

Haier Smart Home Co., Ltd.



WKN: A2JM2W ISIN: CNE1000031C1 Land: China

Nachricht vom 05.03.2021 | 22:19

Haier Smart Home Co.,Ltd.: Announcement on the Scheme of Repurchase of a Portion of A-Share Public Shares

Haier Smart Home Co.,Ltd. / Third country release according to Article 50 Para. 1, No. 2 of the WpHG [the German Securities Trading Act]

05.03.2021 / 22:19

Dissemination of a Post-admission Duties announcement according to Article 50 Para. 1, No. 2 WpHG transmitted by DGAP - a service of EQS Group AG.

The issuer is solely responsible for the content of this announcement.

Announcement on the Scheme of Repurchase of a Portion of A-Share Public Shares

Qingdao / Shanghai / Frankfurt, 05 March 2021 - Pursuant to the Company Law of the PRC (the "**PRC Company Law**"), Securities Law of the PRC, Listing Rules on Listing of Shares on Shanghai Stock Exchange, Implementation Rules on Repurchase of Shares by Listing Companies on Shanghai Stock Exchange, Opinions on Supporting the Repurchase of Shares by Listed Companies and other legal rules and regulations and the provisions prescribed under the Articles of Association of Haier Smart Home Co., Ltd. (D-Share 690D.DE, A-Share 600690.SH, H-Share 06690.HK, the "**Company**"), the Company held the 16th Meeting of 10th Session of the Board on 05 March 2021, considered and approved the Resolution of Haier Smart Home Co., Ltd relating to the Scheme of Repurchase of a Portion of A-Share Public Shares. We hereby announce the relevant information as follows:

I. PURPOSE OF REPURCHASE OF A-SHARES

With our confidence in the future development prospects of the Company and the recognition of the values of the Company, after considering the Company's operating conditions, development prospects, financial conditions and future profitability and other factors, the Company intends to use its own funds to repurchase a portion of A-Share public shares by way of centralized bidding, for the purpose of implementing the Company's employee share ownership plans or equity incentive, so that we can further improve the Company's governance practice and establish the long-term incentive mechanism, so as to ensure the implementation of our long-term strategies and facilitate the conformity of interests and sharing of benefits of all shareholders and enhance the overall values of the Company.

II. SCHEME OF REPURCHASE OF A-SHARES

1. Method and usage of repurchase of A-Shares

The method of this repurchase of shares of the Company is to repurchase the A-Shares of the Company by way of centralized bidding on the Trading System of Shanghai Stock Exchange.

The repurchased shares shall be used in entirety to implement the Company's equity incentive scheme and/or employee share ownership plans. In the event that the Company is unable to fulfill the above-mentioned purpose within 36 months upon the completion of share repurchase, the unused portion shall be cancelled upon performing the relevant procedures.

2. Price or price range and pricing principles of repurchase of A-Shares

According to the Detailed Rules for Implementation of Share Repurchase by Listed Companies promulgated by the Shanghai Stock Exchange, such repurchase price must not exceed 150% of the average trading price of shares within 30 trading days prior to approval of this repurchase resolution by the Board, therefore, it is determined that the repurchase price will not be more than RMB46 per share. The exact repurchase price will be determined subject to factors such as stock price in the secondary market, the financial and operational situation of the Company.

From the date of approving the resolution by the Board until the completion of the repurchase, in the event that the Company implements dividend distribution, bonus shares, capital reserve fund

conversion into additional capital, share sub-division, share reduction, allotment and other matters such as ex-right and ex-dividend related matters, the upper limit of the repurchase price will be correspondingly adjusted according to the relevant requirements of China Securities Regulatory Commission and Shanghai Stock Exchange from the date of the ex-right and ex-dividend of share price.

3. Total capital and source of capital intended for the purpose of repurchase of A-Shares

The repurchase amount shall not exceed RMB4.0 billion and not less than RMB2.0 billion, the source of capital is from the Company's own funds.

4. Category, quantity and percentage of total share capital for the shares proposed to be repurchased

The category of the shares to be repurchased is the A-Shares issued by the Company. Based on the calculation for the upper limit of repurchase amount and the upper limit of repurchase price, the upper limit of the number of shares intended for repurchase is 86.96 million shares, amounting to approximately 0.94% of the total share capital of the Company. The specific number of shares to be repurchased is to be determined upon the expiry of repurchase period.

From the date of approving the resolution by the Board until the completion of the repurchase, in the event that the Company implemented dividend distribution, bonus shares, capital reserve fund conversion into additional capital increase, share sub-division, share reduction, allotment and other matters such as ex-right and ex-dividend, the number of shares repurchased will be correspondingly adjusted according to the relevant requirements of China Securities Regulatory Commission and Shanghai Stock Exchange from the date of ex-right and ex-dividend of share price.

5. Period of repurchase of shares

The period of this repurchase is within 12 months from the date the board approved the resolution of repurchase of shares.

If the following conditions are triggered during the repurchase period, the repurchase period shall expire early in advance, that is, the implementation of repurchasing scheme is completed:

(1) If the amounts of shares repurchased during the aforesaid period reached the upper limit of RMB4.0 billion, then the implementation of the scheme of repurchase of shares is completed, the period of repurchase shall expire earlier from that date.

(2) In the event that the amounts of shares repurchased reached the lower limit of RMB2.0 billion, if according to the needs of the market conditions and equity incentive/employee share ownership plans, the board of the Company has decided to terminate this scheme of repurchase of shares earlier, then the period of repurchase shall expire earlier from the date the board approved the resolution.

The Company shall make decision on the repurchase according to the market conditions during the period of repurchase and implements it according to law.

6. Expected changes of the Company's shareholding structure upon the completion of the repurchase

According to the upper limit at an amount of RMB4.0 billion and lower limit at an amount of RMB2.0 billion for the share repurchase, as well as the upper limit of repurchase price at RMB46 per share, the corresponding upper limit and lower limit of repurchase share number are 86,956,522 shares and 43,478,261 shares, respectively. Based on the latest shareholding structure on 28 February 2021, assuming the repurchased shares shall be fully used for equity incentive and/or employee share ownership plans and are fully targeted, then it is estimated that the Company's total share capital and changes in share capital structure after the repurchase and share transfer are as follows:

Estimation based on the upper limit of the number of repurchased shares of 86,956,522 shares:

Share category	Nature of shares	Before repurchase		After repurchase	
		Number of shares (shares)	Percentage (%)	Number of shares (shares)	Percentage (%)
Domestically listed	Tradable shares with restricted conditions	/	0.00	86,956,522	0.94
domestic shares (A-Shares)	Unrestricted tradable shares	6,308,552,654	67.94	6,221,596,132	67.01
	Total	6,308,552,654	67.94	6,308,552,654	67.94
Overseas listed	Total	271,013,973	2.92	271,013,973	2.92

foreign shares (D-Shares)					
Overseas listed foreign shares (H-Shares)	Total	2,705,328,441	29.14	2,705,328,441	29.14
Total shares		9,284,895,068	100.00	9,284,895,068	100.00

Estimation based on the lower limit of the number of repurchased shares of 43,478,261 shares:

Share category	Nature of shares	Before repurchase Number of shares (shares)	Percentage (%)	After repurchase Quantity of shares (shares)	Percentage (%)
Domestically listed domestic shares (A-Shares)	Tradable shares with restricted conditions	/	0.00	43,478,261	0.47
	Unrestricted tradable shares	6,308,552,654	67.94	6,265,074,393	67.48
	Total	6,308,552,654	67.94	6,308,552,654	67.94
Overseas listed foreign shares (D-Shares)	Total	271,013,973	2.92	271,013,973	2.92
Overseas listed foreign shares (H-Shares)					
Total shares		9,284,895,068	100.00	9,284,895,068	100.00

Upon the completion of implementing the share repurchase scheme, the percentage of shares held by the public over the Company's total number of shares is still over 10% and it will not lead to the result that the Company's shareholding is not conformed with the listing conditions, hence this repurchase will not affect the listing status of the Company and will not lead to a change of the controlling right of the Company.

III. DELIBERATION ON REPURCHASE SCHEME AND AUTHORIZATION ON HANDLING MATTERS RELATED TO REPURCHASE OF SHARES

Pursuant to the relevant requirements under the PRC Company Law and the Articles of Association, as the repurchase of A-Shares shall be used for the purpose of equity incentive/employee share ownership plans, the repurchase of A-Shares is within the scope of authority for consideration of the board and is not subject to deliberation at its general meeting.

To ensure the smooth implementation of this repurchasing of shares, the Company's board of directors authorizes the Company's management to handle matters related to the share repurchase within the scope of laws and regulations and in accordance with the principle of maximum protection of the interests of the Company and shareholders. The content and scope of authorization include but are not limited to:

- (1) To authorize the management of the Company to set up a special securities account for repurchase and other related matters;
- (2) To authorize the Company's management to select an opportunity to repurchase the Company's shares in accordance with relevant regulations, including the specific time, price, quantity of repurchasing etc.;
- (3) To authorize the Company's management to make, modify, supplement, sign, submit, report, and execute the agreements, contracts and documents that occurred in the process of repurchasing of the Company's shares, and make relevant reporting;
- (4) To authorize the Company's management to adjust the specific scheme of implementation according to the relevant laws and regulations and the requirements issued by the regulatory authorities and deal with the other matters related to share repurchase.
- (5) In accordance with relevant regulations (that is applicable laws, regulations, and relevant regulations of regulatory authorities), to deal with other matters not listed above but necessary for this share repurchase are handled.

The authorization period commences from the date when the board approved this repurchase scheme and ends on the date when the aforesaid authorization matters are completed.

IV. MANAGEMENT ANALYSIS REGARDING THE IMPACT OF THIS REPURCHASE OF SHARES ON THE COMPANY'S OPERATION, FINANCE AND FUTURE SIGNIFICANT DEVELOPMENT AND THE UNDERTAKING OF ALL DIRECTORS ON THIS REPURCHASE OF SHARES WHICH WILL NOT PREJUDICE THE DEBT PERFORMANCE ABILITY AND GOING CONCERN OF THE COMPANY

As of 30 September 2020, total assets of the Company were RMB200.207 billion and monetary capital reached RMB43.972 billion, net assets attributable to the shareholders of the listed company were approximately RMB50.439 billion and the gearing ratio of the Company is 65.85%. Assuming that the upper limit of this repurchase amount is RMB4.0 billion, and based on the financial estimation on 30 September 2020, the percentage of repurchased capital over the Company's total assets is 2.0%, representing a 7.9% of net assets attributable to the shareholders of the listed company.

Based on the operation, financial and future development conditions of the Company, the Company is of the view that the upper limit amount of the repurchase of shares of RMB4.0 billion shall not have any material impact on the Company's operation, financial and future development.

All directors undertake that all directors shall be honest and act in good faith with dedication and responsibility to protect the interests of the Company and the legal interests of the shareholders and this repurchase shall not prejudice the debt performance ability and going concern of the Company.

V. EXPLANATION ON WHETHER THE CONTROLLING SHAREHOLDERS, ACTUAL CONTROLLER, DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY ARE INVOLVED IN TRADING OF SHARES OF THE COMPANY WITHIN 6 MONTHS PRIOR TO THE BOARD APPROVING THE RESOLUTION ON THE REPURCHASE OF SHARES AND WHETHER THERE WERE CONFLICTS OF INTEREST WITH THE REPURCHASE SCHEME, WHETHER THEY ACT SEPARATELY OR IN COLLUSION WITH OTHERS IN CONDUCTING INSIDER TRADING AND MANIPULATE THE MARKET AND PLANS TO INCREASE OR REDUCE THEIR SHAREHOLDINGS DURING THE REPURCHASE PERIOD

In January 2021, according to the resolution on the employee share ownership plans of the management committee, the Company handled the transfer of the employee share ownership plans. LIANG Haishan, TAN Lixia, WANG Peihua, MING Guoqing, GONG Wei and MING Guozhen who currently serves as a director, supervisor and senior management were vested 647,127 shares, 517,702 shares, 21,334 shares, 13,938 shares, 88,180 shares and 51,202 shares, respectively (please refer to the announcement of the Company dated 28 January 2021). Such transfer has no conflicts of interest with the repurchase plan, nor has any insider trading and market manipulation act. On 28 January 2021, Haier International Co., Limited, being a subsidiary of Haier Group Corporation, purchased 992,337 shares of D-Shares of the Company. Save as disclosed, there was no trading of shares of the Company by the controlling shareholders, actual controller, directors, supervisors and senior management of the Company within 6 months prior to the board approving the resolution on the repurchase of shares (If the terms of office of the directors, supervisors and/or the senior management of the Company is less than 6 months, then the trading of shares disclosed herein refers to the conditions from the date when their terms of office become effective until the date when the Board approved the resolution on the repurchase of shares). There were no conflicts of interest with the repurchase plan or any separate act or in collusion with others in conducting insider trading and manipulate the markets by the controlling shareholders, actual controller, directors, supervisors and senior management of the Company.

The controlling shareholders, actual controller, directors, supervisors and senior management of the Company do not have any plans to increase or reduce their shareholdings for the time being during the repurchase period. If they intend to implement any plans in future to increase or reduce their shareholdings, the Company shall perform its information disclosure obligations in a timely manner according to the relevant requirements in due course.

VI. THE COMPANY HAS MADE INQUIRIES OF THE SPECIFIC SITUATION WHETHER THE DIRECTORS, CONTROLLING SHAREHOLDERS, ACTUAL CONTROLLERS, SHAREHOLDER HOLDING MORE THAN 5% OF THE SHARES HAVE PLANS TO REDUCE THEIR HOLDINGS OF SHARES IN NEXT 3 MONTHS AND NEXT 6 MONTHS.

The Company has issued enquiry letters to the directors, supervisors, senior management, controlling shareholders, actual controllers, shareholders holding more than 5% of the shares to check whether they have plans to reduce their holding of shares in next 3 months and next 6 months. All directors, supervisors, senior management, controlling shareholders, actual controllers, shareholders holding more than 5% of the shares have replied to the Company that as at the date when the board adopted the resolution on the scheme of share repurchase, they had no plans to reduce their holdings of shares in next 3 months and next 6 months. If they have relevant plans, the disclosure procedures will be conducted according to the regulations.

VII. RELEVANT ARRANGEMENTS TO CANCEL OR TRANSFER REPURCHASED SHARES ACCORDING TO LAW

The shares of this repurchase shall be fully used for the purpose of implementing the Company's equity incentive scheme and/or employee share ownership plans. If the Company is unable to fulfill the abovementioned purposes within 36 months upon the completion of the repurchase of shares, the

unused portion shall be cancelled by performing relevant procedures. The Company will then perform its information disclosure obligations in a timely manner according to the specific implementation status.

VIII. RELEVANT ARRANGEMENTS TO PREVENT JEOPARDISING CREDITORS' INTERESTS

If this repurchase of shares is unable to be fully used for the purpose of equity incentive scheme and/or employee share ownership plans within 36 months upon the completion of the repurchase of shares, then the unused portion shall be cancelled by performing relevant procedures and the registered capital of the Company shall be reduced. the Company shall then perform creditors' notification and other procedures according to the requirements under the Company Law and other rules and regulations.

IX. OPINIONS OF INDEPENDENT DIRECTORS IN RELATION TO ISSUES SUCH AS THE COMPLIANCE, NECESSITY, JUSTIFICATION AND FEASIBILITY OF THE SCHEME OF REPURCHASE OF A-SHARES

1. This repurchase of the Company is legal and in compliance with the regulations. The scheme of repurchase of a portion of A-Share public shares of the Company is in compliance with the relevant requirements under the PRC Company Law, Circular on Diligent Study and Implementation of the Decision of the Standing Committee of the National People's Congress on Amendments to the Company Law of People's Republic of China, Implementation Rules on Repurchasing of Shares by Listed Companies on Shanghai Stock Exchange and Opinions on Supporting Listed Companies to Repurchase Shares and other legal regulations. The voting procedures of the board are complied with the legal regulations and the relevant requirements of the Articles of Association of the Company.

2. The Company continues to finance the repurchase of shares of the Company from its own funds, and shall constantly be used for the purpose of implementing the Company's equity incentive scheme and/or employee share ownership plans in a bid to further improve the Company's governance structure and build innovative long-term incentive and binding mechanism of management stock-holding in order to ensure the achievement of our long-term business target and advancement of conformity of interests and sharing of benefits for the shareholders in general and enhancement of the overall values of the Company.

3. The maximum amount of capital intended to be used for this repurchase shall not exceed RMB4.0 billion, the source of capital is financed by the Company's own funds. This repurchase will not have any significant impact the operation, financial and future development of the Company and will not affect the listing status of the Company.

In summary, the independent directors of the Company are of the view that this repurchase of public shares is legal and in compliance with the relevant regulations and not only is it necessary, but also feasible and is in line with the interests of the Company and the shareholders as a whole, without prejudice to the interest of minority shareholders.

X. SITUATIONS AND RELATED ARRANGEMENTS FOR OPENING A SPECIAL ACCOUNT FOR REPURCHASE

According to the requirements prescribed under the Detailed Rules for Implementation of Share Repurchase by Listed Companies on the Shanghai Stock Exchange, the Company will open a special securities account for repurchase with Shanghai Branch of China Securities Depository and Clearing Co., Ltd. The special securities account for repurchase will be used only for the purpose of repurchasing shares of the Company.

XI. UNCERTAINTY RISK OF REPURCHASE SCHEME

1. After being approved by the Board of the Company upon consideration, this repurchase is still subject to the risk that the repurchase scheme is unable to implement due to the share price of the Company continuously exceeding the upper price limit as disclosed under the repurchase scheme.

2. If there are major events that have significant impacts on the Company's stock trading price or the board decides to terminate the repurchase plan and other matters, the repurchase plan will not be implemented smoothly.

3. This repurchase is subject to the risk that the repurchased shares may be unable to be fully transferred as a result of the equity incentive scheme or employee share ownership plans failing to be adopted upon consideration at the board meeting and general meeting of the Company and other decision-making authorities and reasons for giving up the subscription of equity incentive items. Hence it is subject to the risk that the repurchased shares may be unable to be transferred into equity incentive scheme or employee share ownership plans upon the expiration of validity period for treasury stock in special accounts for repurchase.

4. This repurchase is subject to the risk that the repurchase scheme may be altered or terminated

in accordance with the rules owing to material changes of the Company's production operation, financial situation, external objective circumstance and other reasons.

All investors are cordially reminded to perform rational investment and pay attention to investment risks.

The Board of Directors

Haier Smart Home Co., Ltd.

05.03.2021 The DGAP Distribution Services include Regulatory Announcements, Financial/Corporate News and Press Releases.
Archive at www.dgap.de

Language:	English
Company:	Haier Smart Home Co.,Ltd. Haier Industrial Park, Laoshan District 266101 Qingdao China
Internet:	www.haier.net

End of News

DGAP News Service

DGAP – ein Service der EQS Group AG

[Twitter](#) | [Impressum](#) | [AGB](#) | [Datenschutzhinweise](#) | [Cookie-Richtlinie](#)