (inclusive 21%) than those of the 2017, then 60% of the equity interests of underlying stocks in the Phase III Stock Ownership Scheme under their name would all be vested to the holders; provided that the increase rate is between 16.64% and 21%, the percentage of vesting shall be determined by the Management Committee and the vesting shall then be proceeded after reporting to the Remuneration and Appraisal Committee of Board of Directors of the Company and obtaining approval from them; provided that the increase rate is below 16.64% (not

inclusive 16.64%), then the equity interests of the stocks assessed in 2019 would not be vested. 2. The holders under the Phase III Stock Ownership Scheme excluding the holders in item 1 were assessed by the Management Committee with up-to-the standard results in 2018 and 2019, being vested with 40% and 60% of the equity interests, respectively.

II. Details of Previous Vesting of the Phase III Stock Ownership Scheme

On May 2019, the Management Committee of the Employee Stock Ownership Scheme held meeting and determined that 616 holders of Phase III Stock Ownership Scheme shall vest 5,869,169 stocks according to the performances in 2018 and individual assessment result, and the shares of the remaining holders with unsatisfactory assessment or who resigned were temporarily not vested or adjusted their vested shares. The Company completed relevant matters such as the transfer of the aforementioned stocks and for details, please refer to the *Announcement on Quota Distribution and Equity Allocation of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.*(No.: L2019-033) disclosed by the Company on 30 May 2019.

On July 2020, the Management Committee of the Employee Stock Ownership Scheme held meeting and determined that 428 holders of Phase III Stock Ownership Scheme shall vest 4,640,815 stocks according to the performances in 2019 and individual assessment result, and the shares of the remaining holders with unsatisfactory assessment or who resigned were temporarily not vested or adjusted their vested shares. The Company completed relevant matters such as the transfer of the aforementioned stocks and for details, 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. Subsequent Arrangement before the Expiration of the Phase III Stock Ownership Scheme

1. As of the date of this announcement, 5,553,816 stocks of the Company are held under the Phase III Stock Ownership Scheme.

2. The duration of the Phase III Stock Ownership Scheme does not exceed 36 months, calculating from the time (i.e. 22 May 2018) when the underlying stocks of the Company were registered to the Stock Ownership Scheme.

3. The Phase III Stock Ownership Scheme will be terminated automatically after the expiration of its duration according to the *Phase III Ownership Scheme*.

4. Pursuant to the *Phase III Stock Ownership Scheme*, upon the expiration of the lock-up period of the Phase III Stock Ownership Scheme, the Phase III Stock Ownership Scheme may be subject to early termination when all assets of the Phase III Stock Ownership Scheme become monetary funds. If the stocks held under the Phase III Stock Ownership Scheme are fully vested and the assets of which are only monetary funds, the Phase III Stock Ownership Scheme shall be terminated early.

It is hereby notified the above.

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

1 December 2020