

Haier Smart Home Co,. Ltd.

As of 30 June, 2020

Assurance Report on the Utilization of Proceeds from
Previous Fund-raising Activity

He Xin Zhuan Zi (2020)No. 000522

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Hexin Certified Public Accountants LLP

30 July, 2020

Assurance Report on the Utilization of Proceeds from Previous raised funds Activity

He Xin Zhuan Zi (2020) No. 000522

To the board of directors of Haier Smart Home Co., Ltd.:

We have carried out assurance work for the attached *Report on the Utilization of Proceeds from Previous raised funds Activity of Haier Smart Home Co., Ltd.* (hereinafter referred to as “*Report on the Utilization of Proceeds from Previous raised funds Activity*”) by Haier Smart Home Co., Ltd. (hereinafter referred to as “Haier Smart Home”) as of June 30, 2020.

I. Responsibilities of the Board of Directors

The responsibility of the board of directors of Haier Smart Home is to provide true, legal and complete relevant information, in accordance with the *Regulations on the Report on the Utilization of Proceeds from Previous Fund-raising Activity* issued by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) (Zheng Jian Fa Xing Zi[2007]No. 500) prepare a report on the utilization of proceeds from previous fund-raising activity and ensure that its content is true, accurate and complete, and there are no false records, misleading statements or major omissions.

II. Responsibilities of Certified Public Accountants

Our responsibility is to report assurance opinions on report on the utilization of proceeds from previous fund-raising activity of Haier Smart Home on the basis of the implementation of the assurance work.



III. Overview of Work

We have conducted our assurance work in accordance with the requirements of *Chinese CPAs' Standard on Other Assurance Engagements No. 3101 - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires us to plan and conduct our assurance work in order to obtain a reasonable assurance of whether the Report on the Utilization of Proceeds from Previous Fund-Raising Activity is free from material misstatements. In performing our assurance work, we have carried out assurance procedures, including inquiries, inspection and recalculation as well as other procedures we deemed necessary, while the procedure we will select is depend on our professional judgement. We are of the opinion that our assurance work has provided a reasonable basis for our opinion.

IV. Conclusion of Assurance

In our opinion, the Company's *Report on the Utilization of Proceeds from Previous Fund-Raising Activity of Haier Smart Home Co., Ltd.* prepared by bored of directors of Haier Smart Home is in accordance with the *Rules Governing the Report on the Utilization of Proceeds from Previous Fund-Raising Activity* (Zheng Jian Fa Xing Zi [2007] No. 500) issued by the CSRC, and fully reflected the Company's utilization of proceeds from the previous fund-raising activity as of 30 June 2020 in all material aspects.



V. Restrictions on Report Users and the Purpose of Using the Report

This assurance report shall only be used by Haier Smart Home to apply for the issuance of securities and shall not be used for any other purposes. We agree to make this assurance report a required document for Haier Smart Home to apply for the issuance of securities, which shall be submitted together with other application materials.

Hexin Certified Public Accountants LLP

Chinese Certified Public Accountant:

Chinese Certified Public Accountant:

Jinan • China

30 July, 2020



Haier Smart Home Co., Ltd.

Report on the Utilization of Proceeds from Previous Fund-raising Activity

According to the Provisions on the *Rules Governing the Report on the Utilization of Proceeds from Previous Fund-Raising Activity* (Zheng Jian Fa Xing Zi [2007] No. 500) issued by China Securities Regulatory Commission and the relevant format guidelines, the special explanation of the Company's utilization of proceeds from previous fund-raising activity by 30 June, 2020 is as follows:

I. Basic Information about Proceeds from Previous Fund-Raising

(1) Actual amount of fund-raising and time of funds arrival

As approved by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") Zheng Jian Xu Ke [2018] No. 1912 and approved by the Shanghai Stock Exchange, the Company has publicly issued 30,074,900 convertible corporate bonds, each with par value of RMB100. The total amount of raised funds from the issuance is RMB 3,007.49 million, and the balance after deduction of sponsorship and underwriting fees (including value-added tax) of RMB 23,095,500 is RMB 2,983,580,500. After deducting lawyers, accountants, credit rating, information disclosure, registration services, issuing fees and other issuance fees, the collected raised funds was RMB3.5557 million, and the net amount of the actual raised funds was RMB2,980.0248 million. All the raised funds above was received on December 24, 2018. Shandong Hexin Certified Public Accountants LLP (currently renamed "Hexin Certified Public Accountants LLP") has proceeded with the receipt of the raised funds. And issued the *Capital Verification Report* (He Xin Yan Zi (2018) No. 000090).



(II) Amount used and current balance of the raised funds

In order to standardize the management of the Company's raised funds and protect the rights and interests of investors, the Company has formulated the *Fund-raising Management System of Haier Smart Home Co., Ltd.* (hereinafter referred to as the *Fund-raising Management System*) to make matters concerning the storage and utilization of raised funds. It clearly stipulates that the Company manages and uses the raised funds in strict accordance with the *Fund-raising Management System*.

The Company has entered into the *Trilateral Supervision Agreement on Special-account Deposits of Raised Funds* with the sponsor institution China International Capital Corporation Limited (CICC), China Construction Bank Corporation Haier Road Branch (hereinafter referred to as "CCB Haier Road Branch") and Bank of China Limited Qingdao Sub-branch (hereinafter referred to as "BOC Qingdao Branch"), and has entered into the *Tetragonal Supervision Agreement on Special-account Deposits of Raised Funds* with the implementing entity of raised funds project, among the sponsor institution CICC, CCB Haier Road Branch, BOC 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") as well as Industrial and Commercial Bank of China, Mumbai Branch (hereinafter referred to as "ICBC Bombay Branch"). There is no significant difference between such agreement and the *Trilateral Deposit Regulation Agreement for Special Account of Raised Funds (Model)* formulated by the Shanghai Stock Exchange.

As of June 30, 2020, the raised funds have used RMB 2,004.70 million to permanently supplement the working capital of RMB 61.72 million, and the balance of the raised funds of RMB 970.77 million (account balance includes the income generated by the Company's purchase of wealth management products, interest on demand deposits,



and foreign exchange profit and loss and raised funds not yet invested).

As of June 30, 2020, the deposit of Raised Funds of the Company is shown as follows:

Unit of amount: RMB (If not specified)

No.	Account-opening Unit	Bank of Deposit	Account No.	Initial deposit amount	Balance as of 30 June 2019
1	Haier Smart Home Co., Ltd.	CCB Haier Road Branch	37150198551000000640	1,503,746,923.92	468,302.71
2	Haier Smart Home Co., Ltd.	BOC Qingdao Branch	244237870606	1,479,833,530.58	12,165,024.95
3	Haier Washing Machine Co., Ltd.	ICBC Moscow Sub-branch	40702840500000010918(US\$)		
4			40702810200000010918(RUB)		
5	Hefei Haier Air Conditioning Electronics Co., Ltd.	CCB Haier Road Branch	37150198551000000669		5,913,038.30
6	Qingdao Haier (Jiaozhou) Air-conditioning Co., Limited	BOC Qingdao Branch	235138702712		137,513.62
7	Qingdao Haier Technology Co., Ltd.	BOC Qingdao Branch	228639313388		1,126,519.25
8	Qingdao Haier Special Refrigerating Appliance Co., Ltd.	BOC Qingdao Branch	210438496214		7,874,366.93



No .	Account-openin g Unit	Bank of Deposit	Account No.	Initial deposit amount	Balance as of 30 June 2019
9	AQUA Electrical Appliances Vietnam Co., Ltd	BOC Hochiminh City Sub-branc h	100000600301527(US\$)		4,870,279.16
10	Qingdao Haier Smart Kitchen Appliance Co., Ltd.	BOC Qingdao Branch	227338455528		2,142,051.65
11	Hefei Haier Air-conditioning Co., Limited	CCB Haier Road Branch	37150198551000000672		5,884,216.33
12	Laiyang Haier Smart Kitchen Appliance Co., Ltd.	CCB Haier Road Branch	37150198551000000674		15,709,062.58
13	Zhengzhou Haier Air-conditioning Co., Ltd.	CCB Haier Road Branch	37150198551000000670		2,667,784.18
14	Haier Appliances (India) Private Limited	ICBC Bombay Branch	0166000100000164728(RUB)		2,624,418,994.69
15			0166000100000169238(US\$)		7,510,416.00
Subtotal of raised funds account balance (converted to RMB)					387,755,297.29
The amount of idle raised funds for cash management					583,018,078.00
Total unused raised funds balance				2,983,580,454.50	970,773,375.29

Note1: As of December 24, 2018, the total funds raised by the Company was RMB 3,007.49 million, and the balance of raised funds after deducting sponsor and underwriting fees was RMB 2,983.58 million, which has been remitted to the special account for fund-raising supervision such as CCB Haier Road Branch (account number 37150198551000000640), Bank of China Qingdao branch (account number



244237870606), and then allocated funds to the special account opened by each implementation project company.

Note2: The “Russia Front Loading Washing Machine Manufacturing Base Project” of the Company’s fund-raising project has been completed, and the Company has canceled the special fund-raising accounts (accounts: 40702840500000010918 (US\$) and 40702810200000010918 (RUB)) opened in the Moscow branch of ICBC.

II. Information on the Utilization of Proceeds from Previous Fund-raising Activity

(I) Comparative Table on the Utilization of Proceeds from Previous Fund-raising Activity

Unit of amount: RMB'0' 000

Total Raised Funds: 298,358					The total amount of fund-raising has been used: 200,470				
Total Raised Funds for Changing Purposes: 66,045					The total amount of fund-raising used in 2018: 0				
Proportion of Total Raised Funds for Changing Purposes: 22.14%					The total amount of fund-raising used in 2019: 167,665 (Including replacement investment in advance)				
					The total amount of fund-raising used from January to June in 2020: 32,805				
Investment Project		Total Investment of Fund-raising			Accumulated Investment of Fund-raising at the Closing Date			The Difference between Actual Investment Amount and Committed Investment Amount after the Fund-raising	Date when Project Reaches the Scheduled Availability (Or the Completion Level of Project at the Closing Date)
Committed Investment Project	Actual Investment Project	Committed Investment before Fund-raising	Committed Investment after Fund-raising	Accumulated Actual Investment Amount	Committed Investment before Fund-raising	Committed Investment after Fund-raising	Actual Investment Amount		
Annual production of 500 thousand high-end special refrigerator project	Annual production of 500 thousand high-end special refrigerator project	52,420	52,420	46,340	52,420	52,420	46,340	-6,080	June 2019
Air-conditioner production	Air-conditioner production	7,800	7,800	2,812	7,800	7,800	2,812	-4,988	December 2020



base smart manufacturing upgrading project of Haier (Zhengzhou) innovation industrial park	base smart manufacturing upgrading project of Haier (Zhengzhou) innovation industrial park									
Air-conditioner smart manufacturing upgrading project of Haier Jiaozhou innovation industrial park	Air-conditioner smart manufacturing upgrading project of Haier Jiaozhou innovation industrial park	8,800	8,800	4,224	8,800	8,800	4,224	-4,576	December 2020	
Newly increased 2 million sets of energy-saving environment protection air-conditioner project of Hefei Haier Air-conditioner Co., Ltd.	Newly increased 2 million sets of energy-saving environment protection air-conditioner project of Hefei Haier Air-conditioner Co., Ltd.	20,864	20,864	14,224	20,864	20,864	14,224	-6,640	December2018	
Annual production of 1.5 million air-conditioner project of High-end central air-conditioning	Annual production of 1.5 million air-conditioner project of High-end central air-conditioning	37,314	37,314	15,865	37,314	37,314	15,865	-21,449	December 2018	
PCBA computer board Tianjin Plant construction project	Haier North India Industrial Park Project (Phase I)	5,395	66,045	35,844	5,395	66,045	35,844	-30,201	October 2020	
PCBA computer board Hefei plant		18,529			18,529					



construction project									
Advanced research and development laboratory construction project of smart home appliance		10,621			10,621				
Industrial smart research institute construction project		31,500			31,500				
Haier kitchen appliance new plant project	Haier kitchen appliance new plant project	30,110	30,110	19,991	30,110	30,110	19,991	-10,119	June 2018
Haier kitchen appliance Laiyang new plant project	Haier kitchen appliance Laiyang new plant project	27,620	27,620	22,370	27,620	27,620	22,370	-5,250	August 2019
Russia Front Loading Washing Machine Manufacturing Base Project	Russia Front Loading Washing Machine Manufacturing Base Project	34,058	34,058	28,968	34,058	34,058	28,968	-5,090	December 2019
Vietnam Front Loading Washing Machine Production Center Project	Vietnam Front Loading Washing Machine Production Center Project	12,751	12,751	9,636	12,751	12,751	9,636	-3,115	July 2019
Smart home operating system (U+) project based on natural interaction and cloud brain construction project	Smart home operating system (U+) project based on natural interaction and cloud brain construction project	2,967	2,967	196	2,967	2,967	196	-2,771	June 2021



Total	300,749	300,749	200,470	300,749	300,749	200,470	-100,279	-
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Note 1: The discrepancy between the total amount in the above table and the sum of each sub-item value is caused by rounding.

Note 2: The “Russia Front Loading Washing Machine Manufacturing Base Project” of the Company’s fund-raising project has been completed, and the project’s surplus funds of RMB61.72 million (including the remaining amount of RMB22.06 million to be paid for the project) have been used to permanently supplement the Company's working capital. When the project balance satisfies the payment conditions, the Company will pay with its own funds in accordance with the relevant contracts.

Note 3: The Company’s fund-raising project “Vietnam Front Loading Washing Machine Production Center Project” has been completed. The project’s surplus funds of RMB34.48 million (including the project remaining to be paid RMB7.3 million) are intended to be used to permanently supplement the Company’s working capital, which has not been transferred out of the special account for fund-raising.

(II) Change of the Implementation Location of Previous Fund-raising Activity Investment Project

In order to give full play to the efficiency and return of raised funds, and considering the actual situation of investment projects financed by the raised funds and the needs of the Company, some raised funds with an amount of RMB 660.45 million, which were originally intended to be but not yet used in the sub-project “Construction Project on the Home Appliances Intelligent Control Module Factory ” under “Project on Leading Consumption Upgrade and Intelligent Manufacturing Upgrade of Production Lines such as Refrigerators and Air-conditioners ”, as well as the sub-projects “Construction Project on Advanced R&D Laboratory of Intelligent Home Appliances ” and “Construction Project on Research Institute of Industrial Intelligence ” under “Project on Improving Innovation Capability, Construction of Advanced R&D Laboratory, COSMOPlat Industrial Internet Platform and U+ Smart Life Platform ” (the above projects are collectively referred to as “original investment projects financed by proceeds ”), were used in the new project “Haier North India Industrial Park Project (Phase I)” .



1. Reasons for the change

According to the Company's market plan, India has important strategic significance for the Company's global layout. As one of the BRIC countries, India's economy is in a stage of rapid growth, low penetration rate of household appliances, and a huge user base, whose industrial development potential is huge. In recent years, the Company's business in India has achieved rapid growth with the income in 2016-2018 increased by 26%, 40% and 41%, respectively. Based on the current capacity, there will be a capacity gap in the Company in India by 2020. When the public issuance program of the Company's convertible corporate bonds was launched in September 2017, the "Haier North India Industrial Park Project" was still in the process of demonstration and did not fully meet the reporting conditions of the investment projects financed by proceeds, thus the project was not included in the investment projects financed by proceeds. On 30 August 2018, the 18th Meeting of the Ninth Session of the Board of Directors of the Company considered and approved the *Proposal on Newly Constructing Industrial Park Project in North India of Qingdao Haier Co., Ltd.*, and the Company intended to implement the new "Haier North India Industrial Park Project" to further increase production capacity output, order response speed, conservation of transportation and material costs, and strengthen the Company's local market competitiveness.

Now considering that the demand for funds in India's project is more urgent, and the construction period of the original part of investment projects financed by proceeds is relatively long whose need can be meet by using the self-owned/self-raised funds, the Company intends to use the proceeds of RMB660.45 million which were planned to be used in original part of investment projects financed by proceeds for the "Haier North India Industrial Park Project (Phase I)" to better match the capital demand cycle of the Company's various projects and improve the efficiency of capital use and optimize the Company's overall business development needs.

2. Procedures for the change

On April 29, 2019, the 27th meeting of the Ninth Session of Board of Directors of the Company reviewed and approved the *Proposal on Changing Part of the Investment Projects Raised by Convertible Corporate Bonds of Qingdao Haier Co., Ltd.*, agreeing



that the Company will apply the raised funds of RMB660.45 million which has not yet be used, regarding the sub-project of Home Appliance Intelligent Control Component Factory Construction Project under the "leading consumption upgrades, intelligent manufacturing upgrading projects of production lines such as refrigerator and air-conditioning" and sub-project of "Advanced research and development laboratory construction project of smart home appliance" and "Industrial smart research institute construction project" under the "Improving Innovation Capability, Advanced Research and Development Laboratory, COSMOPlat Industrial Internet Platform and U+ Intelligent Life Platform Construction Project", to new project of "Haier North India Industrial Park Project (Phase I)". The aforementioned changes to the investment projects financed by proceeds have been reviewed and approved by the Company's 2019 First Bondholders' Meeting held on May 29, 2019, and the 2018 Annual General Meeting held on June 18, 2019.

(III) Information on external transfer and replacement investment in advance of previous fund-raising investment project

As of June 30, 2020, there is no external transfer of the Company's previous fund-raising investment projects.

The Company used raised funds to replace its own funds in advance into fund-raising projects with a total expenditure of RMB 1,162.36 million:

On January 24, 2019, the 26th Meeting of the Ninth Session of Board of Directors of the Company reviewed and approved the *Proposal on Using Raised Funds to Replace Self-raised Funds of Pre-investment Fund-raising Project* and agreed to use raised funds of RMB996.33 million to replace self-raised funds of pre-investment fund-raising projects. Shandong Hexin Certified Public Accountants LLP issued He Xin Zhuan Zi (2019) No. 000032 *Assurance Report on Pre-investment in Fund-raising Projects with Self-raised Funds of Qingdao Haier Co., Ltd.*

On January 24, 2019, the 27th Meeting of the Ninth Session of Board of Directors of the Company reviewed and approved the *Proposal on Using Raised Funds to Replace Self-raised Funds of Pre-investment Fund-raising Project* and agreed to use raised funds of RMB102.52 million to replace self-raised funds of pre-investment fund-raising project. Shandong Hexin Certified Public Accountants LLP issued He Xin Zhuan Zi (2019) No.



000188 Assurance Report on Pre-investment in Fund-raising Projects with Self-raised Funds of Qingdao Haier Co., Ltd..

On October 29, 2019, the 4th Meeting of the Tenth Board of Directors of the Company reviewed and approved the *Proposal on Using Raised Funds to Replace Self-raised Funds of Pre-investment Fund-raising Project* and agreed to use raised funds of RMB102.52 million to replace self-raised funds of pre-investment fund-raising project. Shandong Hexin Certified Public Accountants LLP issued He Xin Zhuan Zi (2019) No. 000373 Assurance Report on Pre-investment in Fund-raising Projects with Self-raised Funds of Qingdao Haier Co., Ltd..

(IV) Information on Utilization of Idle Fund-raising

1. For cash management

After deliberation at the 26th Meeting of the Ninth Board of Directors and the 7th Meeting of the Tenth Session of Board of Directors, it was agreed that the Company will use no more than RMB1.5 billion and RMB7 million of idle raised funds within 12 months from January 24, 2019 and within 18 months from April 28, 2020 for cash management, respectively, which can be used on a rolling basis within the above quota and time limit. The independent directors, the board of supervisors and the sponsors respectively expressed their opinions on the above matters.

As of June 30, 2020, the balance of financial products purchased by the Company with the above-mentioned raised funds for cash management was RMB 583,018,078.00.

2. For temporary replenishment of working capital

The Company held the 3th Meeting of the Tenth Session of Board of Directors on August 29, 2019, and reviewed and approved the *Proposal on Using Part of Idle Raised Funds to Temporarily Supplement Working Capital of Haier Smart Home Co., Ltd.*, and decided to use no more than RMB35 million raised funds to temporarily supplement the working capital of the Russia Front Loading Washing Machine Manufacturing Base Project, and the period shall not exceed 12 months from the date of approval by the board of directors. Independent directors, the board of supervisors, and the sponsors expressed their opinions on the above matters.

On April 28, 2020, the 7th Meeting of Tenth Session of Board of Directors of the



Company deliberated and approved the *Proposal on Closing Some Fund-raising Projects and Permanently Supplementing Liquidity with the Surplus Raised Funds*, agreeing to permanently supplement the working capital with the surplus raised funds after the completion of the Russia Front Loading Washing Machine Manufacturing Base Project under the “laying out ‘One Belt and One Road’, overseas emerging market manufacturing base construction project”. The RMB29.69 million that has been used for temporary supplementary working capital will be directly converted into permanent supplementary working capital and will not be returned to the special account for the raised funds.

(V) Explanation on previous fund-raising has not been used up

1. The utilization of previous fund-raising

The Company’s previous actual net fund-raising was RMB2,983.58 million. As of June 30, 2020, the Company has utilized a total of RMB2,004.70 million (including interest income) of fund-raising and a permanent supplement of RMB61.72 million in working capital.

2. Reasons for unused previous fund-raising and plan for using the remaining funds

As of June 30, 2020, the Company’s previous fund-raising has not been used up, mainly because the raised investment projects in Air-conditioner Production Base Smart Manufacturing Upgrading Project of Haier (Zhengzhou) Innovation Industrial Park, Air-conditioner Smart Manufacturing Upgrading Project of Haier Jiaozhou Innovation Industrial Park, Haier The North India Industrial Park Project (Phase I) is still under construction, and the Company will actively promote the construction of fund-raising projects.

Among the Company’s fund-raising projects, the construction of the Russia Front Loading Washing Machine Manufacturing Base Project has been completed. The balance of the project’s raised funds of RMB61.72 million (including the remaining RMB22.06 million of the project to be paid) has been used to permanently supplement the Company’s working capital. The construction of the Vietnam Front Loading Washing Machine Production Center Project has been completed, and RMB34.48 million of surplus funds raised from the project (including the remaining RMB7.30 million for the project to be paid) is intended to be used to permanently supplement the Company’s working capital,



and it has not been transferred from the special account for raised funds. Reasons for project surplus funds raised:

(1) During the construction of fund-raising projects, the Company used raised funds in strict accordance with the relevant regulations on the management of raised funds, and strengthened the control, supervision and management of expenses based on project planning and actual conditions. Under the premise of ensuring the quality of fund-raising projects, based on the principles of reasonableness, effectiveness and frugality, the funds raised were used cautiously and part of the funds raised was saved.

(2) During the implementation of fund-raising projects, the Company has conducted detailed research and scientific planning, strengthened the comprehensive management of production, and has significantly improved production automation, intelligence, and product R&D manufacturability, reducing implementation costs, and equal production relevant investment has obtained a higher output of production capacity, thus saving part of the raised funds.

(3) During the implementation of fund-raising projects, the Company used idle raised funds for cash management and obtained certain interest income.

III. Comparison table on Previous Fund-raising for Investment Projects to Achieve Benefits

Unit of amount: RMB'0' 000

No.	Actual Investment Project	Cumulative capacity utilization rate of investment projects at the closing date	Promised Benefits				Actual Benefits in Recent Three Years			Accumulated benefits realized at the closing date	Whether the expected benefits have been achieved or not
			In 2018	In 2019	January-June in 2020	Total	In 2018	In 2019	January-June in 2020		
1	Annual production of 500 thousand high-end	48.39%	N/A	3,543	3,900	7,443	N/A	2,499	10,597	13,096	Yes



Actual Investment Project		Cumulative capacity utilization rate of investment projects at the closing date	Promised Benefits				Actual Benefits in Recent Three Years			Accumulated benefits realized at the closing date	Whether the expected benefits have been achieved or not
No.	Project Name		In 2018	In 2019	January-June in 2020	Total	In 2018	In 2019	January-June in 2020		
	special refrigerator project										
2	Air-conditioner production base smart manufacturing upgrading project of Haier (Zhengzhou) innovation industrial park	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Air-conditioner smart manufacturing upgrading project of Haier Jiaozhou innovation industrial park	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Newly increased 2 million sets of energy-saving environment protection air-conditioner project of	62.18%	N/A	2,795	3,213	6,008	N/A	2,901	336	3,237	No



Actual Investment Project		Cumulative capacity utilization rate of investment projects at the closing date	Promised Benefits				Actual Benefits in Recent Three Years			Accumulated benefits realized at the closing date	Whether the expected benefits have been achieved or not
No.	Project Name		In 2018	In 2019	January-June in 2020	Total	In 2018	In 2019	January-June in 2020		
	Hefei Haier Air-conditioner Co., Ltd.										
5	Annual production of 1.5 million air-conditioner project of High-end central air-conditioning	61.87%	N/A	9,873	13,422	23,295	N/A	1,798	614	2,412	No
6	Haier North India Industrial Park Project (Phase I)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	Haier kitchen appliance new plant project	52.76%	3,719	11,311	7,592	22,622	N/A	9,691	935	10,626	No
8	Haier kitchen appliance Laiyang new plant project	41.05%	N/A	2,915	3,498	6,414	N/A	-1,652	1,848	196	No
9	Russia Front Loading Washing Machine Manufacturing Base	34.57%	N/A	402	2,411	2,812	N/A	-1,052	-1,433	-2,485	No



Actual Investment Project		Cumulative capacity utilization rate of investment projects at the closing date	Promised Benefits				Actual Benefits in Recent Three Years			Accumulated benefits realized at the closing date	Whether the expected benefits have been achieved or not
No.	Project Name		In 2018	In 2019	January-June in 2020	Total	In 2018	In 2019	January-June in 2020		
	Project										
10	Vietnam Front Loading Washing Machine Production Center Project	15.93%	N/A	-1,686	1,729	44	N/A	187	130	317	Yes
11	Smart home operating system (U+) project based on natural interaction and cloud brain construction project	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The calculation caliber and calculation method of the realized benefit are consistent with the calculation caliber and calculation method of the promised benefit.

Note 1: During the construction process, air-conditioner production base smart manufacturing upgrading project of Haier (Zhengzhou) innovation industrial park, air-conditioner smart manufacturing upgrading project of Haier Jiaozhou innovation industrial park and Haier North India Industrial Park Project (Phase I) have not yet reached the scheduled status of use.

Note 2: Smart home operating system (U+) project based on natural interaction and cloud brain construction project focuses on the natural interaction between humans and



machines, and develops cloud brain based on big data and an IoT operating system connected to the cloud. The project does not produce direct economic benefits, and its benefits will be reflected indirectly through the system in the industrial application of the Company's products, and the benefits cannot be calculated separately.

Note 3: Newly increased 2 million sets of energy-saving environment protection air-conditioner project of Hefei Haier Air-conditioner Co., Ltd.. Due to the impact of the new crown pneumonia epidemic on the domestic home appliance consumer market, the retail sales of the domestic white electricity industry declined (hereinafter referred to as "affected by the epidemic"). In the first half of 2020, the number of orders decreased and the capacity utilization rate did not meet expectations. At the same time, labor costs and epidemic prevention expenditures increased during the resumption of work, product value-added space decreased, and the project did not achieve the expected benefits.

Note 4: Annual production of 1.5 million air-conditioner project of High-end central air-conditioning. The actual product structure after commissioning is quite different from the planned product structure. The actual order quantity of the planned high-end products with strong profitability, such as home machines, 5P cabinet machines and embedding machines, was less than the expected order quantity, and the project did not reach the expected benefits.

Note 5: Haier kitchen appliance new plant project. The factory is in a ramp-up period in 2018, affected by project delays and slow product launches, the benefits did not meet expectations; in the first half of 2020, affected by the epidemic, the actual order quantity was lower than the target order quantity, and competition in the domestic kitchen appliance industry has intensified. The Company adjusted the product price range accordingly and lowered the average unit price. Affected by the above factors, the project did not achieve the expected benefits.

Note 6: Haier kitchen appliance Laiyang new plant project. The new factory was put into operation in August 2019. September-December in 2019 is the ramp-up period of the factory. The production efficiency and supplier supporting capacity are not good, and the project's expected benefits are not reached; in the first half of 2020, efficiency gradually improved, but due to the impact of the epidemic and the weak real estate market, orders for construction machinery products decreased. The new factory undertakes the



Company's kitchen appliances development strategy, and produces newly developed and designed cross-border "three-high" kitchen appliances products. The new model products are in the initial stage of market promotion, and the order quantity is gradually increasing. Affected by the above factors, the project did not achieve the expected benefits.

Note 7: Russia Front Loading Washing Machine Manufacturing Base Project. The first 1-2 years of operation of the project belong to the initial stage of the factory's business. The supply chain network and other production factors are gradually improving during this period, and the relevant cost advantages will be reflected in 3-5 years of operation. At the same time, affected by the epidemic, projects will be suspended irregularly from March -May in 2020, and suppliers will also be suspended. Affected by the above factors, the project did not achieve the expected benefits.

IV. The Operation of the Assets of the Previous Fund-raising Investment project

As of June 30, 2020, there is no subscription of shares with assets in the previous fund-raising by the Company.

V. A Comparison of the Utilization of the Previous Fund-raising with other Relevant Disclosed Information of the Company

The Company has compared the actual use of the above-mentioned raised funds with the relevant content disclosed in other relevant information disclosure documents of the Company, and the actual use is consistent with the relevant content disclosed.

Haier Smart Home Co., Ltd

Board of Directors

July 30, 2020

