

China International Capital Corporation Limited

Verification Opinions on the Use of Part of Idle Raised Funds for

Cash Management by Haier Smart Home Co., Ltd.

As the sponsor institution and lead underwriter of the public issuance of convertible corporate bonds in 2018 of Haier Smart Home Co., Ltd. (originally known as “Qingdao Haier Co., Ltd.”, hereinafter referred to as “Haier Smart Home” or the “Company”), China International Capital Corporation Limited (hereinafter referred to as “CICC” or the “Sponsor Institution”) conducted prudent inspection over the use of part of idle raised funds for cash management in accordance with relevant laws and regulations and rules of standardized documents such as *Administrative Measures for the Recommendation Business of the Issuance and Listing of Securities*, *Listing Rules for Stocks in Shanghai Stock Exchange* (Revised in April 2019), *Administrative Measures for Raised Funds by Listed Companies of Shanghai Stock Exchange* (Revised in 2013) and *Regulatory Directives for Listed Companies No.2---Regulatory Requirements for Management and Use of Raised Funds by Listed Companies*, and expressed the following inspection opinions:

I. Basic Information of the Raised Funds

As approved by *the Reply on Approving the Public Issuance of Convertible Corporate Bonds by Qingdao Haier Co., Ltd.* (Zheng Jian Xu Ke [2018] No. 1912) of the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) and agreed by the Shanghai Stock Exchange, the Company was approved to issue convertible corporate bonds of RMB3,007.49 million in a par value of RMB100 each, and the total number of bonds issued is 30,074,900 and the Issue Price for each bond is RMB100, with a term of 6 years. After deducting sponsoring and underwriting fees (including value-added tax) from the raised funds of convertible corporate bonds in this Issuance of RMB23,909,500, the balance was RMB2,983,580,500. The paid-in raised funds, after deducting lawyers, accountants, credit rating, information disclosure, registration services and issuance handling fees, totaled RMB3,555,700, while the net amount of actually raised funds was RMB2,980,024,800. Shandong Hexin Certified Public Accountants (LLP) (currently known as “Hexin Certified

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Public Accountants (LLP)”) has verified the remittance of the raised funds and issued a *Capital Verification Report* (Hexin Yan Zi (2018) No. 000090), and as verified by which the above-mentioned raised funds have been fully put in place. The Company adopted the special account storage management for the raised funds according to the “*Management System of the Raised Funds*”.

II. Basic Information on the Use of Idle Raised Funds for Cash Management

In order to improve the utilization efficiency of raised funds and increase the investment revenue, the Company intends to use idle raised funds up to RMB700,000,000 for cash management within 18 months from the date of consideration and approval by the Board of Directors on the condition that the normal implementation of the investment project financed by raised funds will not be affected, the details are as follows:

(I) Purpose of the investment

In order to improve the capital utilization efficiency of the Company, the Company will carry out the cash management of idle raise money, further preserve and enhance the capital value of the Company and safeguard the interest of the Shareholders without affecting the establishment of investment project financed by raised funds.

(II) Scope of the investment

In order to control investment risks and not to affect the normal implementation of investment project financed by raised funds, the invested products are limited to wealth management products with high security and liquidity as well as a term within 12 months. The invested products shall not be used for securities investment, and may not purchase high-risk wealth management products with stock and its derivatives and unsecured bonds as investment targets. The above-mentioned wealth management products shall not be used for pledge, and the designated product settlement account shall not be used for the deposit of funds other than the raised fund or for any other purposes.

(III) Limit of the investment

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The Company intends to use part of idle raised funds up to RMB700,000,000 for cash management. The funds can be used on a rolling basis during the investment period.

(IV) Term of the investment

It shall be valid within 18 months from the date of consideration and approval by the 7th Meeting of the Tenth Session of the Board of Directors.

(V) Implementation

The Board of Directors of the Company authorizes the chairman of the Board and its authorized persons to exercise the decision and sign the relevant contract documents within the limit.

III. Investment Risk Analysis and Risk Control Measures

(I) The risk of investment

The financial market is affected by macro-economy to a greater extent and such that, the possibility that such investment may be affected by market fluctuation cannot be ruled out. The Company will intervene to such extent as and when appropriate, taking account of the economic situation and changes in financial market, and the actual gain of short-term investment is therefore unpredictable.

(II) The following measures to be taken in respect of investment risk

1. The Company would select investment targets strictly, and select products with high liquidity and security issued by financial institutions such as banks with good reputation, large scale, ability to guarantee capital security, better operational efficiency and strong capital operation capability.

2. The Company will select the appropriate types and duration of wealth management products according to the Company's operating arrangements and the investment plan of the raised funds to ensure that the normal operation of the raised funds will not be affected.

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3. The financial department of the Company will establish ledgers and manage the products purchased, and establish and improve accounting accounts to do a good job in accounting of the use of funds.

4. The independent directors and the Supervisory Committee have the right to supervise and inspect the use of funds. The internal audit department of the Company regularly evaluates the potential risks and revenue of each investment according to the principle of prudence and reports to the Audit Committee of the Board of Directors.

5. The Company will perform its information disclosure obligations in accordance with the relevant regulations of the Shanghai Stock Exchange in a timely manner.

IV. Impacts on the Company

The Company adheres to standard operation and risk prevention. On the basis that the progress of investment project financed by the raised funds is not affected and fund security is ensured, the purchase of principal-guaranteed wealth management products by using part of idle raised funds will not affect the Company's daily operation and the normal implementation of investment projects financed by the raised funds. Through appropriate wealth management, we can improve utilization efficiency of the funds to gain certain investment returns while improving the overall performance of the Company to pursuit more returns on investment for shareholders of the Company.

V. Relevant Review Procedures

(I) Information on review of the board of directors

The Proposal on the the Use of Idle Raised Funds for Cash Management of Haier Smart Home Co., Ltd. was considered and approved at the 7th meeting of the Tenth Board of Directors of the Company on 28 April 2020. The Company intends to use idle raised funds up to RMB700,000,000 for cash management within 18 months from the aforementioned date of consideration and approval by the Board of Directors pursuant to the provisions of the Supervisory Guidelines No. 2 for Listed Companies—Supervisory Requirements
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for Management and Use of Raised Funds of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, and the Measures for the Management of Raised Funds of Listed Companies on the Shanghai Stock Exchange.

(II) Information on review of the board of supervisors

On 28 April 2020, the Company convened the 7th Meeting of the Tenth Session of the Board of Supervisors, on which, the *Proposal of Haier Smart Home Co., Ltd. in relation to Using Idle Raised Funds for Cash Management* has been considered and approved, and it is agreed that the Company shall use the idle raised funds of no more than RMB 700,000,000 for cash management.

(III) Opinions of the independent directors

For the proposed use of idle raised funds for cash management, the independent directors of the Company has clearly agreed that 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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VI. Inspection Opinions of Sponsor Institution

After the verification, the Sponsor Institution believes that the use of the idle raised funds of no more than RMB700,000,000 for cash management by the Company has been considered and approved by the Board of Directors and the Supervisory Committee, and the independent directors expressed opinions with explicit consent, and it is in accordance with the provisions of the *Approach of Business Management for Securities Issuance and Listing, 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 (Revised in 2013), the Supervisory Guidelines No. 2 for Listed Companies—Supervisory Requirements for Management and Use of Raised Funds of Listed Companies* and other relevant laws, regulations and regulatory documents. The proposed use of the idle raised funds for cash management is conducive to improving the utilization efficiency of the idle raised funds and gaining certain revenue, and does not conflict with the implementation plan of the investment project financed by the raised funds of the Company, and does not have any influence on the carrying out of the investment project financed by the raised funds, and does not result in change in disguise the use of the raised funds or jeopardize the interests of the shareholders of the Company.

In summary, CICC has no objection to the use of the idle raised funds for cash management by the Company.

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*Verification Opinions of China International Capital Corporation Limited on the Use
of Part of Idle Raised Funds for Cash Management by Haier Smart Home Co., Ltd.*)

Sponsor representative (signature): _____

Sun Lei

Li Yang

China International Capital Corporation Limited

DD/MM/YY

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