

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities or an invitation to enter into any agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.*

*The information contained in this announcement is not for distribution or circulation, directly or indirectly, in or into the United States. This announcement is solely for the purpose of reference and does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.*

**HARVEST INTERNATIONAL COMPANY**

*(incorporated in the Cayman Islands with limited liability)*

**HK\$8,000,000,000 Zero Coupon Guaranteed Convertible Bonds due 2022  
(Stock Code: 5024; ISIN: XS1716796641)**

*unconditionally and irrevocably guaranteed by*

**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)*

**convertible into the ordinary H shares of HAIER SMART HOME CO., LTD. (海爾智家股份有限公司) (Stock Code: 6690)**

**(1) FULFILMENT OF EB-TO-CB CONDITIONS**

**AND**

**(2) COMPLETION OF EB-TO-CB AND CHANGE OF GUARANTOR**

Reference is made to (i) the announcement dated 22 December 2020 made by Harvest International Company (the "**Issuer**") relating to the effective date of the Scheme and the EB-to-CB Proposal and (ii) the announcements dated 31 July 2020, 18 August 2020 and 28 August 2020 (together, the "**Consent Solicitation Announcements**") made by the Issuer relating to the notice of a meeting dated 31 July 2020 given by the Issuer, HSH, Haier Shareholdings (Hong Kong) Limited and FLOURISHING REACH LIMITED (the "**New Guarantor**") to holders (the "**Bondholders**") of the HK\$8,000,000,000 Zero Coupon Guaranteed Convertible Bonds due 2022 convertible into the ordinary H shares of Haier Smart Home Co., Ltd. (the "**Bonds**") (formerly referred to as HK\$8,000,000,000 Zero Coupon Guaranteed Exchangeable Bonds due 2022 exchangeable into the ordinary shares of Haier Electronics Group Co., Ltd.) in connection with the solicitation of consents by an extraordinary resolution of the Bondholders (the "**Extraordinary Resolution**") for approval of certain amendments to the terms and conditions of the Bonds (the "**Conditions**") and the trust deed constituting the Bonds (the "**Consent Solicitation**") and the results of the Bondholders' meeting and 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 and the EB-to-CB Proposal, please refer to the Consent Solicitation Announcements and the Consent Solicitation Memorandum.

## **FULFILMENT OF EB-TO-CB CONDITIONS**

The Issuer hereby confirms that the EB-to-CB Conditions as set out in the Notice of Meeting have been satisfied as (i) the requisite approval by HSH Shareholders, HSH A Shareholders and HSH D Shareholders at the HSH General Meeting, HSH A Shares Class Meeting and HSH D Shares Class Meeting have been received, (ii) the Privatisation Pre-Conditions and Privatisation Conditions have been satisfied, (iii) the Scheme became effective, (iv) the applicable filings and/or approvals with or from the China Securities Regulatory Commission and (if any) other relevant PRC governmental or regulatory authorities which are required to be completed or obtained prior to the EB-to-CB Proposal taking effect have been completed and obtained, (v) the Listing Committee of the Stock Exchange has approved the listing of, and permission to deal in, the HSH H Shares (including the HSH H Shares to be issued pursuant to the conversion of the Bonds) on the Stock Exchange, and (vi) the conditions imposed by the Stock Exchange on the EB-to-CB Proposal have been satisfied.

## **COMPLETION OF EB-TO-CB AND CHANGE OF GUARANTOR**

Pursuant to the Extraordinary Resolution and given the satisfaction of the EB-to-CB Conditions:

- (a) the EB-to-CB Proposal became effective on Wednesday, 23 December 2020;
- (b) the EB-to-CB Proposal Documents, namely the Second Supplemental Trust Deed, the Second Supplemental Agency Agreement, the Second Supplemental Onshore Deed of Guarantee and Second Deed of Termination and Release in respect of the amendments relating to the EB-to-CB Proposal have been executed by the Issuer, the New Guarantor, HSH and The Hongkong and Shanghai Banking Corporation Limited, as applicable, on 23 December 2020; and
- (c) the EB-to-CB has been completed and accordingly:
  - (i) the Bonds are solely guaranteed by HSH and,
    - (1) the guarantee obligations of the New Guarantor in respect of the Bonds, the Trust Deed (as amended) and the Agency Agreement (as then

- amended) as provided in the New Guarantor Deed of Guarantee have been released and discharged by the Second Deed of Termination and Release; and
- (2) the other obligations of the New Guarantor in respect of the Bonds, the Trust Deed (as amended) and the Agency Agreement (as amended) as provided in the Conditions, the Bonds, the Trust Deed (as amended) and the Agency Agreement (as amended) have been released and discharged by the Second Deed of Termination and Release, the Second Supplemental Trust Deed and/or the Second Supplemental Agency Agreement, as applicable; and
  - (3) the related amendments to the Conditions with respect to provision of financial statements, activities of the New Guarantor, redemption for tax reasons, the definition of "Change of Control" (as amended) and the definition of "Relevant Jurisdiction" (as amended) and the Event of Default have been implemented; and
- (ii) the Exchange Right to exchange the Bonds for the Exchange Property have been replaced with the right to convert the Bonds into HSH H Shares and,
- (1) the mechanism for exchange, definition and adjustment of Exchange Property and general offer in the Conditions have been 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;
  - (2) 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
  - (3) the initial conversion price of the Bonds before the Initial Adjustment Date reflects the combined effect of (A) the relevant exchange price of the Bonds as at the effective date of the EB-to-CB Proposal 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 at the date of this announcement, HK\$7,993,000,000 in aggregate principal amount of the Bonds remains outstanding. The initial conversion price of the Bonds is approximately HK\$19.5961.

Harvest International Company  
Board of Directors

Hong Kong, 23 December 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, LIN Sui, CHIEN Da-Chun, DAI Deming and WONG Hak Kun.*