

**HAIER SMART HOME CO., LTD.**  
**SPECIAL EXPLANATION ON THE SUMMARY**  
**TABLE OF THE OCCUPATION OF**  
**NON-OPERATING CAPITAL AND THE**  
**TRANSACTION OF OTHER RELATED FUNDS**

Hexin Zhuan Zi. (2020) No.000112

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**Hexin Certified Public Accountants LLP**

**28 April 2020**

Haier Smart Home Co.,. Ltd. ' s special explanation  
on the summary table of the occupation of non-operating capital  
and the transaction of the other related funds for 2019

**Hexin Zhuan Zi. (2020) No.000112**

**To all shareholders of Haier Smart Home Co., Ltd.,**

We have been appointed to carry out the audit on the the Consolidated Balance Sheet and the Company Balance Sheet as at 31 December 2019, the Consolidated Income Statement and the Company Income Statement, the Consolidated Cash Flow Statement and the Company Cash Flow Statement, the Consolidated Statement of Changes in Shareholders ' Equity and the Company Statement of Changes in Shareholders ' Equity for 2019 and the notes to the financial statements of of Haier Smart Home Co., Ltd. (hereinafter referred to as "Haier Smart Home" ) in accordance with the China Certified Public Accountants ' Standards on Auditing, and we issued Hexin Shen Zi. (2020) No. 000287 standard unqualified audit report on 28 April 2020.

Pursuant to the requirements under *Notice on Several Issues on Regulating the Capital Movement Between Listed Companies and their Related Parties and the External Guarantees Provided by Listed Companies*(《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》)(Zheng Jian Hui Gong Gao [2017] No.16 Revised ) published by China Securities Regulatory Commission and State-owned Assets Supervision and Administration Commission of the State Council



and the disclosure requirements as required by Shanghai Stock Exchange, Haier Smart Home has prepared Summary Table of the Occupation of Non-operating Capital and Transaction of Other Related Funds in 2019 attached in this special explanation (hereinafter referred to as the “Summary Table”). Haier Smart Home’s management is responsible for preparing the Summary Table and guaranteeing its authenticity, legality and completeness based on the facts, while our responsibility is to audit the above-mentioned Summary Table and issue the special explanation.

We checked the information set out in the Summary Table against the 2019 audited financial statement of Haier Smart Home and related information, and did not find any inconsistency in all material aspects. Except for the audit process related to the related-party transactions conducted in the audit on 2019 financial statement of Haier Smart Home, we did not conduct any additional audit process for the information set out in the Summary Table.

To better understand the occupation of non-operating capital and the transaction of the other related funds of Haier Smart Home during 2019, the accompanying Summary Table should be read in conjunction with the audited financial statement.

- I. The occupation of non-operating capital and transaction of other related funds of controlling shareholders and related parties of Haier Smart Home are as shown in the schedule;
- II. Monetary funds placed by Haier Smart Home and Haier Smart Home’s holding subsidiaries at the controlling shareholders and other related parties:



As of 31 December 2019, the balance of bank deposits of Haier Smart Home and Haier Smart Home' s holding subsidiaries includes deposit amounting to RMB16.566 billion placed at Haier Group Finance Co., Ltd..

This explanation shall only be used for reporting on the occupation of non-operating capital and the transaction of the other related funds in 2019 to securities regulatory authority by Haier Smart Home and shall not be used for any other purposes.

Schedule: Summary Table of the Occupation of Non-operating Capital and Transaction of Other Related Funds in 2019 of Haier Smart Home Co., Ltd..



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**Hexin Certified Public Accountants LLP**

**Chinese Certified Public Accountant: Zhan Bo**

**(Engagement Partner)**

**Jinan, China**

**Chinese Certified Public Accountant: Wang Lin**

**28 April 2020**



## Summary Table of the Occupation of Non-operating Capital and Transaction of Other Related Funds in 2019 of Haier Smart Home Co., Ltd..

Occupation of Non-operating funds	Name of occupier	Relations between Occupier and listed company	Accounting Category of the listed company subject to audit	Opening balance of funds occupied in 2019	Accumulativ e amount of occupation in 2019 (excluding interest)	Interests of occupied funds in 2019(if any)	Accumulate d amount of repayment in 2019	Closing balance of funds occupied in 2019	Reasons for occupatio n	Nature of occupatio n
Current substantial shareholder and its subsidiaries										
Sub-total										
Former substantial shareholder and its subsidiaries										
Sub-total										
Total										
Transaction of other related funds	Name of shareholders/ controlling parties	Relations between	Accounting Category of	Opening balance	Accumulativ e amount of	Interests of	Accumulate d amount of	Closing balance	Reasons for	Nature of transactio

		counterpart y and listed company	the listed company subject to audit	of funds transacte d in 2019	transaction in 2019 (excluding interest)	transacte d funds in 2019(if any)	repayment in 2019	of funds transacte d in 2019	transactio n	n
Substantial shareholder and its affiliates	HNR COMPANY (PRIVATE) LIMITED	Same parent company	Accounts receivable	28,044	43,622		29,655	42,011		Operation
	Qindao Haier International Travel Agency Co., Ltd.	Same parent company	Accounts receivable	8,256	34,345		31,319	11,282		Operation
	Haier Group Electrical Appliance Industry Co., Ltd.	Same parent company	Accounts receivable and other receivables	11,998	326		1,491	10,833		Operation
	Controladora Mabe S. A. deC.V.	Same parent company	Accounts receivable	14,991	37,515		43,866	8,640		Operation
	Haier Finance Leasing (China) Co., Ltd.	Same parent	Accounts receivable	8,064	-		1,639	6,425		Operation

	company								
Qindao Haier Parts Procurement Co., Ltd.	Same parent company	Accounts receivable	2,399	15,104		11,337	6,166		Operation
Goodaymart Iot Co., Ltd	Same parent company	Accounts receivable	628	3,923		1,024	3,527		Operation
Qindao Haier Special Plastic Development Co., Ltd.	Same parent company	Accounts receivable	3,177	67,188		67,116	3,249		Operation
Qindao Haier International Trading Co., Ltd.	Same parent company	Accounts receivable	1,705	57,734		56,314	3,125		Operation
Suzhou Haixin Information Technology Co., Ltd.	Same parent company	Accounts receivable	1,088	1		11	1,078		Operation
Qingdao Haier Home Integration Limited.	Same parent company	Accounts receivable	1,057	455		703	809		Operation
Haier International Co., Ltd	Same	Accounts	2,187	1,237		3,143	281		Operation



		parent company	receivable							
Hefei Hegang New Material Technology Co., Ltd.		Same parent company	Accounts receivable	1,243	15,657		16,395	505		Operation
Chongqing Haier Property Management Co., Ltd.		Same parent company	Accounts receivable	1,145	3,133		3,645	633		Operation
Other related parties		Same parent company	Accounts receivable,oth er receivables and bills receivable	35,517	56,595		38,540	53,572		Operation
Qingdao Haier Chanchengchuang Limited	Haier Group	Same parent company	other receivables	6,928	1,936		-	8,864		Operation
Haier Group Co., Ltd		Same parent company	other receivables	-	21,513		-	21,513		Operation
Qindao Haier Parts		Same	Prepayments	623	672,766		646,438	26,951		Operation

Procurement Co., Ltd.	parent company								
HNR COMPANY (PRIVATE) LIMITED	Same parent company	Prepayments	-	195,629		188,964	6,665		Operation
Hefei Haier Logistics Co., Ltd.	Same parent company	Prepayments	-	211,778		207,200	4,578		Operation
Chongqing Haier Logistics Co., Ltd.	Same parent company	Prepayments	-	207,968		204,484	3,484		Operation
Haier Group Electrical Appliance Industry Co., Ltd.	Same parent company	Prepayments	3,625	456		796	3,285		Operation
Qindao Haier International Trading Co., Ltd.	Same parent company	Prepayments	5,238	117,553		120,459	2,332		Operation
Other related parties	Same parent company	Prepayments	3,615	22,406		20,685	5,336		Operation

Subsidiaries of listed companies and their affiliates										
Related natural persons and their controlled legal person										
Other related persons and their affiliates										
Total				141,528	1,788,840		1,695,224	235,144		

This table has been approved by the board of directors on 28 April 2020.

Legal Representative: Liang Haishan

Person in charge of accounting function: Gong Wei

Accounting firm principle: Ying Ke

