

**The Independent Financial Advisor's  
Verification Opinion from Zheshang Securities Co.,  
Ltd. on Material Asset Purchase and  
Implementation of Related Party Transaction of  
Haier Smart Home Co., Ltd.**

**Independent Financial Advisor**



**浙商证券股份有限公司**  
**ZHESHANG SECURITIES CO., LTD.**

December 2020

## Statement

Zheshang Securities Co., Ltd has accepted the entrustment of Haier Smart Home Co., Ltd. to act as the independent financial advisor for project of the material asset purchase and related party transaction. According to of the relevant provisions and requirement of the *Company Law*, the *Securities Law*, the *Restructuring Measures, Standards concerning the Content and Format of Information Disclosure by Companies Offering Securities to the Public No. 26 – Significant Asset Restructuring of Listed Companies* and other relevant laws, regulations, based on the business standards and ethics recognized by the industry, the principle of good faith and diligence, and after carefully reviewing relevant materials and comprehensively understanding this transaction, the independent financial advisor issues the following verification opinions.

The independent financial advisor's statement is as follow:

1. The documents and materials referenced in independent financial advisor's Verification Opinion are provided by all parties to this transaction and all parties to this transaction has made guarantees to the independent financial advisor: relevant information about this material asset restructuring provided by them is true, accurate and complete and no false records, misleading statement or significant omissions.

2. The independent financial advisor had performed its due diligence obligations in accordance with the regulations and firmly believe that there is no substantial discrepancy between the professional opinion issued by himself and content of the documents disclosed by the Listed Company.

3. The independent financial advisor's Verification Opinion does not constitute any investment advice for the Listed Company and the independent financial advisor shall disclaim any liabilities for relevant risks arising from any investment decisions made by investors based on the independent financial advisor's verification opinion.

4. The independent financial advisor has not entrusted or authorized any other institution or individual to provide information not included in the independent financial advisor's Verification Opinion and to provide any explanation or description on the independent financial advisor's Verification Opinions.

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## Definitions

In this Verification Opinion, unless otherwise stated, the following terms should have the following meanings:

<i>the Verification Opinion, this Verification Opinion</i>	<i>The Independent Financial Advisor's Verification Opinion from Zheshang Securities Co., Ltd. on Material Asset Purchase and Implementation of Related Party Transaction of Haier Smart Home Co., Ltd.</i>
Restructuring Report	The Material Asset Purchase cum Related Party Transaction Report of Haier Smart Home Co., Ltd. (Draft) (Revised) prepared by the Listed Company for this transaction
HSH, the Listed Company, the Company	Haier Smart Home Co., Ltd.
This transaction or the transaction, material restructuring	HSH plans to privatise HEG by issuing H Shares. Shareholders of HEG other than HSH and FRL will have all their HEG Shares (including the EB for which exchange right is exercised before the Scheme Record Date) be written off, and will obtain the new H Shares (other than the Non-Qualifying Overseas Shareholders) issued by HSH, with the proportion of total shares not exceeding 30.28% (assuming that the EB holders all exercise the exchange right)
The offering	the offering of overseas listed foreign shares (H Shares) of HSH, which will be listed on the Main Board of the Hong Kong Stock Exchange by way of Introduction
HEG, target company	Haier Electronics Group Co., Ltd.
Underlying assets	all HEG Shares, other than those held by HSH and FRL, that have been issued or may be issued before the Scheme Record Date
HS (HK)	Haier Shareholdings (Hong Kong) Limited, an overseas subsidiary of the Company
FRL	Flourishing Reach Limited, an overseas subsidiary of the Company, registered in the British Virgin Islands

Scheme of Arrangement, Scheme	a scheme under Section 99 of the Companies Act of Bermuda involving, among other matters, the cancellation of all Scheme Shares
Scheme Record Date	according to the Scheme of Arrangement, the time when the Scheme Shares are canceled as consideration for Scheme Shareholders' entitlement to the newly issued H Shares of HSH, being at 4:30 p.m. on Monday, 21 December 2020
Scheme Shares	all HEG Shares, other than those held by HSH and FRL, in issue or may be issued before the Scheme Record Date. For the avoidance of ambiguity, the Scheme Shares include the HEG Shares held by the concerted parties of HSH
Scheme Shareholders	registered shareholders of Scheme Shares
Non-Qualifying Overseas Shareholders	overseas HEG Shareholders in Australia
Share Exchange Ratio	the ratio of 1.60 new HSH H Shares for every Scheme Share cancelled under the Scheme
Cash Payment	subject to the Scheme of Arrangement becoming effective and as part of the Scheme of Arrangement, the cash payment of HK\$1.95 per share that HEG plans to pay for shareholders whose names appear on the register of members of HEG on the Scheme Record Date
Pre-Conditions	the pre-conditions to the making of the Privatisation Proposal as described in the section headed “2. TERMS OF THE PRE-CONDITIONAL PRIVATISATION PROPOSAL – 2.6. Pre-Conditions to the making of the Privatisation Proposal” of 3.5 Announcement
Conditions	the conditions to the implementation of the Privatisation Proposal as described in the section headed “2. TERMS OF THE PRE-CONDITIONAL PRIVATISATION PROPOSAL – 2.7. Conditions of the Privatisation Proposal and the Scheme” of 3.5 Announcement
HSH EB, EB	exchangeable bonds issued by HSH in November 2017 in Hong Kong through its wholly-owned

	overseas subsidiary Harvest International Company, the underlying shares of exchangeable bonds are HEG Shares
EB Holders	holders of HSH EB
EB-to-CB, EB-to-CB Proposal, Proposal on changing exchangeable bonds to convertible bonds	EB holders choose to change the EB into the convertible bonds issued by HSH through its wholly-owned overseas subsidiary that can be converted into HSH H Shares
Convertible Bonds	the HSH Exchangeable Bonds with amended terms and conditions, subject to the satisfaction of the relevant preconditions, the HSH Exchangeable Bonds with amended terms and conditions will not be exchangeable into the HEG Shares but will instead be convertible into new HSH H Shares.
HCH (HK)	HCH (HK) Investment Management Co., Limited, one of the counterparties of HEG's privatisation transaction
3.5 Announcement	the <i>Joint Announcement</i> issued by the Company and the target company in accordance with Rule 3.5 of the <i>Hong Kong Code on Takeovers and Mergers</i> on 31 July 2020
Listing	the listing of, and permission to deal in, the HSH H Shares on the Main Board of the Stock Exchange
Listing Documents	the listing documents to be published by HSH in connection with the Introduction
<i>Company Law</i>	<i>Company Law of the People's Republic of China</i>
<i>Securities Law</i>	<i>Securities Law of the People's Republic of China</i>
<i>Listing Rules of the Shanghai Stock Exchange</i>	<i>the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange</i>
<i>Listing Rules of The Stock Exchange</i>	<i>the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i>
<i>Measures for Restructuring</i>	<i>Administrative Measures for the Major Asset Restructuring of Listed Companies</i>

Companies Act of Bermuda	the <i>Companies Act 1981 of Bermuda</i> (as amended from time to time)
CSRC	China Securities Regulatory Commission
Shanghai Stock Exchange or SSE	the Shanghai Stock Exchange
SFC	the Securities and Futures Commission of Hong Kong
Hong Kong Stock Exchange or Stock Exchange	The Stock Exchange of Hong Kong Limited
Independent financial advisor, Zhesang Securities	Zhesang Securities Co., Ltd.
Legal advisor or King & Wood	King & Wood Mallesons Beijing
A Shares	Ordinary shares that are approved by CSRC to be issued to domestic investors, listed on a domestic stock exchange, denominated in RMB, and subscribed for and traded in RMB
D Shares	Shares that are approved by CSRC to be issued to foreign investors, listed on the D-Share market of China Europe International Exchange, denominated in RMB, and subscribed for and traded in Euro
H Shares	Shares that are approved by CSRC to be issued to foreign investors, listed on the Hong Kong Stock Exchange, denominated in RMB, and subscribed for and traded in Hong Kong dollars
Shares	RMB-denominated ordinary shares or A Shares (unless the context otherwise specifies)
Business day	Any business day of the Stock Exchange of Hong Kong
RMB, RMB0'000	Renminbi, RMB0'000, the lawful currency of the PRC



# **Section I Basic Information about this Transaction**

## **I. Overview of this transaction scheme**

HSH put forward a Scheme to the Scheme Shareholders for the privatization of HEG, which will be executed by way of a scheme of arrangement under Section 99 of the Companies Act of Bermuda. The Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders) will obtain new HSH H Shares as a consideration for privatisation, with a Share Exchange Ratio of 1:1.60, that is, each Scheme Share is entitled to 1.60 new HSH H Shares. Meanwhile, as a part of the Privatisation Proposal, within seven business days from the date on which the scheme of arrangement becomes effective, HEG will make a Cash Payment to the Scheme Shareholders at HK\$1.95 per share.

The Privatisation Proposal will be effective on 21 December 2020 (Bermuda Time); HEG will be delisted from the Hong Kong Stock Exchange at 9:00 a.m. on 23 December 2020 (Beijing Time) and will become a wholly-owned subsidiary of HSH; HSH H Shares will be listed and traded on the Main Board of the Hong Kong Stock Exchange by way of introduction at 9:00 a.m. on 23 December 2020 (Beijing Time) and the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders) will become H shareholders of HSH.

## **II. Information about the share issued by the transaction**

### **(I) Type and nominal value of the shares to be issued**

The shares to be issued are ordinary shares (H Shares) with a nominal value of RMB1.00 each, which are issued overseas and listed on the Main Board of the Hong Kong Stock Exchange.

### **(II) Issue way and targets**

In this transaction, HSH issues H Shares and list H Shares on the Main Board of the Hong Kong Stock Exchange by way of introduction, and the shares will be issued to HEG Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders) except HSH and FRL<sup>1</sup>.

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<sup>1</sup> On 29 October 2020, upon the satisfaction of relevant conditions, HEG shares held by HS (HK) has been transferred to FRL.

### **(III) Number of shares to be issued**

The number of H shares to be issued is 2,448,279,814 shares.

### **(IV) Lock-up period for the share issue**

The controlling shareholder(s) of a company as defined in the *Listing Rules of the Stock Exchange* and its relevant registered holder(s) must comply with the relevant restrictions on the sale of shares of a company under Rule 10.07 of the *Listing Rules of the Stock Exchange* which provide that, among others, the permissible circumstances listed under Rule 10.07 of the *Listing Rules of the Stock Exchange*, in the period commencing on the date by reference to which disclosure of the shareholding of the controlling shareholders is made in the listing document and ending on the date which is 6 months from the date on which dealings in the H shares commence on the Hong Kong Stock Exchange, shall not dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those securities (including but not limited to A Shares, D Shares and H Shares) in respect of which he is or they are shown by that listing document to be the beneficial owner(s); and in the period of 6 months commencing on the date on which the period referred to above expires, shall not dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities referred to above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, that person or group of persons would cease to be a controlling shareholder.

### **(V) Listing place**

The H Shares issued this time have been listed on the Main Board of Hong Kong Stock Exchange.

## Section II Implementation of this Transaction

### I. Decision-making and approval procedures for the implementation of this transaction

As of the date of issuance of this Verification Opinion, this transaction has obtained the following major authorizations, approvals, ratifications and filings:

#### (I) Approval and authorization of HSH

On 30 July 2020, HSH held the 10th meeting of the tenth session of the board of directors, at which the *Proposal on the Specific Plan for this Material Asset restructuring*, the *Proposal on Material Asset Purchase cum Related Party Transaction Report (Draft)*> and its *Summary of Haier Smart Home Co., Ltd.*, the *Proposal on the Adjustment Plan for Exchangeable Bonds to be Issued by the Company through Overseas Wholly-owned Subsidiaries* and other proposals related to this material asset restructuring were reviewed and approved. Independent directors expressed their affirmative independent opinions on the above matters reviewed by the board.

On 30 July 2020, HSH held the 9th meeting of the tenth session of the Supervisory Committee, at which the *Proposal on the Specific Plan for this Material Asset restructuring*, the *Proposal on Material Asset Purchase cum Related Party Transaction Report (Draft)*> and its *Summary of Haier Smart Home Co., Ltd.* and other proposals related to material asset restructuring were reviewed and approved.

On 21 August 2020, HSH held the 11th meeting of the tenth session of the board of directors, at which the *Proposal on the Number of H Shares to be Issued in the Specific Plan for this Material Asset restructuring*, the *Proposal on Material Asset Purchase cum Related Party Transaction Report (Draft)*> and its *Summary of Haier Smart Home Co., Ltd.*, the *Proposal on the Adjustment Plan for Exchangeable Bonds to be Issued by the Company through Overseas Wholly-owned Subsidiaries* and other proposals were reviewed and approved. Independent directors expressed their affirmative independent opinions on the above matters reviewed by the board.

On 21 August 2020, HSH held the 10th meeting of the tenth session of the

Supervisory Committee, at which the *Proposal on the Number of H Shares to be Issued in the Specific Plan for this Material Asset restructuring*, the *Proposal on Material Asset Purchase cum Related Party Transaction Report (Draft)*> and its *Summary of Haier Smart Home Co., Ltd.* and other proposals were reviewed and approved.

On 28 August 2020, the EB Holders' meeting reviewed and approved the relevant proposals of EB-to-CB Proposal.

On 1 September 2020, HSH held the second extraordinary general meeting of shareholders of 2020, at which the *Proposal on the Specific Plan for this Material Asset restructuring*, the *Proposal on Material Asset Purchase cum Related Party Transaction Report (Draft)*> and its *Summary of Haier Smart Home Co., Ltd.*, the *Proposal on the Adjustment Plan for Exchangeable Bonds to be Issued by the Company through Overseas Wholly-owned Subsidiaries* and other proposals related to this material asset restructuring were reviewed and approved

On 1 September 2020, HSH held the first A-share class general meeting of 2020 and the first D-Share class general meeting of 2020, at which the *Proposal on the Specific Plan for this Material Asset restructuring*, the *Proposal on the Adjustment Plan for Exchangeable Bonds to be Issued by the Company through Overseas Wholly-owned Subsidiaries* and other proposals were reviewed and approved.

## **(II) Other approvals and authorizations**

On 14 August 2020, HSH received the *Inquiry Letter on Information Disclosure of the Material Asset Purchase cum Related Party Transaction Report of Haier Smart Home Co., Ltd.* (Shang Zheng Gong Han 【2020】 No. 2447) (hereinafter referred to as the “*Inquiry Letter*”) issued by the Shanghai Stock Exchange. According to the requirements of the *Inquiry Letter*, the Company and the intermediary agency have analyzed and finished the reply. At the same time, the revision and the supplementary were made for the *Material Asset Purchase cum Related Party Transaction Report (Draft) of Haier Smart Home Co., Ltd.* and other relevant documents in accordance with the requirements of the *Inquiry Letter*.

On 30 September 2020, the Ministry of Foreign Trade and Economic Cooperation issued *Reply to the Opinions Concerning the Haier Smart Home Co.,*

*Ltd.*’s changes on the total amount of investment, equity structure and investment path of *Haier Electronics Co., Ltd.* (Shang He Guo Si Han [2020] No. 243), and has agreed the applications of changes of filings for this transaction submitted by HSH.

On 30 September 2020, Qingdao Bureau of Commerce replaced and issued the changed *Enterprises Overseas Investment Certificate* (Overseas Investment Certificate No. N3702202000094) to HSH.

On 23 October 2020, the General Office of the National Development and Reform Commission issued the *Notice of Approval for Filing of Outbound Investment Project* (Fa Gai Ban Wai Zi Bei [2020] No. 736), and HSH has completed the filing of Overseas Investment Project in the National Development and Reform Commission.

On 27 October 2020, CSRC issued the *Reply in relation to the Approval of Haier Smart Home to Issue Overseas Listed Foreign Shares and Convertible Corporate Bonds* (ZJXK [2020] No. 2768) ( hereinafter referred to as “the reply from CSRC”), which approved: (1) HSH to issue no more than 2,856,526,138 overseas listed foreign shares (including shares no more than HK\$8 billion or shares further issued under the exercise of conversion rights of holders of convertible cooperate bonds for equivalent foreign currency), at par value RMB1, and all of which are ordinary shares. After the completion of this Offering, HSH can be listed on the Main Board of Hong Kong Stock Exchange; (2) the overseas wholly-owned subsidiaries guaranteed by HSH to issue cooperate bonds no more than HK\$8 billion or its equivalent foreign currency converted to overseas listed foreign shares of the issuers.

On 13 November 2020, HSH received a letter from Hong Kong Stock Exchange ("HKEX"), confirming that HKEX had no further comments on the Listing Document which introduced HSH H Shares. Meanwhile, HKEX approved in principle the listing on the HKEX of the H Shares set out in the Listing Document of HSH (including the H shares issued as consideration for the shares under the cancellation plan pursuant to the Privatisation Proposal and the additional H shares issued by HSH as a result of the conversion of convertible bonds of its H shares).

On 9 December 2020, HEG convened the court session ( namely the general meeting convened by HEG under the order of the Supreme Court of Bermuda )and the extraordinary general meeting, which considered and approved the relevant matters of

privatisation of HEG by HSH in the form of the scheme of arrangement.

On 18 December 2020 (Bermuda time) , the Supreme Court of Bermuda approved the scheme of arrangement, and HEG has submitted the copy of the approved scheme of arrangement of the Supreme Court of Bermuda to the Registrar of Companies of Bermuda for registration on 21 December 2020 (Bermuda time).

On 21 December 2020, the Listing Committee of Hong Kong Stock Exchange granted conditional approval for the listing of, and permission to deal in, H Shares of HSH to be issued by way of introduction on Hong Kong Stock Exchange.

## **II. Assets transfer or delivery, related credit and debt treatment involved in this transaction**

### **(I) Delivery of the underlying assets**

As of the date of issuance of this Verification Opinion, all of the HEG's scheme shares have been cancelled. Meantime, HEG has issued the same number of new shares as the cancelled scheme shares to HSH. According to the latest register of shareholders of HEG provided by Tricor Tengis Limited, HEG has 2,816,995,476 shares in issue, of which HSH and its wholly-owned subsidiaries hold 2,816,995,476 shares of HEG in total. Therefore, HEG become a wholly-owned subsidiary of HSH. The transfer of the underlying assets of this transaction has been completed.

### **(II) Payment of H Shares issuance and Cash Payment**

According to the written confirmation provided by Tricor Investor Services Limited and confirmation letter in relation to dispatch of share certificates to the scheme shareholders (other than the Non-Qualifying Overseas Shareholders). It dispatched the H Share certificates of HSH to all of the scheme shareholders (other than the Non-Qualifying Overseas Shareholders) on 22 December 2020 and HSH's H shares have been listed and traded on Main Board of the Stock Exchange on 23 December 2020; according to the written confirmation provided by Tricor Investor Services Limited and confirmation letter in relation to dispatch of cash cheque to the scheme shareholders, it dispatched the cash cheques to all of the scheme shareholders on 24 December 2020. As of the date of issuance of this Verification Opinion, HSH has issued H shares to the Scheme Shareholders (other than the Non-Qualifying

Overseas Shareholders), and HEG has made a Cash Payment to the Scheme Shareholders.

### **(III) Credit and debt treatment of underlying assets**

After the completion of this transaction, HEG has become a wholly-owned subsidiary of HSH and will remain an independently subsisted legal entity. All of HEG's credit and debt will still be owned or committed by itself. Therefore, this transaction does not involve in HEG's transfer of credit and debt.

### **III. Whether there is any discrepancy between the relevant actual conditions and the previously disclosed information**

Following the disclosure of the Restructuring Report, (1) On 29 October 2020, the shares in HEG held by HS (HK) were transferred to FRL upon satisfaction of the relevant conditions; (2) On 9 December 2020, 502 shares of HK\$0.10 each were cancelled from the issued share capital of HEG as approved by HEG at the special general meeting (the aggregate fractional shares arising from the share consolidation approved by the shareholders of HEG on 7 March 2007) and thereby reducing the issued share capital of HEG accordingly; (3) Pursuant to the Scheme of Arrangement for the Privatisation Proposal, if the laws of any relevant jurisdiction prohibit the offering of HSH H Shares or require HSH to meet conditions which HSH cannot meet or which HSH considers to be too onerous and demanding in order to offer HSH H Shares, HSH will not issue HSH H Shares to the relevant Scheme Overseas Shareholders (i.e. Non-Qualifying Overseas Shareholders), but will instead allot the HSH H Shares originally allotted to the Non-Qualifying Overseas Shareholders to the Selected Persons. The Selected Persons will sell the relevant HSH H Shares and pay the net proceeds to the Non-Qualifying Overseas Shareholders as soon as possible after the Scheme of Arrangement becomes effective, as agreed by the Securities & Futures Commission of Hong Kong (SFC). As a result, the H Shares will be issued to the Scheme Shareholders (excluding Non-Qualifying Overseas Shareholders) of HEG other than HSH and FRL, instead of the Scheme Shareholders of HEG other than HSH and HS (HK).

Save for the above, there are no discrepancies between relevant actual situation and the previously disclosed information during the implementation process of this

transaction.

#### **IV. Changes in directors, supervisors and senior management and adjustment of other relevant personnel**

On 3 November 2020, Mr. Yan Yan, one of the Company's directors submitted a written resignation report. Mr. Yan Yan resigned from the Company's director and member of the Strategy Committee under the Board of Directors due to personal reasons, which is effective from 3 November 2020.

The changes in above-mentioned director have not adversely affected the Company's operations, and the Company has performed its information disclosure obligations in a timely manner. In addition to the above changes, from the date when HSH announced the reorganization report to the date of issuance of this Verification Opinion, there were no other changes in or adjustments to other directors, supervisors, and senior management of the Company. No significant changes in directors, supervisors, and senior management of the Company have occurred due to this transaction.

#### **V. During the restructuring process, whether the capital and assets of the Listed Company are occupied by the actual controller or other related parties, or the Listed Company provides guarantees for the actual controller and its related parties**

As of the date of issuance of this Verification Opinion, during the implementation of this transaction, there was no situation where the capital and assets of the Listed Company were occupied by the actual controller or other related parties, or the Listed Company provided guarantees for the actual controller and its related parties.

#### **VI. Implementation of relevant transaction documents and undertakings**

##### **(I) Implementation of relevant transaction documents**

As of the date of issuance of this Verification Opinion, the Privatisation Proposal and 3.5 Announcement, all the specified Pre-Conditions and Conditions of this transaction have been satisfied, the *Confirmation Letter of HCH (HK) INVESTMENT MANAGEMENT CO., LIMITED* involved in this transaction have been effectively



implemented, and there is no violation of the transaction documents in this transaction.

## **(II) Implementation of relevant undertakings**

The relevant undertakings of this transaction have been disclosed in the Restructuring Report. As of the date of issuance of this Verification Opinion, all parties of the transaction have fulfilled or are fulfilling the relevant undertakings in accordance with the requirements of the above-mentioned relevant documents and Restructuring Report, and there is no violation of undertakings.

## **VII. Compliance and risks of relevant subsequent matters**

As of the date of issuance of this Verification Opinion, the transfer of the underlying assets involved in this transaction has been completed. The listed company will apply to the industrial and commercial registration authorities for the registration of the change of registered capital and filing of the articles of association involved in this transaction. It will also report in writing to the CSRC on the issuance and listing of the H Shares, complete the foreign exchange registration for the overseas listing, and report to the NDRC and the Ministry of Commerce on the implementation of this transaction. Meanwhile, it will continuously fulfil its obligations for information disclosure in connection with this transaction as per the requirements of laws and administrative regulations. There are no material obstacles to compliance in respect of the subsequent matters relating to this transaction and there are no material risks in respect of the relevant subsequent matters.

## **Section III Concluding Opinion of the Independent Financial Advisor**

After verification, the independent financial advisor has following opinions:

1. The implementation of this transaction complies with the provisions of the *Company Law*, the *Securities Law* and the *Restructuring Measures* and other relevant laws, regulations and normative documents;

2. This transaction has fulfilled the statutory decision-making and approval procedures, and the necessary approvals have been obtained, so that the parties to the transaction can implement this material asset restructuring in accordance with the law;

3. HSH has issued H shares to the Scheme Shareholders (other than the Non-Qualifying Overseas Shareholders), and HEG has made a Cash Payment to the Scheme Shareholders, so the transfer procedures of the underlying assets involved in this transaction have been completed and the transfer procedures are legal and valid;

4. No major changes in the directors, supervisors and senior management of the Listed Company has occurred as a result of this transaction;

5. The Listed Company has fulfilled the relevant information disclosure obligations in relation to this transaction, which was in compliance with the relevant laws, regulations and the requirements of the *Listing Rules of the Shanghai Stock Exchange*. Except as stated in the text, there are no discrepancies between relevant actual situation and the previously disclosed information during the implementation process of this transaction;

6. There is no non-operational occupation of capital and assets of the Listed Company by the actual controller or other related parties during the implementation of this transaction, and there is no guarantee provided by the Listed Company for the controlling shareholder, the actual controller and their related parties as a result of this transaction;

7. The relevant transaction documents and undertakings involved in the course of

this transaction have been effectively performed or are being performed, and there is no breach of the transaction documents or undertakings;

8. There is no material obstacle in the compliance of the subsequent matters related to this transaction; on the basis of the parties' effective implementation of the transaction documents and undertakings, there is no material risk to the subsequent matters related to this transaction.

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Sponsors of financial advisors:

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Wang Feng

Wang Jian

Zheshang Securities Co., Ltd.

25 December 2020