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NOTICE OF CHANGE IN EXCHANGE PROPERTY

HARVEST INTERNATIONAL COMPANY

(incorporated in the Cayman Islands with limited liability)

HK\$8,000,000,000 Zero Coupon Guaranteed Exchangeable Bonds due 2022
(the "Bonds")

(Stock Code: 5024.HK; ISIN: XS1716796641)

exchangeable into the ordinary shares of
HAIER ELECTRONICS GROUP CO., LTD. (Stock Code: 1169.HK)

unconditionally and irrevocably guaranteed by

The Haier logo is displayed in a bold, blue, sans-serif font.

QINGDAO HAIER CO., LTD. (青島海爾股份有限公司)

(incorporated with limited liability in the People's Republic of China)

and

HAIER SHAREHOLDINGS (HONG KONG) LIMITED

(incorporated in Hong Kong with limited liability)

Reference is made to Condition 6(f) of the terms and conditions of the Bonds (the "**Conditions**"). All words and expressions defined in the Conditions shall (save as otherwise provided herein or unless the context otherwise requires) have the same meaning in this Notice.

We hereby notify the holders of the Bonds that:

1. Cash Distribution Amount for the Exchange Property in the amount of HK\$70,303,030.18 was received on 10 August 2018 (the "**Distribution Payment Date**") by Haier Shareholdings (Hong Kong) Limited ("**Haier HK**").
2. Haier HK has not applied all of such Cash Distribution by the end of the 11th Trading Day following the Distribution Payment Date for the purchase of Predominant Equity Share Capital in the market. Therefore, additional Predominant Equity Share Capital in the amount of 3,352,552 Shares shall be deemed to be added to the Exchange Property calculated based on the following formula:

Additional Predominant Equity Share Capital = (Cash Distribution Amount / Theoretical Purchase Price on the 11th Trading Day following the Distribution Payment Date),

where:

"**Theoretical Purchase Price**" is HK\$20.97 per Share, namely the average of the closing prices of the Predominant Equity Share Capital on each of the 10 Trading Days preceding, and excluding 27 August 2018.

On the exercise of Exchange Rights in accordance with the Conditions, Bondholders will be entitled to receive 30,722.0992 Shares for each HK\$1,000,000 principal amount of Bonds with effect from 27 August 2018, subject to any further adjustment pursuant to the Conditions.

31 January 2019

Harvest International Company
Board of Directors

As at the date of this announcement, the directors of Harvest International Company are WANG Ningning and WANG Rongli.

As at the date of this announcement, the directors of Qingdao Haier Co., Ltd. (青島海爾股份有限公司) are LIANG Haishan, TAN Lixia, PENG Jianfeng, WU Changqi, ZHOU Hongbo, LIU Haifeng, WU Cheng, DAI Deming and SHI Tiantao.

As at the date of this announcement, the directors of Haier Shareholdings (Hong Kong) Limited are ZHANG Liqun, LIANG Haishan and WANG Ningning.