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**HISENSE HOME APPLIANCES GROUP CO., LTD.**

海信家電集團股份有限公司

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 00921)

**DISCLOSEABLE TRANSACTIONS  
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

At the fourth extraordinary meeting for the year 2018 held by the tenth session of the Directors on 26 November 2018 and the 2019 first extraordinary general meeting held on 23 January 2019, a resolution on entrusted wealth management of idle self-owned funds of the Company was considered and approved. Subject to the investment risk control by the Company and the principles of improving efficiency of the use of capital and increasing return on cash assets, the entrustment of idle self-owned funds of not more than RMB5,000,000,000 to commercial banks to conduct short-term and low-risk investment for wealth management was approved. The progress is now announced as follows:

Reference is made to the announcements of the Company dated 11 July 2019 in respect of The 2018 Hua Xia Bank First Wealth Management Agreement, The 2018 Hua Xia Bank Second Wealth Management Agreement, The 2019 Hua Xia Bank First Wealth Management Agreement, The 2019 Hua Xia Bank Second Wealth Management Agreement, The 2019 Hua Xia Bank Third Wealth Management Agreement, The 2019 Hua Xia Bank Fourth Wealth Management Agreement and The 2019 Hua Xia Bank Fifth Wealth Management Agreement, pursuant to which the Company and its non-wholly owned subsidiaries, Air-conditioner Marketing Company and Refrigerator Marketing Company (as subscribers), subscribed for wealth management products in the aggregate subscription amount of RMB1,260,000,000 (equivalent to approximately HK\$1,439,846,558.86<sup>Note 1</sup>) from the Hua Xia Bank (as issuer).

The Board is pleased to announce that apart from The 2018 Hua Xia Bank First Wealth Management Agreement, The 2018 Hua Xia Bank Second Wealth Management Agreement, The 2019 Hua Xia Bank First Wealth Management Agreement, The 2019 Hua Xia Bank Second

Wealth Management Agreement, The 2019 Hua Xia Bank Third Wealth Management Agreement, The 2019 Hua Xia Bank Fourth Wealth Management Agreement and The 2019 Hua Xia Bank Fifth Wealth Management Agreement, on 8 August 2019, the Company and its non-wholly owned subsidiary, Refrigerator Marketing Company entered into The 2019 Hua Xia Bank Sixth Wealth Management Agreement and The 2019 Hua Xia Bank Seventh Wealth Management Agreement to subscribe for the Wealth Management Products in the aggregate subscription amount of RMB600,000,000 (equivalent to approximately HK\$681,307,201.42<sup>Note 1</sup>). The Group utilised its idle funds for the payment of the subscription amount under each of the Wealth Management Agreements.

The 2019 Hua Xia Bank Sixth Wealth Management Agreement and The 2019 Hua Xia Bank Seventh Wealth Management Agreement by itself does not constitute discloseable transaction of the Company under Rule 14.06 of the Listing Rules. However, pursuant to Rule 14.22 of the Listing Rules, the relevant subscription amounts under the Wealth Management Agreements will be aggregated. The relevant applicable percentage ratios (defined under the Listing Rules) of the transactions under the Wealth Management Agreements, on an aggregate basis, exceed 5% but are lower than 25%. Therefore, the transactions under the Wealth Management Agreements, on an aggregate basis, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under the Listing Rules.

At the fourth extraordinary meeting for the year 2018 held by the tenth session of the Directors on 26 November 2018 and the 2019 first extraordinary general meeting held on 23 January 2019, a resolution on entrusted wealth management of idle self-owned funds of the Company was considered and approved. Subject to the investment risk control by the Company and the principles of improving efficiency of the use of capital and increasing return on cash assets, the entrustment of idle self-owned funds of not more than RMB5,000,000,000 to commercial banks to conduct short-term and low-risk investment for wealth management was approved. The progress is now announced as follows:

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The Board is pleased to announce that apart from The 2018 Hua Xia Bank First Wealth Management Agreement, The 2018 Hua Xia Bank Second Wealth Management Agreement, The 2019 Hua Xia Bank First Wealth Management Agreement, The 2019 Hua Xia Bank Second Wealth Management Agreement, The 2019 Hua Xia Bank Third Wealth Management Agreement, The 2019 Hua Xia Bank Fourth Wealth Management Agreement and The 2019 Hua Xia Bank Fifth Wealth Management Agreement, on 8 August 2019, the Company and its non-wholly owned subsidiary, Refrigerator Marketing Company entered into The 2019 Hua Xia Bank Sixth Wealth Management Agreement and The 2019 Hua Xia Bank Seventh Wealth Management Agreement to subscribe for the Wealth Management Products in the aggregate subscription amount of RMB600,000,000 (equivalent to approximately HK\$681,307,201.42<sup>Note 1</sup>). The Group utilised its idle funds for the payment of the subscription amount under each of the Wealth Management Agreements.

### **The 2019 Hua Xia Bank Sixth Wealth Management Agreement**

- (1) **Subscription date:** 8 August 2019
- (2) **Name of product:** “Profit Increasing Enterprise Customized Wealth Management Product No.1239” (1239 號增盈定制理財產品).
- (3) **Parties:**
- (i) Hua Xia Bank as issuer; and
  - (ii) the Company as subscriber.
- To the best knowledge, information and belief of the Directors, Hua Xia Bank and its ultimate beneficial owners are not connected persons of the Company and are third parties independent of the Company and its connected persons.
- (4) **Type of product:** Closed-end Non-principal-guaranteed with floating return.
- (5) **Risk rating of product:** Stable.
- (6) **Principal amount of subscription:** RMB300,000,000 (equivalent to approximately HK\$340,653,600.71<sup>Note 2</sup>).
- (7) **Currency of subscription:** Renminbi.

- (8) **Term of investment:** 95 days.
- (9) **Expected maximum return rate per annum:** 4.20%.
- (10) **Investment scope of the product:** The 2019 Hua Xia Bank Sixth Wealth Management Product invests in various kinds of products, including but not limited to: treasury bonds, bank deposits, repurchases of bonds, bond forwards, financial bonds, central bank bills, enterprise bonds with high credit ratings, corporate bonds, short term financing bills, medium term notes, asset-backed securities, subordinated bonds, and investment in other products such as entrusted debts, various receivables, accounts receivables through trust and asset management plans.
- (11) **Payment of return on principal upon maturity:** The principal and return will be paid by Hua Xia Bank to the Company in a lump sum on the maturity date.
- (12) **Right of early termination:** Both the Company and Hua Xia Bank are entitled to early termination of The 2019 Hua Xia Bank Sixth Wealth Management Product.

### **The 2019 Hua Xia Bank Seventh Wealth Management Agreement**

- (1) **Subscription date:** 8 August 2019
- (2) **Name of product:** “Profit Increasing Enterprise Customized Wealth Management Product No.1240” (1240 號增盈定制理財產品).
- (3) **Parties:**
- (i) Hua Xia Bank as issuer; and
  - (ii) Refrigerator Marketing Company as subscriber.

To the best knowledge, information and belief of the Directors, Hua Xia Bank and its ultimate beneficial owners are not connected persons of the Company and are third parties independent of the Company and its connected persons.

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|---|--|
| <b>(4) Type of product:</b>                               | Closed-end Non-principal-guaranteed with floating return.  |
| <b>(5) Risk rating of product:</b>                        | Stable.  |
| <b>(6) Principal amount of subscription:</b>              | RMB300,000,000<br>(equivalent to approximately HK\$340,653,600.71 <sup>Note 2</sup> ).   |
| <b>(7) Currency of subscription:</b>                      | Renminbi.  |
| <b>(8) Term of investment:</b>                            | 180 days.  |
| <b>(9) Expected maximum return rate per annum:</b>        | 4.40%.   |
| <b>(10) Investment scope of the product:</b>              | The 2019 Hua Xia Bank Seventh Wealth Management Product invests in various kinds of products, including but not limited to: treasury bonds, bank deposits, repurchases of bonds, bond forwards, financial bonds, central bank bills, enterprise bonds with high credit ratings, corporate bonds, short term financing bills, medium term notes, asset-backed securities, subordinated bonds, and investment in other products such as entrusted debts, various receivables, accounts receivables through trust and asset management plans. |
| <b>(11) Payment of return on principal upon maturity:</b> | The principal and return will be paid by Hua Xia Bank to Refrigerator Marketing Company in a lump sum on the maturity date.  |
| <b>(12) Right of early termination:</b>                   | Both the Refrigerator Marketing Company and Hua Xia Bank are entitled to early termination of The 2019 Hua Xia Bank Seventh Wealth Management Product.   |

## **REASONS AND BENEFITS FOR THE SUBSCRIPTIONS**

The approval procedures of the subscriptions of wealth management products by the Company are in compliance with the relevant requirements of “Management Measures for Conducting Entrusted Wealth Management Transactions”. The subscriptions of the wealth management products are made from the idle self-owned funds of the Group and such utilisation of idle self-owned funds for

entrusted wealth management is beneficial for enhancing efficiency of use of idle self-owned funds of the Group and would not affect the daily operation and the principal business development of the Group and will not adversely affect the interests of medium and small investors of the Company.

The Board considers that the subscriptions of the wealth management products are on normal commercial terms, fair and reasonable, and in the interests of the Company and Shareholders as a whole.

## **IMPLICATION OF THE LISTING RULES**

The 2019 Hua Xia Bank Sixth Wealth Management Agreement and The 2019 Hua Xia Bank Seventh Wealth Management Agreement by itself does not constitute discloseable transaction of the Company under Rule 14.06 of the Listing Rules. However, pursuant to Rule 14.22 of the Listing Rules, the relevant subscription amounts under the Wealth Management Agreements will be aggregated. The relevant applicable percentage ratios (defined under the Listing Rules) of the transactions under the Wealth Management Agreements, on an aggregate basis, exceed 5% but are lower than 25%. Therefore, the transactions under the Wealth Management Agreements, on an aggregate basis, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under the Listing Rules.

## **INFORMATION OF THE COMPANY AND HUA XIA BANK**

### *The Company*

The Company is principally engaged in research and development, manufacturing and marketing of electrical products such as refrigerators, household air-conditioners, central air-conditioners, freezers, washing machines, kitchen appliances, etc.

### *Hua Xia Bank*

Hua Xia Bank is a licensed bank incorporated under the laws of the PRC. Hua Xia Bank is publicly listed on The Shanghai Stock Exchange. Hua Xia Bank provides the provision of corporate and retail services, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

<b>“Air-conditioner Marketing Company”</b>	Qingdao Hisense Air-conditioner Marketing Co., Ltd. (青島海信空調營銷股份有限公司), a subsidiary of the Company;
<b>“Board”</b>	the board of directors of the Company;
<b>“Company”</b>	Hisense Home Appliances Group Co., Ltd., a company incorporated in the PRC with limited liabilities, whose shares are listed on the main board of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange;
<b>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Director(s)”</b>	the director(s) of the Company;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“Hua Xia Bank”</b>	Hua Xia Bank Co., Limited. (華夏銀行股份有限公司), a licensed bank incorporated under the laws of the PRC;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
<b>“PRC”</b>	the People’s Republic of China;
<b>“Refrigerator Marketing Company”</b>	Guangdong Hisense Refrigerator Marketing Co., Ltd. (廣東海信冰箱營銷股份有限公司), a subsidiary of the Company;
<b>“Renminbi” or “RMB”</b>	the lawful currency of the PRC;
<b>“Shareholder(s)”</b>	the shareholder(s) of the Company;
<b>“The 2018 Hua Xia Bank First Wealth Management Agreement”</b>	the wealth management agreement entered into between Refrigerator Marketing Company and the Hua Xia Bank on 24 October 2018 in relation to the subscription of The 2018 Hua Xia Bank First Wealth Management Product, the particulars of

which are disclosed in the announcement of the Company dated 11 July 2019;

**“The 2018 Hua Xia Bank Bank Second Wealth Management Agreement”**

the wealth management agreement entered into between the Company and the Hua Xia Bank on 10 December 2018 in relation to the subscription of The 2018 Hua Xia Bank Bank Second Wealth Management Product, the particulars of which are disclosed in the announcement of the Company dated 11 July 2019;

**“The 2019 Hua Xia Bank Fifth Wealth Management Agreement”**

the wealth management agreement entered into between Refrigerator Marketing Company Company and Hua Xia Bank on 11 July 2019 in relation to the subscription of The 2019 Hua Xia Bank Fifth Wealth Management Product, the particulars of which are disclosed in the announcement of the Company dated 11 July 2019;

**“The 2019 Hua Xia Bank First Wealth Management Agreement”**

the wealth management agreement entered into between Refrigerator Marketing Company and the Hua Xia Bank on 20 February 2019 in relation to the subscription of The 2019 Hua Xia Bank First Wealth Management Product, the particulars of which are disclosed in the announcement of the Company dated 11 July 2019;

**“The 2019 Hua Xia Bank Fourth Wealth Management Agreement”**

the wealth management agreement entered into between Air-conditioner Marketing Company and Hua Xia Bank on 11 July 2019 in relation to the subscription of The 2019 Hua Xia Bank Fourth Wealth Management Product, the particulars of which are disclosed in the announcement of the Company dated 11 July 2019;

**“The 2019 Hua Xia Bank Second Wealth Management Agreement”**

the wealth management agreement entered into between the Refrigerator Marketing Company and Hua Xia Bank on 7 March 2019 in relation to the subscription of The 2019 Hua Xia Bank Second Wealth Management Product, the particulars of which are disclosed in the announcement of the Company dated 11 July 2019;

**“The 2019 Hua Xia Bank Seventh Wealth Management**

the wealth management agreement entered into between Refrigerator Marketing Company Company and Hua Xia Bank



<b>Agreement”</b>	on 8 August 2019 in relation to the subscription of The 2019 Hua Xia Bank Seventh Wealth Management Product;
<b>“The 2019 Hua Xia Bank Seventh Wealth Management Product”</b>	“Profit Increasing Enterprise Customized Wealth Management Product No.1240” (1240 號增盈定制理財產品), a wealth management product issued by the Hua Xia Bank, the major terms of which are summarized in this announcement;
<b>“The 2019 Hua Xia Bank Sixth Wealth Management Agreement”</b>	the wealth management agreement entered into between the Company and Hua Xia Bank on 8 August 2019 in relation to the subscription of The 2019 Hua Xia Bank Sixth Wealth Management Product;
<b>“The 2019 Hua Xia Bank Sixth Wealth Management Product”</b>	“Profit Increasing Enterprise Customized Wealth Management Product No.1239” (1239 號增盈定制理財產品), a wealth management product issued by the Hua Xia Bank, the major terms of which are summarized in this announcement;
<b>“The 2019 Hua Xia Bank Third Wealth Management Agreement”</b>	the wealth management agreement entered into between the Company and the Hua Xia Bank on 14 March 2019 in relation to the subscription of The 2019 Hua Xia Bank Third Wealth Management Product, the particulars of which are disclosed in the announcement of the Company dated 11 July 2019;
<b>“Wealth Management Agreements”</b>	collectively, The 2018 Hua Xia Bank First Wealth Management Agreement, The 2018 Hua Xia Bank Second Wealth Management Agreement, The 2019 Hua Xia Bank First Wealth Management Agreement, The 2019 Hua Xia Bank Second Wealth Management Agreement, The 2019 Hua Xia Bank Third Wealth Management Agreement, The 2019 Hua Xia Bank Fourth Wealth Management Agreement, The 2019 Hua Xia Bank Fifth Wealth Management Agreement, The 2019 Hua Xia Bank Sixth Wealth Management Agreement and The 2019 Hua Xia Bank Seventh Wealth Management Agreement; ;
<b>“Wealth Management Products”</b>	the wealth management products subscribed under the Wealth Management Agreements;
<b>“%”</b>	per cent; and

“\*”

for identification purpose only.

*Notes:*

- 1. This amount is an aggregation of the HK\$ amounts converted from RMB at exchange rates adopted in the announcement of the Company dated 11 July 2019. The conversion is for the purpose of illustration only. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the relevant dates at the above rate or at any other rates or at all.*
- 2. This amount has been converted from RMB into HK\$ at an exchange rate of RMB0.88066 to HK\$1 for the purpose of illustration only. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the relevant dates at the above rate or at any other rates or at all.*

By order of the Board of  
**Hisense Home Appliances Group Co., Ltd.**  
**Tang Ye Guo**  
Chairman

Foshan City, Guangdong, the PRC, 8 August 2019

*As at the date of this announcement, the Company's executive directors are Mr. Tang Ye Guo, Mr. Jia Shao Qian, Mr. Lin Lan, Mr. Dai Hui Zhong, Mr. Fei Li Cheng and Mr. Wang Yun Li; and the Company's independent non-executive directors are Mr. Ma Jin Quan, Mr. Zhong Geng Shen and Mr. Cheung Sai Kit.*