

**Authentication Report of Qingdao Haier Co., Ltd. On Pre-investment in Investment  
Projects Financed by Proceeds with Self-raised Funds**

**Hexin Zhuan Zi. (2019) No.000188**

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**Shandong Hexin Certified Public Accountants LLP**

29 April 2019

## **Authentication Report of Qingdao Haier Co., Ltd. on Pre-investment in Investment Projects Financed by Proceeds with Self-raised Funds**

**Hexin Zhuan Zi. (2019) No.000188**

### **To all shareholders of Qingdao Haier Co., Ltd.:**

Commissioned by your company, we conducted special authentication over annexed *Special Explanation of Qingdao Haier Co., Ltd. on Pre-investment in Investment Projects Financed by Proceeds with Self-raised Funds* (hereinafter referred to as *Special Explanation on Pre-investment in Investment Projects Financed by Proceeds with Self-raised Funds*) prepared by the management of Qingdao Haier Co., Ltd. (Hereinafter referred to as Qingdao Haier).

### **I. Responsibilities of the management**

Responsibilities of the management of Qingdao Haier are to prepare *Special Explanation on Pre-investment in Investment Projects Financed by Proceeds with Self-raised Funds* in accordance with *Regulatory Directives for Listed Companies No.2---Regulatory Requirements for Management and Use of Capital Raised by Listed Companies* of China Securities Regulatory Commission and *Administrative Measures for Capital Raised by Listed Companies of Shanghai Stock Exchange* of Shanghai Stock Exchange and requirements of relevant format directives, and to ensure contents to be authentic, accurate and complete and be free from fraud representations, misleading statements and material omissions.

### **II. Responsibilities of certified public accountants**

Our responsibility is to issue authentication opinions over *Special Explanation on Pre-investment in Investment Projects Financed by Proceeds with Self-raised Funds* prepared by the management of Qingdao Haier on the basis of implementing authentication works. We executed authentication works in accordance with rules of principles of *Other Authentication Business Principles No.3101 of Certified Public Accountants of China---Authentication Businesses Other Than Auditing and Reviewing of Historical Financial Information*. Such principles require us to plan and implement authentication works to obtain assurance over whether information of authentication objects contains material

misrepresentations. During the process of executing authentication works, we implemented authentication procedures we believe necessary such as understanding, inquiring, inspecting and re-calculating. We believe that, our authentication works provide reasonable foundation for expressing opinions.

### **III. Authentication opinions**

We believe that, *Special Explanation on Pre-investment in Investment Projects Financed by Proceeds with Self-raised Funds* prepared by the management of Qingdao Haier has been prepared in accordance with *Regulatory Directives for Listed Companies No.2---Regulatory Requirements for Management and Use of Capital Raised by Listed Companies* of China Securities Regulatory Commission and *Administrative Measures for Capital Raised by Listed Companies of Shanghai Stock Exchange* of Shanghai Stock Exchange and relevant format directives, and faithfully reflects information of Qingdao Haier on pre-investment in investment projects financed by proceeds with self-raised funds from 1 January 2019 to 19 April 2019 in terms of all material aspects.

### **IV. Restrictions over users of the report and purpose of use**

This special report is only for the use of Qingdao Haier with the purpose of replacing self-raised funds of pre-investment in investment projects financed by proceeds with capital raised, without written consent from our accountant firm, it shall not be used for other purposes. The consequences caused by misuse should be irrelevant to certified public accountants and out firm which executed the authentication business.

**Shandong Hexin Certified Public Accountants LLP    Certified Public Accountant: Wang Hui**

**Jinan, China**

**Certified Public Accountant: Wang Lin**

**29 April 2019**

## Special Explanation of Qingdao Haier Co., Ltd. on Pre-investment in Investment Projects Financed by Proceeds with Self-raised Funds

According to *Regulatory Directives for Listed Companies No.2---Regulatory Requirements for Management and Use of Capital Raised by Listed Companies* of China Securities Regulatory Commission and *Administrative Measures for Capital Raised by Listed Companies of Shanghai Stock Exchange (Revised in 2013)* of Shanghai Stock Exchange and related rules of relevant format directives, special explanations of detailed information of Qingdao Haier Co., Ltd. (hereinafter referred to as Qingdao Haier) of pre-investment in investment projects financed by proceeds with self-raised funds are as follows:

### **I. Basic information of capital raised**

With approval from China Securities Regulatory Commission (hereinafter referred to as “CSRC”) of *Approval on Verifying and Approving Public Issuance of Convertible Corporate Bonds of Qingdao Haier Co., Ltd.* (Zheng Jian Xu Ke [2018] No.1912), Qingdao Haier is approved to issue convertible corporate bonds with a total nominal value of RMB3,007.49 million, the issuing price is RMB100 per piece, and they are issued in accordance with nominal value with a term of six years. As of 24 December 2018, the public issuance of A share convertible corporate bonds totally raised capital of RMB 3,007,490,000.00. After deducting sponsor and underwriting fees of RMB23,909,545.50, all capital raised of totally RMB2,983,580,454.50 has been remitted into the regulation account for capital raised of Qingdao Haier. Totally RMB3,555,700.00 of other issuance expenses such as attorney fee, accountant, credit rating, information disclosure, registration service and issuance handling fee have not been deducted from the aforesaid capital raised, after deducting the aforesaid issuance expenses from the actually received capital raised, the net amount of actual capital raised of Qingdao Haier’s public issuance of convertible corporate bonds is RMB2,980,024,754.50. The status of being in place of the aforesaid capital raised has been verified by Shandong Hexin Certified Public Accountants LLP with capital verification report Hexin Yan Zi. (2018) No.000090 being issued.

### **II. Information of undertakings on investment projects financed by proceeds**

According to the *Instruction Manual of Public Issuance for Fundraising with*

*Convertible Corporate Bonds*, investment projects financed by proceeds and use plan of capital raised are as follows: (Unit of amount: RMB0'000):

Serial No.	Name of project	Main data of feasibility report (RMB0'000)		
	Name of pre-plan announcement	Total investment	Capital to be raised	Self-raised portion
1	Annual production of 500 thousand high-end special refrigerator project	61,644	52,420	9,224
2	Air-conditioner production base smart manufacturing upgrading project of Haier (Zhengzhou) innovation industrial park	12,827	7,800	5,027
3	Air-conditioner smart manufacturing upgrading project of Haier Jiaozhou innovation industrial park	12,114	8,800	3,314
4	Newly increased 2 million sets of energy-saving environment protection air-conditioner project of Hefei Haier Air-conditioner Co.,Ltd.	25,864	20,864	5,000
5	High-end central air-conditioner with annual production of 1.5 million air-conditioner project	45,197	37,314	7,883
6	Construction project of PCBA computer board Tianjin Plant	6,868	5,395	1,473
7	Construction project of PCBA computer board Hefei plant	23,596	18,529	5,067
8	Haier kitchen appliance new plant project	41,303	30,110	11,193
9	Haier kitchen appliance Laiyang new plant project	30,363	27,620	2,743
10	Russia Front Loading Washing Machine Manufacturing Base Project	39,574	34,058	5,516
11	Vietnam Front Loading Washing Machine Production Center Project	15,939	12,751	3,188
12	Advanced research and development laboratory construction project of smart home appliance	10,621	10,621	-
13	Industrial smart research institute construction project	35,000	31,500	3,500
14	Smart family operating system (U+) based on natural interaction and cloud brain construction project	38,424	2,967	35,457
	<b>Total</b>	<b>399,335</b>	<b>300,749</b>	<b>98,586</b>

### III. Information of pre-investment in investment projects financed by proceeds with self-raised funds

From 1 January 2019 to 19 April 2019, the amount that Qingdao Haier intends to replace pre-investment in investment projects financed by proceeds with self-raised funds was totally RMB102.52 million, and detailed information of the investment is as follows:

(Unit of amount: RMB0'000):

<b>Serial No.</b>	<b>Name of project</b>	<b>Total investment</b>	<b>Amount of investment with self-raised funds</b>	<b>The amount to be replaced this time</b>
1	Russia Front Loading Washing Machine Manufacturing Base Project	39,574	7,564	7,564
2	Vietnam Front Loading Washing Machine Production Center Project	15,939	2,688	2,688
	<b>Total</b>	<b>55,513</b>	<b>10,252</b>	<b>10,252</b>

#### **IV. Information of approval of replacing self-raised funds pre-invested in investment projects financed by proceeds with capital raised**

The issue of Qingdao Haier's replacing self-raised funds pre-invested in investment projects financed by proceeds with capital raised has been reviewed and passed at the 27<sup>th</sup> meeting of the ninth session of the board of directors of Qingdao Haier on 29 April 2019.

**Qingdao Haier Co., Ltd.**

**29 April 2019**