



HAIER SMART HOME CO., LTD.*
海爾智家股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6690.HK)

Listing of Haier Smart Home on HKSE to Establish “A+D+H” Global Capital Market Platform

(23 December 2020 – Hong Kong) Haier Smart Home Co., Ltd. (“Haier Smart Home” or “the Company”, stock code: 6690.HK) announced that the Company’s H shares will commence trading on the Main Board of the Hong Kong Stock Exchange with stock code 6690.

To date, the privatisation of Haier Electronics Group Co., Ltd. by Haier Smart Home (6690.HK) by way of a scheme of arrangement has finally completed. In accordance with the scheme document, the listing of the shares of Haier Electronics on the Main Board of the Hong Kong Stock Exchange was officially withdrawn at 9:00 am today. Haier Electronics has become a wholly-owned subsidiary of Haier Smart Home. Haier Group remains to be the controlling shareholder of Haier Smart Home.

The management of Haier Smart Home stated, “Haier Smart Home’s listing by introduction in Hong Kong speaks for the Company’s confidence over the Hong Kong capital market. We are looking forward to, together with the shareholders, witnessing the prosperous chapter of Haier Smart Home in the Hong Kong capital market in an era of IOT.”

Global capital market platform yielding synergistic effect

Haier Smart Home is the leader in the global home appliances industry and global pioneer in providing smart home solutions, whose A shares are listed on the Shanghai Stock Exchange and D shares are listed on the China Europe International Exchange AG D-Share Market. After the completion of listing in Hong Kong, Haier Smart Home has become a trio listed company of "A+H+D" shares, which synchronizes with the Company’s global operations. As mentioned in the scheme document, after the privatisation has become effective, Haier Smart Home and Haier Electronics is expected to achieve potential synergies in both business development and corporate governance, along with its expansion of competitive advantages.

Prior to the privatisation, Haier Electronics was mainly engaged in the manufacturing of domestic washing machines, water heaters and water purifiers as well as the distribution business covering domestic sales channels, while Haier Smart Home was mainly engaged in the business of refrigerators, air conditioner and overseas household appliances and etc. After the completion of the privatisation, Haier Smart Home will aim to fully integrate with Haier Electronics to improve the comprehensiveness and depth of smart home solutions. The enlarged Haier Smart Home Group will also take this opportunity to further deepen the online and offline

integration throughout the entire process, in order to enhance the user experience and loyalty, and to build and share the Haier Smart Home Experiential Cloud platform across all categories.

After the completion of the privatisation, the enlarged Haier Smart Home Group will share resources and build capacity throughout the entire value chain, including R&D, procurement, manufacturing, and distribution of products, to promote technical cooperation, facilitate result-sharing, and optimise operations. On one hand, the prior overlapping of products and channels of both parties can be eliminated, achieving significant synergies. On the other hand, the improvement of operation management such as reduced internal procedures and simplified approval process are expected to lower the sales and management costs. In addition, the operational risks will be reduced with more robust financial performance supported by a stronger balance sheet.

The enlarged Haier Smart Home Group will have a larger market capitalisation, improved financial performance and a more diversified investor base than Haier Electronics Group, which is expected to enhance the Company's capital market profile and to improve liquidity. Moreover, after the completion of the privatisation, Haier Smart Home Group will establish a unified capital market image and allow investors to focus on one listing company.

IoT based ecosystem brand strategy leading the world

In recent years, with the rapid development of technologies such as IoT, cloud computing big data and 5G networks, the home appliance industry sees a trend towards smart, full-suite and scenario-based solutions. Haier Smart Home, backed by its portfolio of interconnected home appliance products, its resources built with partners, its Haier Smart Home App and Experiential Cloud Platform, and its experience centers and franchised stores, provides smart home solutions suited for various lifestyle for users, aiming to build an IoT ecosystem brand of Haier Smart Home.

From 2017 to 2019, Haier Smart Home's revenue increased from RMB154.2 billion to RMB198.0 billion, with a CAGR of 13.3%. For the same period, the profit increased from RMB9.1 billion to RMB12.3 billion, with a CAGR of 16.3%. Among the total revenue, the smart home business accounted for a large proportion; in 2017, 2018 and 2019, the revenue from smart home business (including the PRC and overseas markets) accounted for 94.8%, 90.0% and 89.4% of the total revenue, respectively.

After the listing, Haier Smart Home will continue adhering to Haier's core value of "prioritising users over the Company", capitalise on its RenDanHeYi management model, and provide users globally with whole-process customised smart home solutions. It is committed to creating an IoT smart home ecosystem brand and meeting users' needs for a better life experience.

About Haier Smart Home Co., Ltd.

Haier Smart Home Co., Ltd. is the world's leading provider of smart home solutions. According to Euromonitor, HSH ranked first in the major home appliance industry in the world in terms of retail volume of major home appliances for nine consecutive years from 2011 to 2019, with a market share of 14.7% in 2019. The Company has a global portfolio of home appliance brands consisting of Haier, Casarte, Leader, GE Appliances, Candy, Fisher&Paykel and AQUA. Haier brand refrigeration appliances and laundry appliances also ranked first among major home appliance brands in the world in terms of retail volume for 11 consecutive years from 2009 to 2019. As of 16 November 2020, HSH business operated in more than 160 countries and regions around the world including China, North America, Europe, South Asia and Southeast Asia, Australia and New Zealand, Japan, Middle East and Africa.

HSH is also a global pioneer in providing smart home solutions. Capitalising on its full-range home appliances products, according to Euromonitor, the Company is one of the first home appliance enterprises in the industry to launch smart home solutions, supported by the introduction of its cloudbased platform that offers integrated smart home solutions covering various lifestyle scenarios. Centering on its interconnected home appliance products, and supported by Haier Smart Home App and Haier Smart Home Experiential Cloud Platform as well as its experience stores and franchised stores, HSH provides smart home solutions suited for various lifestyle scenarios for users to satisfy their pursuit for a better life.

This press release is issued by **Wonderful Sky Financial Company Limited** on behalf of **Haier Smart Home Co., Ltd.**

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