

Huami Announces Acquiring Core Assets of Zepp International Limited and Physical Enterprises Inc.

Transactions Expand Presence in Sports Training Analytics Field and Strengthen Capabilities in Multi-Sport Sensor Technology

BEIJING, July 26, 2018 /[PRNewswire](#)/ -- Huami Corporation ("Huami" or the "Company") (NYSE: HMI), a biometric and activity data-driven company with significant expertise in smart wearable technology, today announced that it has entered into an agreement (the "Agreement") to acquire core assets of Zepp International Limited ("Zepp"), a leading multi-sport sensor technology company based in San Jose, California. This transaction is expected to significantly expand Huami's footprint in the sports training analytics field by providing new sports products market and global product development opportunities as well as deepening Huami's technological expertise in motion and activity-driven analysis. The well-established brand and business channel of Zepp will also help Huami in expanding global sports brands partnerships as well as in entering the premium sports products market.

Founded in 2010, Zepp is one of the first companies in the world to engage in motion smart hardware design. With industry-leading sensor algorithms and motion modeling technologies, Zepp provides instant, quantitative motion analysis to help users make timely adjustments to their training program. Zepp also continues to develop video analysis and processing based on deep learning and has a number of U.S. and international patents in sensors, algorithms, deep learning and other fields. Zepp's smart sensors and mobile application products cover golf, baseball, softball, tennis, soccer, badminton and other sports.

"We are delighted to be entering into this Agreement and are excited about the expanded market and global product development opportunities in the sports training analytics field that this transaction brings to the table," said Wang Huang, Chairman and CEO of Huami Corporation. "We expect to leverage Zepp's deep experience, mature products and established partnerships to broaden our feature-rich product portfolio and utilize our strong distribution channels to capture growing opportunities in this segment of the sports industry."

The use of sensor-based, advanced motion analysis in sports is growing rapidly and Zepp has a strong brand and established partnerships with some of the leading sports equipment manufacturers such as HEAD Tennis and Yonex Badminton. Over time, the goal of Huami is to capitalize on Zepp's talented research and development team as well as its vast patent portfolio to further develop activity data-driven product offering. Furthermore, Huami will continue leveraging Zepp's established sales channel with Apple to expand the premium sports products market such as golf products.

In addition, Huami recently also acquired the core assets of Physical Enterprises Inc. ("PEI"), which was previously controlled by the Adidas Group. PEI is an industry-leading pioneer in fitness wearables and accurate heart rate monitoring with strong algorithms capability. The developed software technology Huami acquired from PEI will help Huami by utilizing proprietary algorithms for estimating cardiorespiratory fitness. This transaction will also help Huami on the sports and fitness market strategy along with the Zepp transaction.

About Huami Corporation

Huami is a biometric and activity data-driven company with significant expertise in smart wearable technology. Since its inception in 2013, Huami has quickly established its global market leadership and recognition by shipping millions of units of smart wearable devices. In 2017, Huami shipped 18.1 million units of smart wearable devices. Huami has one of the largest biometric and activity databases in the global smart wearables industry. Huami's mobile apps work hand in hand with its smart wearable devices and provide users with a comprehensive view and analysis of their biometric and activity data. In addition to designing, manufacturing and selling smart bands and watches under its own Amazfit brand, Huami is the sole partner of Xiaomi, a leading mobile internet company and global consumer electronics brand, to design and manufacture Xiaomi-branded smart bands, watches (excluding children watches and quartz watches), scales and associated accessories.

For more information, please visit <http://ir.huami.com>.

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the cooperation with Xiaomi, the recognition of the Company's self-branded products; the Company's growth strategies; trends and competition in global wearable technology market; changes in the Company's revenues and certain cost or expense accounting policies; governmental policies relating to the Company's industry and general economic conditions in China and the global. Further information regarding these and other risks is included in the Company's filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and the Company undertakes no obligation to update any forward-looking statement, except as required under applicable law.

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