

Stock Code: 600690

Stock Name: Haier Smart Home

No.: L2019-076

Convertible Bond Code: 110049

Convertible Bond Name: Haier Convertible Bonds

Convertible Stock Code: 190049

Convertible Stock Name: Haier Converted Stocks

Haier Smart Home Co., Ltd.

Announcement on Resolutions of the 5th Meeting of the Tenth Session of the Supervisory Committee

The Supervisory Committee of the Company and all the members warrant that there are no false representations, misleading statements and material omissions in this announcement, and are severally and jointly responsible for the authenticity, accuracy and completeness of the content herein.

The 5th Meeting of the Tenth Session of the Supervisory Committee of Haier Smart Home Co., Ltd. was convened in the afternoon of 21 November 2019 by way of conference calls, with the due count of the supervisors being 3 and the actual count being 3, representing 100% of the total supervisors of the Company, which was in compliance with the requirements under the *Articles of Association*, and the senior management of the Company attended the meeting. Notice of the meeting was dispatched by Email on 20 November 2019, and the notification and convening the meeting complied with the requirements under the *Company Law* and the *Articles of Association*. The Meeting was held by Mr. Wang Peihua, the chairman of the Supervisory Committee. The following resolutions have been considered and approved after prudent review of the attending supervisors:

Consideration and Approval of the Proposal of Haier Smart Home Co., Ltd. on Capital Increase by Haier Group to the Subsidiaries of the Company and Related-Party Transaction (Poll Results: For: 3; Against: 0; Abstain: 0)

In order to solve the issues of defective land and real estate of Hefei Haier Air-conditioning Co., Ltd. (hereinafter referred to as "Hefei Air-conditioning"), Hefei Haier Plastics Co., Ltd. (hereinafter referred to as "Hefei Plastic"), Wuhan Haier Freezer Co., Ltd. (hereinafter referred to as "Wuhan Freezer") and Wuhan Haier Electric Appliance Co., Ltd. (hereinafter referred to as "Wuhan Air-conditioning"), subsidiaries of Haier Smart Home (hereinafter referred to as "Haier Smart Home", "Listed Company" or the "Company"), and earnestly implement the relevant

Note: This Document has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

commitments issued by Haier Group Corporation (hereinafter referred to as "Haier Group") and Haier Smart Home on solving the defective property rights, Hefei Air-conditioning, Hefei Plastic, Wuhan Freezer and Wuhan Air-conditioning intends to make a private placement of registered capital to Haier Group for purchasing the relevant lands held by Haier Group in Hefei and Wuhan (hereinafter referred to as the "Transaction"). Upon completion of the Transaction, Hefei Air-conditioning, Hefei Plastic, Wuhan Freezer and Wuhan Air-conditioning will remain as the partially owned subsidiaries of Haier Smart Home.

The specific transaction plan is as follows:

1. Haier Group intends to increase the capital of Hefei Air-Conditioning with the land of 60,158.97 square meters (corresponding to 90.24mu) and 23,217.60 square meters (corresponding to 34.83mu) space for the plant of Hefei Air-Conditioning corresponded to the land use right of He Jing Kai Guo Yong (2008) No. 090 held by Haier Group. According to the historical commitments of Haier Group and relevant asset evaluation reports and through friendly consultation of all parties, the total amount of the capital increase is RMB12,229,500, of which RMB94,600 is recorded in the registered capital of Hefei Air-Conditioning and RMB12,134,900 is recorded in the capital reserve of Hefei Air-Conditioning. According to the historical commitments of Haier Group, the capital increase of 90.24 mu Hefei land is RMB1,804,800 (namely only RMB20,000/mu based on the historical commitments), and the relevant taxes involved in the capital injection shall be actually undertaken by Hefei Air-Conditioning.

2. Haier Group intends to increase the capital of Hefei Plastic with the land of 65,977.10 square meters (corresponding to 98.96 mu) for the plant of Hefei Plastic corresponded to the land use right of He Jing Kai Guo Yong (2008) No. 090 held by it. According to the relevant asset evaluation report and through friendly consultation of all parties, the amount of capital increase is RMB29,689,700, of which RMB7,366,100 is recorded in the registered capital of Hefei Plastic, and RMB22,323,600 is recorded in the capital reserve of Hefei Plastic.

3. Haier Group intends to increase the capital of Wuhan Freezer with the land 57,779.45 square meters (corresponding to 86.66 mu) for the plant of Wuhan Freezer corresponded to the land use right of Wu Kai Guo Yong (2015) No. 48 held by it. According to relevant asset evaluation report and through friendly consultation of all

Note: This Document has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

parties, the amount of capital increase is RMB41,774,500, of which RMB7,130,200 is recorded in the registered capital of Wuhan Freezer, and RMB34,644,300 is recorded in the capital reserve of Wuhan Freezer.

4. Haier Group intends to increase the capital of Wuhan Air-Conditioning with the land 68,115.72 square meters (102.17 mu) for the plant of Wuhan Air-Conditioning corresponded to the land use right of Wu Kai Guo Yong (2015) No. 48 held by it. According to the historical commitment of Haier Group, the capital increase of 102.17 mu Wuhan land, Haier Group intends to inject in Wuhan Air-Conditioning this time, is RMB1,532,600 (namely only RMB15,000/mu based on the historical commitments), and the relevant taxes involved in the capital injection shall be actually undertaken by Wuhan Air-Conditioning.

As of the date of this meeting, the appraisal report on relevant assets of Wuhan Air-Conditioning remains to be filed and confirmed by the state-owned assets supervision and administration department; the capital increase of Wuhan Air-Conditioning remains to be approved by the Shareholders' General Meeting of Wuhan Air-Conditioning and the state-owned assets supervision and administration department (if necessary); and it remains to be further communicated and negotiated with the relevant shareholders and the competent state-owned assets supervision and administration department on whether other shareholders of Wuhan Air-Conditioning, including Wuhan State-Owned Assets Management Limited Company, Wuhan Construction Investment Company Limited and Wuhan Urban Collective & Cooperative Industrial Center, shall synchronously participate in the capital increase. In order to improve the transaction efficiency, the Chairman of the Company has been authorized by the Board of Directors to further carry out the follow-up matters of the capital increase to Wuhan Air-Conditioning, including but not limited to negotiating with relevant parties and execution of relevant legal documents, for a term until the completion of Capital Increase by Haier Group to Wuhan Air-Conditioning and the completion of land and property change procedures.

Haier Group is the de facto controller of Haier Smart Home. Pursuant to the *Listing Rules*, Haier Group is the related party of Haier Smart Home, so the Transaction constitutes a Related-party Transaction with the Company.

According to the *Shanghai Stock Exchange Implementing Guidelines for Related Transactions of Listed Companies* (《上海证券交易所上市公司关联交易实施指引》)

Note: This Document has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

(Shang Zheng Gong Zi (2011) No.5) (hereinafter referred to as the “*Implementing Guidelines for Related Transactions*”), this related transaction does not constitute the major related transaction under the *Implementing Guidelines for Related Transactions*.

The total amount of non-routine related party transactions between the Company and Haier Group within the 12 months prior to the date of this meeting that have not been reviewed by the Shareholders Meeting of the Company and this related party transaction accounted for less than 5% of the latest audited net assets of the Company. In accordance with the Listing Rules, the Guidelines for the Implementation of Related Party Transactions and the Articles of Association of Haier Smart Home, the Transaction is not required for submission to the Shareholders Meeting of the Company for review.

The book value of the underlying assets or the transaction amount (whichever is higher) of the Transaction accounts for less than 50% of the total assets and net assets of Haier Smart Home audited in the last accounting year, not meeting the standards for material asset restructuring as stipulated in the *Measures for the Administration of Material Asset Restructuring of Listed Companies*. Therefore, the Transaction does not constitute a material asset restructuring.

To ensure the orderly implementation of the above-mentioned transactions, the Board of Directors of the Company intends to authorize the Chairman of the Company to sign relevant legal documents related to the above-mentioned transactions, such as the aforementioned Capital Increase Agreement, and authorize relevant personnel to handle matters related to the aforementioned transaction.

For details of this proposal, please refer to the *Announcement of Haier Smart Home Co., Ltd. on Capital Increase by Haier Group to the Subsidiaries of the Company and Related-Party Transaction* (No.: L2019-078) published on the same day of this announcement.

It is hereby notified the above.

The Supervisory Committee of Haier Smart Home Co., Ltd.

21 November 2019

Note: This Document has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.