

Opinions Given by the Independent Directors of Haier Smart Home Co., Ltd. on the Relevant Issues at the 7th Meeting of the Tenth Session of the Board of Directors

In accordance with the relevant requirements under laws and regulations and internal bylaws such as the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, *Guiding Opinions on Establishing Independent Director System in Listed Companies* (《关于在上市公司建立独立董事制度的指导意见》) and the *Article of Association of Haier Smart Home Co., Ltd.* (hereinafter referred to as the "*Articles of Association*"), as independent directors of Haier Smart Home Co., Ltd. (hereinafter referred to as the "Company"), we give the following independent opinions on relevant proposals considered at the 7th Meeting of the Tenth Session of the Board of Directors of the Company on 28 April 2020:

(I) Independent Opinions on the *Proposal of Profit Distribution in 2019 of Haier Smart Home Co., Ltd.*

We believe that the proposal of profit distribution in 2019 is in accordance with the relevant provisions of the *Company Law*, the *Guidelines the Shanghai Stock Exchange on Cash Dividends Distribution of listed Companies*(《上市公司现金分红指引》), and the *Articles of Association* and other requirements, reflects the Company's emphasis on the reasonable return of investors, and maintains the continuity and stability of the profit distribution policy. The independent directors agreed to submit this profit distribution to the 2019 Annual General Meeting of the Company for consideration.

(II) Independent Opinions on the *Proposal on Renewing Engagement of Accounting Firm of Haier Smart Home Co., Ltd.*

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After verification, Hexin Certified Public Accountants LLP can carry out audit in fair and objective attitude, express audit opinions independently and objectively and complete various work entrusted by the Company on time in accordance with the national relevant regulations and the requirements of certified public accountants' professional norms in providing audit services to the Company. We therefore unanimously agree to employ Hexin Certified Public Accountants LLP as the financial and internal auditing institution for 2020 and pay corresponding audit fee, and agree to submit this proposal to 2019 Annual General Meeting of the Company for consideration.

(III) Independent Opinions on the *Proposal on Estimation on Day-to-day Related-party Transaction in 2020 of Haier Smart Home Co., Ltd.*

We are of the view that the related-party transactions under the *Proposal on Estimation on Day-to-day Related-party Transaction in 2020 of Haier Smart Home Co., Ltd.* are fair in price and in line with the interests of the Company and all shareholders. The consideration procedures are in compliance with relevant requirements under laws and regulations and the *Articles of Association*. It is hereby agreed to submit the proposal to the 2019 Annual General Meeting of the Company for consideration.

(IV) Special Statement on the External Guarantees of the Company and Independent Opinions on Expected Matters Related to Guarantees in 2020

According to the *Notice Concerning Some Issues on Regulating the Funds between Listed Companies and Associated Parties and Listed Companies' Provision of External Guarantees*(《关于规范上市公司与关联方资金往来及上市公司对外担保若干问题的通知》), *Notice on Regulating the External Guarantees Provided by Listed Companies* (《关于规范上市公司对外担保行为的通知》) promulgated by CSRC and *Articles of Association*, in order to regulate the funds between listed companies and related parties and the external guarantees of listed companies, we, as independent directors of the Company, on the basis of fairness and objectiveness and

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being practical and realistic, carefully checked external guarantees of the Company and gave serious consideration and analysis to the *Proposal on Prediction on Providing Guarantees for Subsidiaries in 2020 of Haier Smart Home Co., Ltd.* and relevant materials. And we believe that:

1. As of 31 December 2019, the guarantees of the Company provided to the subsidiaries are as follows:

(1) The amount of guarantees issued by the Company to the subsidiaries was RMB38.797 billion (including RMB9.322 billion for the acquisition of GE's home appliance assets business, and RMB29.475 billion for current guarantee amount), and the guarantee balance is RMB30.795 billion (including RMB6.339 billion for the acquisition of GE's home appliance assets business, RMB24.456 billion for current guarantee balance). All external guarantees provided by the Company have fulfilled the necessary approval procedures and the corresponding information disclosure obligations in accordance with relevant laws and regulations and the provisions of the *Articles of Association*.

(2) In 2019, the Company did not provide guarantees for the controlling shareholder, the actual controllers and the entities thereof, any non-legal entities or individual.

(3) In 2019, the Company and its holding subsidiaries did not have any overdue external guarantees, external guarantees involving litigation, or losses from convict of defeat of the guarantees.

On such basis, we believe that the Company strictly enforced provisions of relevant laws and regulations and the *Articles of Association* on external guarantees for listed companies and related matters in 2019. There is no non-compliance of external guarantees, and there is no harm to the interests of the Company or shareholders, especially minority shareholders.

2. In 2020, the Company intends to provide guarantees for subsidiaries applying for comprehensive credit lines to financial institutions. The maximum guarantee amount is RMB35 billion. It complies with the provisions of relevant laws and regulations and the *Articles of Association*, and is in line with the overall interests of the Company. There are no significant risks, and there is no harm to the interests of the Company or shareholders, especially minority shareholders.

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In conclusion, the Company's external guarantees for 2019 and the matters related to expected guarantees for 2020 and overall arrangements are in line with the relevant national laws, regulations and regulatory documents. We agree that the Board of Directors of the Company submits the proposals related to the above matters to the 2019 Annual General Meeting of the Company for consideration.

(V) Independent Opinions on the *Proposal on Conducting Foreign Exchange Funds Derivatives Business of Haier Smart Home Co., Ltd.*

The relevant decision-making procedures of the Company and its holding subsidiary regarding the foreign exchange derivatives business comply with requirements of the relevant national laws, regulations and the *Articles of Association*. Based on the normal production and operation and rely on the specific operation businesses, the Company applies the foreign exchange funds derivatives instruments to reduce the exchange rate risk and the exchange loss as well as control the operation risk under the normal production and operation, and does not impair the Company's and all shareholders' interests (especially the minority interests). The Company has made the *Management System of Haier Smart Home Co., Ltd. Regarding the Foreign Exchange Derivatives Transactions* and specific operating procedures for the Company engaging in foreign exchange funds derivatives business by strengthening the control and implementing risk prevention measures. It is feasible for the Company to conduct foreign exchange funds derivatives business and the risks can be controlled. It is agreed that the Company shall conduct foreign exchange funds derivatives business appropriately in accordance with the relevant requirements pursuant to the needs of business development without prejudicing the capital requirements of normal operation and capital security. We agree this session of the Board of Directors of the Company submits the above resolutions to the 2019 Annual General Meeting of the Company for consideration.

(VI) Independent Opinions on the *Proposal on Conducting Hedging Business of Bulk Raw Materials of Haier Smart Home Co., Ltd.*

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To avoid the operational risks brought by the fluctuation of price of the bulk raw materials in market, the Company, as a bulk raw materials consumer, will select appropriate financial products, trading opportunities and appropriate quantity ratio according to the actual conditions of the production and operation to conduct hedging business of bulk raw materials, which can avoid significant losses caused by abnormal changes in the basis of financial products such as spot and futures, options, etc., in line with the interests of the Company and all shareholders, and does not impair the Company's and all shareholders' interests (especially the minority interests). It is agreed that the Company shall conduct hedging business of bulk raw materials

(VII) Independent Opinions on the *Proposal on the Election of Independent Directors of Haier Smart Home Co., Ltd.*

We carefully checked the relevant matters regarding methods and procedures for nominating independent director candidates, the qualifications of nominators and the qualifications of independent director candidates. The opinions were given as follows:

We believe that, as reviewed by the nomination committee under the Board of Directors of the Company, the nomination method and procedures as well as the qualifications of the nominators on proposing Mr. Wong Hak Kun as the proposed independent directors of the 10th session of the Board of Directors comply with the relevant laws and regulations and the requirements of the *Articles of Association*. We consider that the above candidate do not fall into circumstances under which the candidates shall not act as the directors of the Company pursuant to article 146 of the *Company Law* and article 10 of *Guidelines Regarding the Appointment and Conduct of Listed Company Directors of Shanghai Stock Exchange*(《上海证券交易所上市公司董事选任与行为指引》), the job qualifications of which meet the conditions of acting as independent directors of a listed company and the requirements of the job duties. The proposal is in compliance with the relevant requirements of the *Company Law* and the *Articles of Association*.

We agree to elect Mr. Wong Hak Kun as the candidates of the independent

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directors of the 10th session of the Board of Directors of the Company, and agree to submit the proposal to the general meeting of shareholders of the Company for consideration, of which the qualification of the proposed independent directors has been filed to Shanghai Stock Exchange without demur.

(VIII) Independent Opinions on the *Proposal on the Completion of Part of Investment Projects and Permanently Supplementing the Working Capital with the Surplus Raised Funds of Haier Smart Home Co., Ltd.*

1. The permanent replenishment of working capital with raised funds savings in the investment projects financed by proceeds to be completed of the Company is conducive to enhancing the utilization efficiency of the raised funds, reducing financial costs and improving profitability, which is in compliance with the interests of the Company and the shareholders as a whole;

2. Both the contents and decision-making procedures of the aforementioned issues conform to the relevant provisions of the *Measures for the Management of Raised Funds of Listed Companies (Revised in 2013)* on the Shanghai Stock Exchange and the *Measures for the Management of Raised Funds* of the Company. It does not conflict with the implementation plan of the investment project financed by the raised funds, and does not have any influence on the carrying out of the investment project financed by the raised funds, and does not change in disguise the investment direction of the raised funds or jeopardize the interests of the shareholders;

It is agreed that the Company shall permanently replenish the working capital with the total amount of RMB97.03 million of the unused raised funds investment of the projects to be completed. The total amount of RMB29.69 million, which previously used to temporarily replenish the working capital, would be directly converted into permanent replenishment of working capital and will no longer be returned to the special fund-raising account.

(IX) Independent Opinions on the *Proposal on Haier Group Corporation to Change its Part of the Undertakings of Assets Injection of Haier Smart Home Co.,*

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1. The consideration and decision-making procedures of the matter of the Changes in the Undertakings are in compliance with the relevant requirements under the *Company Law*, the *Stock Listing Rules of Shanghai Stock Exchange*, and the relevant requirements of the *Articles of Association*.

2. The matter of the Changes in the Undertakings conforms to the requirements under the *Guidelines for the Supervision on Listed Companies No.4—Actual Controllers, Shareholders, Related Parties, Acquirers of Listed Companies and Listed Companies' Undertakings and Implementation* and requirements of relevant documents. The content and procedure of the Changes in the Undertakings conform to the laws and regulations and conform to the actual situation of the Company and the interests of the Company and all shareholders, and there is no situation that harms the interests of the Company and shareholders.

3. *Proposal on Changing Its Part of the Undertakings of Assets Injection of Haier Group Corporation* would be submitted to the general meeting of the Company for consideration after the approval of the Board of Directors.

The matter has yet to be reviewed by the general meeting of the Company.

(X) Independent Opinions on the *Proposal on Continued Entrusted Management of Qingdao Haier Optronics Co., Ltd. of Haier Smart Home Co., Ltd.*

The continued entrusted operation and management of the color TVs business of Qingdao Haier Optronics Co., Ltd. by the Company can facilitate the improvement of overall operational efficiency, profitability of the Company and further enhance its core competitiveness; The pricing of the Related-Party Transaction is fair and reasonable, which is conducive to the Company's long-term development and is in the interests of the Company and all shareholders.

(XI) Independent Opinions on the *Proposal on Proposed Registration and*

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Issuance of Debt Financing Instruments of Haier Smart Home Co., Ltd.

The Company intends to apply to the National Association of Financial Market Institutional Investors for registration and issuance of debt financing instruments with a total amount not exceeding RMB15 billion (inclusive), which is in accordance with the relevant provisions of the *Company Law* and bond issuance and the actual situation of the Company, and is conducive to improving the flexibility of the Company's financing methods and in line with the interests of its all shareholders. It is agreed that the *Proposal on Proposed Registration and Issuance of Debt Financing Instruments* shall be submitted to the 2019 Annual General Meeting for consideration after the approval of board of directors.

(XII) Independent Opinions on the Use of Idle Raised Funds for Cash Management of Haier Smart Home Co., Ltd.

The decision-making process for the use of idle raised funds for cash management is in compliance with the provisions of the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Measures for the Management of Raised Funds of Listed Companies on the Shanghai Stock Exchange, the Supervisory Guidelines No. 2 for Listed Companies—Supervisory Requirements for Management and Use of Raised Funds of Listed Companies* of the China Securities Regulatory Commission and other regulations. Under the premise of ensuring the normal operation of the Company, the security of the raised funds and the normal implementation of the investment project financed by the raised funds, the purchase of principal-guaranteed wealth management products with high liquidity and safety and a term of no more than 12 months by using idle funds can improve the utilization efficiency of idle funds of the Company, increase the investment returns of the Company, and conform to the interests of the Company and the shareholders as a whole without jeopardizing the interests of the Company and its shareholders. It is agreed that the Company shall use the idle raise funds of no more than RMB700,000,000 for cash management..

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**(XIII) Independent Opinions on the Completion of Material Assets
Reorganization in 2019 Annual Report of Haier Smart Home Co., Ltd.**

In June 2016, the Company completed the acquisition of equity and business of the home appliances unit of the General Electric Company (hereinafter referred to as "GEA") in cash. Following the completion of the above-mentioned reorganization, from the perspective of overall operation and resource allocation, the Company has integrated GEA from financial management, customer management, resource management, business development, production and operation, corporate culture and other aspects, and with good subsequent integration effect.

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Independent directors:

Shi Tiantao_____

Dai Deming_____

Qian Daqun_____

28 April 2020

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