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Haier

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)

Haier 海尔

HAIER ELECTRONICS GROUP CO., LTD.

海爾電器集團有限公司*

(incorporated in the Bermuda with limited liability)

(Stock Code: 1169)

JOINT ANNOUNCEMENT

- (1) PROPOSED PRIVATISATION OF
HAIER ELECTRONICS GROUP CO., LTD. (“HEG”)
BY HAIER SMART HOME CO., LTD. (“HSH”)
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 99 OF THE COMPANIES ACT
- (2) PROPOSED WITHDRAWAL OF LISTING OF HEG SHARES
- (3) SANCTION OF THE SCHEME BY THE COURT
- (4) EXPECTED SCHEME EFFECTIVE DATE
AND
- (5) EXPECTED DATE OF WITHDRAWAL OF
LISTING OF HEG SHARES

Joint Financial Advisers to HSH



J.P.Morgan

Financial Adviser to HEG



Valuation Adviser to HSH



Independent Financial Adviser to the Independent Board Committee

 SOMERLEY CAPITAL LIMITED

INTRODUCTION

Reference is made to (i) the scheme document issued by HSH and HEG on 16 November 2020 regarding the Privatisation Proposal and the Scheme (the “**Scheme Document**”) and (ii) the joint announcement issued by HSH and HEG on 9 December 2020 regarding, amongst others, the results of the Court Meeting and SGM. Unless otherwise defined, capitalised terms used in this joint announcement have the same meanings as defined in the Scheme Document.

SANCTION OF THE SCHEME

The Scheme was sanctioned (without modification) by the Court on Friday, 18 December 2020 (*Bermuda time*).

STATUS OF THE SATISFACTION OF CONDITIONS OF THE PRIVATISATION PROPOSAL

As at the date of this announcement, the implementation of the Privatisation Proposal (including the effectiveness of the Scheme) remains to be subject to the satisfaction or waiver (as applicable) of the second part of Condition (d) and Conditions (f) to (k) (inclusive) as set out below:

- (d) the sanction of the Scheme (with or without modifications) by the Court, and the delivery to the Registrar of Companies in Bermuda of a copy of the Court Order for registration;
- (f) all applicable filings, notices, certificates and approvals in relation to the Privatisation Proposal (and its implementation) with or from any governmental or regulatory bodies required under any laws or regulations in the PRC, such as the NDRC and the competent commerce authority, having been made or obtained and remaining in full force and effect;
- (g) all necessary third party consents in relation to the Privatisation Proposal which may be required under any existing contractual obligations to which any member of the HEG Group or HSH is a party (where any failure to obtain a consent would have a material adverse effect on the implementation of the Privatisation Proposal or the business of the HEG Group or HSH Group, in each case taken as a whole) having been obtained or waived by the relevant party(ies);
- (h) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Privatisation Proposal void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the Privatisation Proposal (other than such order(s) or decision(s) that would not have a material adverse effect on the legal ability of HSH to proceed with the Privatisation Proposal);

- (i) no event having occurred which would make the Privatisation Proposal or the cancellation of the Scheme Shares void, unenforceable or illegal or which would prohibit the implementation of the Privatisation Proposal or impose any additional material conditions or obligations with respect to the Privatisation Proposal or any part thereof or on the cancellation of the Scheme Shares (other than such event(s) that would not have a material adverse effect on the legal ability of HSH to proceed with the Privatisation Proposal);
- (j) since the date of the Rule 3.5 Announcement, there having been no material adverse change to the business, financial or trading position of the HSH Group or the HEG Group, each taken as a whole. For the purpose of this Condition (j), material adverse change does not include any material adverse change (i) which do not have a material and significantly disproportionate impact on the business, financial or trading position of the HSH Group or HEG Group, each taken as a whole; and (ii) arising or resulting directly from COVID-19 or any change in the industry practices or policies in the material markets in which HSH Group or HEG Group operates and which practices or policies are of general application to the industry in which HSH Group or HEG Group is engaged in; and
- (k) save in connection with the implementation of the Privatisation Proposal, the listing of the HEG Shares on the Stock Exchange not having been withdrawn, and no indication having been received from the SFC and/or the Stock Exchange, to the effect that the listing of the HEG Shares on the Stock Exchange is or is likely to be withdrawn.

It is expected that a copy of the Court Order will be delivered to the Registrar of Companies in Bermuda for registration on or before Monday, 21 December 2020 (*Bermuda time*), upon which Condition (d) will be fully satisfied.

EXPECTED SCHEME EFFECTIVE DATE

Assuming that all of the outstanding Conditions are satisfied or waived (as applicable), it is expected that the Scheme will become effective on Monday, 21 December 2020 (*Bermuda time*). Further announcement will be made when the Scheme has become effective.

The Scheme will lapse if it does not become effective on or before 30 June 2021 (being the Scheme Long Stop Date). HSH and HEG will make further announcement(s) as and when necessary.

EXPECTED DATE OF WITHDRAWAL OF LISTING OF HEG SHARES

Assuming that all of the outstanding Conditions are satisfied or waived (as applicable) and the Scheme becomes effective, the withdrawal of the listing of the HEG Shares on the Stock Exchange is expected to take place with effect from 9:00 a.m. on Wednesday, 23 December 2020. An application for the withdrawal of the listing of the HEG Shares on the Stock Exchange has been made and the Stock Exchange has approved the withdrawal of the listing of the HEG Shares on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 23 December 2020, subject to the Scheme becoming effective.

DESPATCH OF CERTIFICATES FOR HSH H SHARES AND COMMENCEMENT OF DEALINGS IN HSH H SHARES

Subject to the Scheme becoming effective, certificates for the HSH H Shares are expected to be despatched to the Scheme Shareholders on or before Tuesday, 22 December 2020, and dealings in the HSH H Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Wednesday, 23 December 2020. Such share certificates will not become valid unless the formal letter of approval for the Listing is obtained, and the Introduction has become effective. Investors who trade in the HSH H Shares prior to the receipt of the HSH H Share certificates or prior to the HSH H Share Certificates becoming valid do so entirely at their own risk.

EXPECTED TIMETABLE

The expected timetable for completing the remaining steps of the Privatisation Proposal, including the withdrawal of the listing of the HEG Shares on the Stock Exchange, is as follows:

The following expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the expected timetable. All references to times and dates are references to Hong Kong times and dates, except as otherwise specified. For reference only, Bermuda is 12 hours behind Hong Kong time as at the date of this joint announcement.

Scheme Record Time	4:30 p.m. on Monday, 21 December 2020
Scheme Effective Date ^(Note 2)	Monday, 21 December 2020 <i>(Bermuda time)</i>
Announcement of (1) the Scheme Effective Date and (2) the withdrawal of listing of the HEG Shares on the Stock Exchange's website and HEG's website	at or before 8:30 a.m. on Tuesday, 22 December 2020
Despatch of certificates for the new HSH H Shares to be issued pursuant to the Scheme and the Listing ^(Notes 1 and 3)	Tuesday, 22 December 2020
Withdrawal of the listing of the HEG Shares on the Stock Exchange becomes effective ^(Notes 1 and 4)	9:00 a.m. on Wednesday, 23 December 2020
Dealings in the HSH H Shares on the Stock Exchange expected to commence at ^(Note 1)	9:00 a.m. on Wednesday, 23 December 2020
EB-to-CB Proposal becomes effective ^(Note 5)	Wednesday, 23 December 2020
Latest time to despatch cheques for payment of the Cash Payment to the Scheme Shareholders ^(Note 6)	Thursday, 31 December 2020

HEG Shareholders should note that the above timetable is subject to change. Further announcement(s) will be made in the event that there is any change.

Notes:

1. *If the approval for the Listing is not granted on or prior to Monday, 21 December 2020, the certificates for the new HSH H Shares will not be despatched on Tuesday, 22 December 2020, dealings in the HSH H Shares on the Stock Exchange will not commence on Wednesday, 23 December 2020, and the listing of the HEG Shares on the Stock Exchange will also not be withdrawn on Wednesday, 23 December 2020. In such event, HSH will make an announcement of the above and of a revised timetable as soon as practicable.*
2. *The Scheme will become effective upon all the Conditions set out in the section headed “2. THE PRIVATISATION PROPOSAL AND THE SCHEME — 2.6 Conditions of the Privatisation Proposal and the Scheme” in Part IX — Explanatory Statement of the Scheme Document having been satisfied or validly waived (as applicable) on or before the Scheme Long Stop Date. HEG Shareholders will be advised by an announcement of the exact date upon which the Scheme becomes effective.*
3. *The share certificates for the new HSH H Shares to be issued pursuant to the Scheme and the Listing as cancellation consideration for the Scheme Shares are expected to be despatched to the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders) on Tuesday, 22 December 2020. Each Scheme Shareholder (other than the Non-Qualifying Overseas Shareholders) will be sent one share certificate representing all HSH H Shares. Such share certificates will not become valid unless the formal letter of approval for the Listing is obtained, and the Introduction has become effective. Investors who trade in the HSH H Shares prior to the receipt of the HSH H Share certificates or prior to the HSH H Share Certificates becoming valid do so entirely at their own risk. Share certificates of new HSH H Shares will be sent by ordinary post addressed to the persons entitled thereto at their respective registered addresses at their own risk.*
4. *If the Scheme becomes effective, it is expected that the listing of the HEG Shares on the Stock Exchange will be withdrawn with effect from 9:00 a.m. on Wednesday, 23 December 2020, being the second Business Day following the Scheme Effective Date. The listing of the HEG Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective.*
5. *The EB-to-CB Proposal will become effective upon all the relevant conditions set out in the section headed “4. HSH EXCHANGEABLE BONDS — 4.3 EB-to-CB Proposal” in Part IX — Explanatory Statement of the Scheme Document having been obtained or completed. The Bondholders will be advised by an announcement published by Harvest in relation to the HSH Exchangeable Bonds or the then HSH Convertible Bonds (under Stock Code: 5024) on the website of the Stock Exchange (www.hkexnews.hk) in relation to the exact date upon which the EB-to-CB Proposal becomes effective.*
6. *Cheques for the Cash Payment will be sent by ordinary post addressed to the persons entitled thereto at their respective registered addresses at their own risk.*

WARNING: The implementation of the Privatisation Proposal (including the effectiveness of the Scheme), is subject to the satisfaction or waiver (as applicable) of the Conditions, and therefore the Privatisation Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of HSH and HEG should therefore exercise caution when dealing in the securities of HSH and HEG. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

By Order of the board of directors of
Haier Smart Home Co., Ltd.*
Liang Haishan
Chairman

By Order of the Board of
Haier Electronics Group Co., Ltd.
Zhou Yunjie
Chairman

20 December 2020

As at the date of this joint announcement, the directors of HSH are Liang Haishan, Tan Lixia, Wu Changqi, Li Hua Gang, Lin Sui Martin, Chien Da-Chun, Dai Deming and Wong Hak Kun.

The directors of HSH jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to HEG) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of HEG) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the executive directors of HEG are Mr. Zhou Yunjie (Chairman), Mr. Xie Ju Zhi and Mr. Li Hua Gang; the non-executive directors of the Company are Mr. Liang Haishan and Mr. Yang Guang; the independent non-executive directors of the Company are Mr. Yu Hon To, David, Mrs. Eva Cheng Li Kam Fun, Mr. Gong Shao Lin and Dr. John Changzheng Ma.

The directors of HEG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to HSH) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of HSH) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

** For identification purpose only*