

Stock Name: Haier Smart Home

Stock Code: 600690

No.:L2019-055

Convertible Bonds Name: Haier Convertible Bonds

Convertible Bonds Code: 110049

Convertible Stock Name: Haier Convertible Stock

Convertible Stock Code: 190049

Haier Smart Home Co., Ltd.

Announcement on the Signing of the Tetragonal Supervision Agreement on Special-account Deposits for Raised Funds

The Board of Directors of the Company and all members of the Board 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.

I. Basic Information of Raised Funds

As approved by the China Securities Regulatory Commission (hereinafter referred to as “CSRC”) (Zheng Jian Xu Ke [2018] No.1912), Haier Smart Home Co., Ltd. (previously known as Qingdao Haier Co., Ltd., hereinafter referred to as the “ Company”) has publicly issued 30,074,900 Convertible Corporate Bonds in a par value of RMB100. The total amount of raised funds in this Issuance is RMB 3,007.49 million, and the net raised funds is RMB 2,983,580,500 after deducting the sponsor's fees and the underwriting fees and other expenses relating to the Issuance. The above raised funds was fully put in place on 24 December 2018, Shandong Hexin Accountants LLP has verified the remittance of the raised funds and issued a Capital Verification Report (Hexin Yanzi (2018) No. 000090). The Company has adopted a special-account deposits system for raised funds.

II. The Signing of the Trilateral Supervision Agreement on Special-account Deposits of Raised Funds and the Opening of Special-account of Raised Funds

On 28 December 2018, the Company and the Sponsor Institution, China International Capital Corporation Limited (hereinafter referred to as “CICC” or “Party C”) , China Construction Bank Corporation Qingdao Haier Road Sub-branch (hereinafter referred to as “CCB Haier Road Sub-branch”) and Bank of China Limited Qingdao Branch (hereinafter referred to as “BOC Qingdao Branch”) (CCB Haier Road Sub-branch and BOC Qingdao Branch are collectively referred to as “Party B”) entered into the Trilateral Supervision Agreement on Special-account Deposits for Raised Funds (hereinafter referred to as “Trilateral Agreement”) , for details, please refer to the Announcement on the Signing of the Trilateral Supervision Agreement on Special-account Deposits for Raised Funds of Qingdao Haier Co., Ltd.(L-2019-001) disclosed on 3 January 2019. The opening of the special-account for raised funds and deposits of the Company in this Issuance are as follows:

Unit: RMB

No.	Opening Bank	Account-opening Unit	Bank Account	Account Balance
1	CCB Haier Road Sub-branch	Qingdao Haier Co., Ltd	37150198551000000640	1,503,746,923.92
2	BOC Qingdao Branch		244237870606	1,479,833,530.58
Total				2,983,580,454.50

III. The Signing of the Tetragonal Supervision Agreement on Special-account Deposits of Raised Funds and the Opening of Special-account of Raised Funds

In order to regulate the management and use of the raised funds of the Company in this Issuance and protect the interests of small and medium investors, the Company (Party A1) , the implementing entity of raised funds project (Party A2, together with "Party A1" are collectively referred to as "Party A" or the "Company"), the Sponsor Institution, China International Capital Corporation Limited (hereinafter referred to as “CICC” or “Party C”) , China Construction Bank Corporation Qingdao Haier Road Sub-branch and Bank of China Limited Qingdao Branch, Bank of China (Hong Kong) Hochiminh City Sub-branch (hereinafter referred to as "BOC Hochiminh City Sub-branch") and Industrial and Commercial Bank of China (Moscow) Limited

(hereinafter referred to as "ICBC Moscow Sub-branch") (CCB Haier Road Sub-branch, BOC Qingdao Branch, BOC Hochiminh City Sub-branch and ICBC Moscow Sub-branch are collectively referred to as “Party B”) entered into the Tetragonal Supervision Agreement on Special-account Deposits of Raised Funds (hereinafter referred to as “Tetragonal Agreement”) according to the rules and regulations of CSRC Supervisory Guidelines No. 2 for Listed Companies—Supervisory Requirements for Management and Use of Raised Funds of Listed Companies , the Measures for the Management of Raised Funds of Listed Companies on the Shanghai Stock Exchange (revised in 2013) and the regulations of the Measures for Management of Raised Funds of Haier Smart Home Co., Ltd.. The opening of the special-account for raised funds and deposits of the Company in this Issuance are as follows:

Unit: RMB

No.	Account-opening Unit	Opening Bank	Bank Account	Account Balance(30 June 2019)	Use of funds
1	Haier Russia Washing Machine Co., Ltd.	ICBC Moscow Sub-branch	40702840500000010918 (US\$),	16,242,304.34	Project of Russia Front Loading Washing Machine Manufacturing Base
			40702810200000010918 (RUB\$)	32,468,964.58	
2	Hefei Haier Air Conditioning Electronics Co., Ltd.	CCB Haier Road Sub-branch	37150198551000000669	3,474,343.66	Project on High-End Central Air-Conditioner with Annual Production of 1.5 Million Air-Conditioners
3	Qingdao Haier (Jiaozhou) Air-conditioning Co., Limited	BOC Qingdao Branch	235138702712	/	Project on Updating of Smart Manufacturing of Air-conditioners in Haier Jiaozhou Innovation Industrial Park
4	Qingdao Haier	BOC	228639313388	/	Project on Smart

No.	Account-opening Unit	Opening Bank	Bank Account	Account Balance(30 June 2019)	Use of funds
	Technology Co., Ltd.	Qingdao Branch			Home Operating System (U+) Based on Natural Interaction and Cloud Brain
5	Qingdao Haier Special Refrigerating Appliance Co., Ltd.	BOC Qingdao Branch	210438496214	6,371,577.11	Project on Annual Production of 500 Thousand High-End Special Refrigerators
6	AQUA Electrical Appliances Vietnam Co., Ltd	BOC Hochiminh City Sub-branch	100000600301527	7,717,909.07	Project on Front Loading Washing Machine Manufacturing Base in Vietnam
7	Qingdao Haier Smart Kitchen Appliance Co., Ltd.	BOC Qingdao Branch	227338455528	28,749,923.60	Project on the New Plant for Haier Kitchen Appliance
8	Hefei Haier Air-conditioning Co., Limited	CCB Haier Road Sub-branch	37150198551000000672	3,279,210.00	The Increase of 2 Million Energy-saving and Environmental Air-conditioners of Hefei Haier Air-conditioning Co., Limited
9	Laiyang Haier Smart Kitchen Appliance Co., Ltd.	CCB Haier Road Sub-branch	37150198551000000674	12,267,641.27	Project on the New Plant for Haier Kitchen Appliance in Laiyang
10	Zhengzhou Haier Air-conditioning Co., Ltd.	CCB Haier Road Sub-branch	37150198551000000670	/	Project on Updating of Smart Manufacturing in Haier (Zhengzhou) Innovation Industrial Park Air Conditioning Manufacturing Base

IV. Main Contents of the Tetragonal Agreement

The Company signed a tetragonal agreement with CICC and Party B, the main contents of which is as follows:

I. Party A2, a wholly-owned subsidiary of Party A1, opened an Special-account of raised funds (hereinafter referred to as “Special-account”) at Party B, the bank account of which is _____, and the account balance of the Special-account is RMB_____ as of 30 June 2019. The Special-account only used for the storage and usage of raised funds to project raised funds_____ of Party A2, and is not used for other purpose.

Note: For the details of the blank, please refer to the relevant contents of aforementioned "III. The Signing of the Tetragonal Supervision Agreement on Special-account Deposits for Raised Funds and the Opening of Special-account of Raised Funds".

Party A2 can deposit part of the raised funds of Special-account Deposits of Raised Funds in fixed deposit receipt of different periods and shall notify Party C in time. Party A2 undertakes to transfer the above deposit receipt to Special-account Deposits for Raised Funds required by the Agreement upon its expiration on a timely basis so as to manage it or renew it in a manner of deposit receipt as well as to inform Party C. The deposit receipt of Party A2 shall not be pledged.

II. Both Party A and Party B shall jointly comply with the relevant laws, rules and regulations including the *Negotiable Instruments Law of the People’s Republic of China*, *Regulations of Settlement and Clearance* and *Regulations of Management of Renminbi Bank Accounts*.

III. As the sponsor of Party A1, Party C shall designate a sponsor representative or other staff to monitor the usage of the Party A’s raised funds in accordance with the relevant requirements.

Party C undertakes to perform the sponsorship responsibility for the management of Party A’s raised funds and conduct continuous supervision in accordance with the *Approach of Business Management for Securities Issuance and Listing* and the *Measures for the Management of Raised Funds of Listed Companies on the Shanghai*

Stock Exchange (revised in 2013) and the management system of raised funds formulated by Party A.

Party C may exercise its supervisory power by means of on-site investigation or written inquiry. Party A and Party B shall cooperate with Party C's investigation and inquiry. Party C shall inspect the storage situation of the Special-account while investigating Party A on site every half year.

IV. Party A authorizes the sponsor representatives designated by Party C, namely Sun Lei and Li Yang to inquire and copy the information of Party A's Special-account; Party B shall provide them with the required information about the Special-account in a timely, accurate and complete manner.

If the sponsor representatives inquire Party B about the relevant situation of Party A's Special-account, they shall issue their legal identity certificate; if other staff designated by Party C inquire Party B about the relevant situation of Party A's Special-account, they shall issue their legal identity certificate and introduction letter of the unit.

V. Party B shall issue a true, accurate and complete statement for Special-account to Party A on a monthly basis (prior to 5th day of each month), and copy it to Party C.

VI. If Party A2 withdraws more than RMB 20,000,000 in aggregate from the Special-account at one time or within 12 months, and reach 5% of the total proceeds from the issuance after deducting the issuance expenses (hereinafter referred to as the "net proceeds"), Party A2 shall promptly notify Party C and its designated sponsor representatives by fax, together with a list of expenses for the Special-account.

VII. Party C is entitled to change the designated sponsor representatives under relevant requirements. If Party C changes the sponsor representatives, the relevant supporting documents shall be notified in writing to Party B, and at the same time, the contact information of the sponsor representatives shall be notified in writing after the replacement in accordance with the requirements of Article 13 of this Agreement. The replacement of the sponsor representatives has no effect on the effectiveness of this

Agreement.

VIII. If Party B fails to issue a statement to Party A in a timely manner for three consecutive times, and if there is any situation that Party B does not cooperate with Party C's investigation on the Special-account, Party A may unilaterally terminate this Agreement on its own or at the request of Party C and close the Special-account for Raised Funds.

IX. If Party C finds out that Party A and Party B fail to fulfill this Agreement as agreed, it shall promptly report to the Shanghai Stock Exchange in writing after they have been informed of the relevant facts.

X. This Agreement shall be effective from the date of being signed and stamped with common seal of respective units by the legal representatives of Party A1, Party A2, Party B and Party C or their authorized representatives, and shall lapse from the date when the capital in the Special-account has been fully expended and the Special-account has been closed according to law.

It is hereby notified the above.

The Board of Directors of Haier Smart Home Co., Ltd.

12 July 2019

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