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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)
海爾電器集團有限公司*

unconditionally and irrevocably guaranteed by

Haier

HAIER SMART HOME CO., LTD. (海爾智家股份有限公司)
(incorporated with limited liability in the People's Republic of China)

and

HAIER SHAREHOLDINGS (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)

**RESULTS OF MEETING OF BONDHOLDERS AND CONSENT SOLICITATION IN
RELATION TO THE BONDS**

Reference is made to the announcements dated 31 July 2020 and 18 August 2020 (together, the "**Consent Solicitation Announcements**") made by Harvest International Company (the "**Issuer**") relating to the notice of a meeting dated 31 July 2020 given by the Issuer, Haier Smart Home Co., Ltd. (formerly known as Qingdao Haier Co., Ltd.) ("**HSH**"), Haier Shareholdings (Hong Kong) Limited ("**Haier HK**") and FLOURISHING REACH LIMITED (the "**New Guarantor**") to holders of the Bonds (the "**Bondholders**")

in connection with the solicitation of consents by an extraordinary resolution of the Bondholders for approval of certain amendments to the terms and conditions of the Bonds (the "**Conditions**") and the trust deed (the "**Trust Deed**") constituting the Bonds (the "**Consent Solicitation**"). Terms and expressions used but not defined herein have the respective meanings given to them in the Consent Solicitation Announcements. For further details of the Consent Solicitation, the Transfer of Exchange Property Proposal and the EB-to-CB Proposal, please refer to the Consent Solicitation Announcements and the Consent Solicitation Memorandum.

RESULTS OF THE MEETING

The Meeting was convened and held at 9.00 a.m. (Hong Kong time) on 28 August 2020 and the voting results were as follows:

	HK\$	%
Total amount of votes cast	6,883,000,000	86.0375*
Votes for	6,883,000,000	100**
Votes against	0	0**

* As the percentage of total outstanding principal amount of the Bonds of HK\$8,000,000,000

** As the percentage of votes cast

As more than 75% of the votes cast at the Meeting were cast in favor of the Extraordinary Resolution, the Extraordinary Resolution was duly passed. Accordingly,

- (a) the Transfer of Exchange Property Waiver is immediately effective;
- (b) the Transfer of Exchange Property Proposal Documents will be executed upon the Transfer of Exchange Property if the Transfer of Exchange Property Conditions are satisfied, but if the Transfer of Exchange Property Conditions are not satisfied, then none of the Transfer of Exchange Property Proposal Documents will be executed and the Transfer of Exchange Property will not take place;
- (c) the Cash Payment Adjustment Waiver and the Transitional Delisting Put Waiver will be immediately effective upon the satisfaction of the EB-to-CB Conditions, but if the EB-to-CB Conditions are not satisfied, then neither the Cash Payment Adjustment Waiver nor the Transitional Delisting Put Waiver will be effective; and
- (d) the EB-to-CB Proposal Documents will be executed upon Listing and the commencement of trading of the HSH H Shares if the EB-to-CB Conditions are satisfied, but if the EB-to-CB Conditions are not satisfied, then none of the EB-to-CB Proposal Documents will be executed and the EB-to-CB will not take place.

As such, with respect to the Transfer of Exchange Property Proposal, if the Transfer of Exchange Property Conditions are satisfied:

- (i) the Exchange Property will be transferred from Haier HK to the New Guarantor and can be further transferred from the New Guarantor to the Issuer or HSH;
- (ii) Haier HK's guarantee obligation in respect of the Bonds, the Trust Deed and the Agency Agreement as provided in the Haier HK Deed of Guarantee will be released and discharged by the First Deed of Termination and Release and such guarantee will be provided by the New Guarantor instead by the New Guarantor entering into the New Guarantor Deed of Guarantee;

- (iii) Haier HK's other obligations in respect of the Bonds, the Trust Deed and the Agency Agreement as provided in the Conditions, the Bonds, the Trust Deed and the Agency Agreement will be released and discharged by the First Deed of Termination and Release, the First Supplemental Trust Deed and/or the First Supplemental Agency Agreement, as applicable, and such obligations will be borne by the New Guarantor instead; and
- (iv) the related amendments to the Conditions with respect to redemption for tax reasons, the definition of "Change of Control" and the definition of "Relevant Jurisdiction" will be made to reflect the shareholding structure among HSH, Haier HK, the New Guarantor, the Issuer and Haier Electronics and the jurisdiction of the New Guarantor being the British Virgin Islands instead of Hong Kong (which is the jurisdiction of incorporation of Haier HK).

With respect to the EB-to-CB Proposal, if the EB-to-CB Conditions are satisfied:

- (i) the Bonds will be solely guaranteed by HSH and,
 - (A) the guarantee obligations of Haier HK or (assuming the Transfer of Exchange Property Proposal becomes effective) the New Guarantor in respect of the Bonds, the Trust Deed (as then amended, if applicable) and the Agency Agreement (as then amended, if applicable) as provided in the Haier HK Deed of Guarantee or (assuming the Transfer of Exchange Property Proposal becomes effective) the New Guarantor Deed of Guarantee will be released and discharged by the First Deed of Termination and Release or (assuming the Transfer of Exchange Property Proposal becomes effective) Second Deed of Termination and Release;
 - (B) the other obligations of Haier HK or (assuming the Transfer of Exchange Property Proposal becomes effective) the New Guarantor in respect of the Bonds, the Trust Deed (as then amended, if applicable) and the Agency Agreement (as then amended, if applicable) as provided in the Conditions, the Bonds, the Trust Deed (as then amended, if applicable) and the Agency Agreement (as then amended, if applicable) will be released and discharged by the First Deed of Termination and Release or (assuming the Transfer of Exchange Property Proposal becomes effective) Second Deed of Termination and Release, the Second Supplemental Trust Deed and/or the Second Supplemental Agency Agreement, as applicable; and
 - (C) the related amendments to the Conditions with respect to provision of financial statements, activities of Haier HK or the New Guarantor, redemption for tax reasons, the definition of "Change of Control" (as then amended, if applicable) and the definition of "Relevant Jurisdiction" (as then amended, if applicable) and the Event of Default will be implemented;
- (ii) the Exchange Right to exchange the Bonds for the Exchange Property will be replaced with the right to convert the Bonds into HSH H Shares and,
 - (A) the current mechanism for exchange, definition and adjustment of Exchange Property and general offer in the Conditions will be replaced with the mechanism for conversion, definition of shares and adjustment of conversion price set out in Schedule 2 (*Amended Terms and Conditions of the Bonds relating to the EB-to-CB Proposal*) to the Notice of Meeting and Extraordinary Resolution;
 - (B) the Conversion Right attaching to any Bond may be exercised by the holder thereof at any time on or after the effective date of the EB-to-CB Proposal and up to the close of business (at the place where the Certificate representing such Bond is deposited for conversion) on the date which falls 10 days prior to the Maturity Date (or, if such date shall not be a business day at the place where the Certificate representing the Bond is to be delivered, the immediately preceding business day at such place) or if such Bond shall have been called for redemption prior to the Maturity Date, then up to the close of business (at the place aforesaid) on the date which falls 10 days prior to the date fixed for redemption thereof (or, if such date shall not be a

business day at the place where the Certificate representing the Bond is to be delivered, the immediately preceding business day at such place); and

- (C) the initial conversion price of the Bonds before the Initial Adjustment Date will reflect the combined effect of (A) the relevant exchange price of the Bonds (after taking into account any dividend or other distribution paid or made in respect of the Exchange Property, including but not limited to the HEG 2019 Final Dividend (and please refer to the announcement made by the Issuer on 18 August 2020 for the adjustment of the Exchange Property as a result of the HEG 2019 Final Dividend), and the prescribed adjustment to the Exchange Property in accordance with the Conditions, which does not include any Cash Payment) and (B) the Share Exchange Ratio (being the exchange ratio of 1.60 new HSH H Shares for every Scheme Share cancelled under the Scheme). The conversion price of the Bonds on or after the Initial Adjustment Date will also reflect the additional economic effect for an amount equivalent to the Cash Payment as set out in the Consent Solicitation Memorandum;
- (iii) the Bondholders will no longer be able to request the Issuer to redeem their Bonds upon delisting of the ordinary shares of Haier Electronics Group Co., Ltd. ("**Delisting**") after the satisfaction of all EB-to-CB Conditions; and
- (iv) no adjustment to the Exchange Property will be made due to the Cash Payment. The conversion price of the Bonds on or after the Initial Adjustment Date will reflect the economic effect for an amount equivalent to the Cash Payment.

The effectiveness of the Transfer of Exchange Property Proposal (except for the Transfer of Exchange Property Waiver) is subject to the Transfer of Exchange Property Conditions. The Transfer of Exchange Property Proposal (except for the Transfer of Exchange Property Waiver) will only be effective if the Transfer of Exchange Property Conditions are satisfied on or before the Scheme Long Stop Date. If the Transfer of Exchange Property Conditions are not satisfied, the Transfer of Exchange Property Proposal (except for the Transfer of Exchange Property Waiver) will not come into effect and will not be binding on any of the Bondholders. The Transfer of Exchange Property Waiver is immediately effective upon the approval of the Extraordinary Resolution. If the Transfer of Exchange Property Conditions are satisfied on or before the Scheme Long Stop Date, the Transfer of Exchange Property Proposal will become effective and the Transfer of Exchange Property will take place first regardless of whether the EB-to-CB Conditions are satisfied. The effectiveness of the Transfer of Exchange Property Proposal is not dependent on the effectiveness of the EB-to-CB Proposal.

The effectiveness of the EB-to-CB Proposal is subject to the satisfaction of the EB-to-CB Conditions. The EB-to-CB Proposal will only be effective if the EB-to-CB Conditions are satisfied on or before the Scheme Long Stop Date. If the EB-to-CB Conditions are not satisfied, the EB-to-CB Proposal will not come into effect and will not be binding on any of the Bondholders. If the EB-to-CB Conditions are satisfied on or before the Scheme Long Stop Date, the EB-to-CB Proposal will become effective and the EB-to-CB will take place (i) regardless of whether the Transfer of Exchange Property takes place and (ii) if the Transfer of Exchange Property Conditions are satisfied on or before the Scheme Long Stop Date, after the Transfer of Exchange Property. The effectiveness of the EB-to-CB Proposal is not dependent on the effectiveness of the Transfer of Exchange Property Proposal.

REMINDER OF OPTIONS AVAILABLE TO BONDHOLDERS

Bondholders are reminded that, notwithstanding the Extraordinary Resolution, they have various options to manage their respective investment in the Bonds in the context of the Privatisation Proposal, including:

- (a) selling the Bonds in the secondary market;
- (b) exchanging the Bonds into the Shares and becoming Shareholders either (i) on or prior to the Privatisation Meeting Record Date or (ii) on or prior to the Scheme Record Time, to participate in the Scheme as discussed in the Consent Solicitation Memorandum;

- (c) exercising their early redemption right and requesting the Issuer to redeem their Bonds on 21 November 2020 at the Early Redemption Amount (as defined in the Conditions); or
- (d) holding their Bonds until the Maturity Date and to be repaid at 105.11 per cent. of the principal amount of such Bonds.

In addition, (i) the Bondholders may exercise their early redemption right upon Delisting and request the Issuer to redeem their Bonds at the Early Redemption Amount if Delisting occurs without all EB-to-CB Conditions being satisfied, (ii) after the EB-to-CB Conditions are satisfied, the Bondholders will no longer be able to request the Issuer to redeem their Bonds upon Delisting, and (iii) after the EB-to-CB Proposal becomes effective, the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all or some only of that holder's Bonds after the HSH H Shares cease to be listed or admitted to trading on The Stock Exchange of Hong Kong Limited.

Hong Kong, 28 August 2020

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 Haier Smart Home Co., Ltd. (海爾智家股份有限公司) are LIANG Haishan, TAN Lixia, WU Changqi, LI Huagang, YAN Yan, LIN Sui, QIAN Daqun, DAI Deming and WONG Hak Kun.

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

** For identification purposes only*