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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 fifth extraordinary meeting for the year 2019 held by the tenth session of the Directors on 21 June 2019 and the 2019 second extraordinary general meeting of the Company held on 29 August 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 RMB9,000,000,000 to commercial banks to conduct short-term and low-risk investment for wealth management was approved.

The Board is pleased to announce that, on 17 October 2019, Refrigerator Marketing Company, a non-wholly owned subsidiary of the Company, as subscriber, entered into (i) the 2019 CZBank Third Wealth Management Agreement to subscribe for the 2019 CZBank Third Wealth Management Product in the subscription amount of RMB300,000,000 (equivalent to approximately HK\$332,430,000); and (ii) the 2019 CZBank Fourth Wealth Management Agreement to subscribe for the 2019 CZBank Fourth Wealth Management Product in the subscription amount of RMB300,000,000 (equivalent to approximately HK\$332,430,000).

Before the 2019 CZBank Third Wealth Management Agreement and the 2019 CZBank Fourth Wealth Management Agreement were entered into by Refrigerator Marketing Company, (i) on 11 September 2019, Refrigerator Marketing Company, as subscriber, entered into the 2019 CZBank First Wealth Management Agreement to subscribe for the 2019 CZBank First Wealth Management Product in the subscription amount of RMB300,000,000 (equivalent to approximately HK\$332,430,000); and (ii) on 26 September 2019, the Company, as subscriber, entered into the 2019 CZBank Second Wealth Management Agreement to subscribe for the 2019 CZBank Second Wealth Management Product in the subscription amount of RMB60,000,000 (equivalent to approximately HK\$66,486,000).

The Group utilised its idle funds for the payment of the subscription amount under each of the CZBank Wealth Management Agreements.

Each of the 2019 CZBank Third Wealth Management Agreement and the 2019 CZBank Fourth 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, when the relevant subscription amounts under the CZBank Wealth Management Agreements are aggregated, the relevant applicable percentage ratios (as defined under the Listing Rules) of the transactions under the CZBank Wealth Management Agreements exceed 5% but are lower than 25%. Therefore, the transactions under the CZBank 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 fifth extraordinary meeting for the year 2019 held by the tenth session of the Directors on 21 June 2019 and the 2019 second extraordinary general meeting of the Company held on 29 August 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 RMB9,000,000,000 to commercial banks to conduct short-term and low-risk investment for wealth management was approved.

The Board is pleased to announce that, on 17 October 2019, Refrigerator Marketing Company, a non-wholly owned subsidiary of the Company, as subscriber, entered into (i) the 2019 CZBank Third Wealth Management Agreement to subscribe for the 2019 CZBank Third Wealth Management Product in the subscription amount of RMB300,000,000 (equivalent to approximately HK\$332,430,000); and (ii) the 2019 CZBank Fourth Wealth Management Agreement to subscribe for the 2019 CZBank Fourth Wealth Management Product in the subscription amount of RMB300,000,000 (equivalent to approximately HK\$332,430,000).

Before the 2019 CZBank Third Wealth Management Agreement and the 2019 CZBank Fourth Wealth Management Agreement were entered into by Refrigerator Marketing Company, (i) on 11 September 2019, Refrigerator Marketing Company, as subscriber, entered into the 2019 CZBank First Wealth Management Agreement to subscribe for the 2019 CZBank First Wealth Management Product in the subscription amount of RMB300,000,000 (equivalent to approximately HK\$332,430,000); and (ii) on 26 September 2019, the Company, as subscriber, entered into the 2019 CZBank Second Wealth Management Agreement to subscribe for the 2019 CZBank Second Wealth Management Product in the subscription amount of RMB60,000,000 (equivalent to approximately HK\$66,486,000).

The Group utilised its idle funds for the payment of the subscription amount under each of the CZBank Wealth Management Agreements.

Summarised below are the major terms of the CZBank Wealth Management Agreements:

	(A)	(B)	(C)	(D)
	<b>2019 CZBank First Wealth Management Agreement</b>	<b>2019 CZBank Second Wealth Management Agreement</b>	<b>2019 CZBank Third Wealth Management Agreement</b>	<b>2019 CZBank Fourth Wealth Management Agreement</b>
<b>(1) Date of subscription:</b>	11 September 2019	26 September 2019	17 October 2019	17 October 2019
<b>(2) Name of product:</b>	CZBank RMB Wealth Management Product (Exclusive Finance No.1 90-Day Model (Product Code Z119090018)) <sup>*</sup> (浙商銀行人民幣理財產品 (專屬理財 1 號 90 天型 Z119090018))	CZBank RMB Wealth Management Product (Exclusive Finance No.1 182-Day Model (Product Code Z119182020)) <sup>*</sup> (浙商銀行人民幣理財產品 (專屬理財 1 號 182 天型 Z119182020))	CZBank RMB Wealth Management Product (Exclusive Finance No.1 90-Day Model (Product Code Z119090019)) <sup>*</sup> (浙商銀行人民幣理財產品 (專屬理財 1 號 90 天型 Z119090019))	CZBank RMB Wealth Management Product (Exclusive Finance No.1 188-Day Model (Product Code Z119188007)) <sup>*</sup> (浙商銀行人民幣理財產品 (專屬理財 1 號 188 天型 Z119188007))
<b>(3) Parties:</b>	(i) CZBank as issuer  (ii) Refrigerator Marketing Company as subscriber	(i) CZBank as issuer  (ii) the Company as subscriber	(i) CZBank as issuer  (ii) Refrigerator Marketing Company as subscriber	(i) CZBank as issuer  (ii) Refrigerator Marketing Company as subscriber
	To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, CZBank and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.			
<b>(4) Type of product:</b>	Open-end and non-principal-guaranteed with floating return			
<b>(5) Risk rating of product:</b>	Relatively low			
<b>(6) Principal amount of subscription:</b>	RMB300,000,000 (equivalent to approximately HK\$332,430,000)	RMB60,000,000 (equivalent to approximately HK\$66,486,000)	RMB300,000,000 (equivalent to approximately HK\$332,430,000)	RMB300,000,000 (equivalent to approximately HK\$332,430,000)

<b>(7) Currency of subscription:</b>	Renminbi			
<b>(8) Term of investment:</b>	90 days	182 days	90 days	188 days
<b>(9) Expected maximum rate of return:</b>	4.12% per annum	4.18% per annum	4.10% per annum	4.18% per annum
<b>(10) Investment scope of the product:</b>	The CZBank Wealth Management Products invest in bonds, money market instruments, interbank deposits, trust plans, assets earning rights, money market funds, bond funds, asset securitisation products etc. that meet the requirements of the regulators and asset management plans that are in accordance with the above-mentioned investment directions as well as other financial instruments that are permitted by policies, laws and regulations.			
<b>(11) Payment of return on principal upon maturity:</b>	The principal and return will be paid by CZBank to Refrigerator Marketing Company or the Company (as the case may be) in a lump sum on the maturity date.			
<b>(12) Right of early termination:</b>	Refrigerator Marketing Company or the Company (as the case may be) is not entitled to early termination of the relevant CZBank Wealth Management Product.			
	CZBank is entitled to early termination of the relevant CZBank Wealth Management Product if Refrigerator Marketing Company or the Company (as the case may be) is in breach of the relevant CZBank Wealth Management Agreement, or there arises any adverse situation which affects the purpose of the relevant CZBank Wealth Management Agreement.			

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The approval procedures of the subscriptions of wealth management products by the Company are in compliance with the relevant requirements of the “Management Measures for Conducting Entrusted Wealth Management Transactions” (《委託理財管理制度》) of the Company. The subscriptions of the CZBank Wealth Management Products are made from the idle self-owned funds of the Group. Such use of the idle self-owned funds for entrusted wealth management is beneficial for enhancing efficiency of use of the idle self-owned funds of the Group and will not adversely affect the daily operation and the principal business development of the Group as well as the interests of medium and small investors of the Company.

The Board considers that the subscriptions of the CZBank Wealth Management Products are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATION UNDER THE LISTING RULES**

Each of the 2019 CZBank Third Wealth Management Agreement and the 2019 CZBank Fourth 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, when the relevant subscription amounts under the CZBank Wealth Management Agreements are aggregated, the relevant applicable percentage ratios (as defined under the Listing Rules) of the transactions under the CZBank Wealth Management Agreements exceed 5% but are lower than 25%. Therefore, the transactions under the CZBank 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 ON THE COMPANY AND CZBANK**

### *The Company*

The Company and its subsidiaries are 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.

### *CZBank*

CZBank is a branch of China Zheshang Bank Co., Ltd.\* (浙商銀行股份有限公司), a licensed bank incorporated under the laws of the PRC listed on the Stock Exchange (Stock code: 2016). China Zheshang Bank Co., Ltd.\* (浙商銀行股份有限公司) is principally engaged in corporate banking, retail banking and treasury business.

## **DEFINITIONS**

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

“2019 CZBank First Wealth Management Agreement”	the wealth management agreement entered into between Refrigerator Marketing Company and CZBank on 11 September 2019 in relation to the subscription of the 2019 CZBank First Wealth Management Product;
“2019 CZBank First Wealth Management Product”	the wealth management product subscribed under the 2019 CZBank First Wealth Management Agreement;
“2019 CZBank Fourth Wealth Management Agreement”	the wealth management agreement entered into between Refrigerator Marketing Company and CZBank on 17 October 2019 in relation to the subscription of the 2019 CZBank Fourth Wealth Management Product;
“2019 CZBank Fourth Wealth Management Product”	the wealth management product subscribed under the 2019 CZBank Fourth Wealth Management Agreement;

“2019 CZBank Second Wealth Management Agreement”	the wealth management agreement entered into between the Company and CZBank on 26 September 2019 in relation to the subscription of the 2019 CZBank Second Wealth Management Product;
“2019 CZBank Second Wealth Management Product”	the wealth management product subscribed under the 2019 CZBank Second Wealth Management Agreement;
“2019 CZBank Third Wealth Management Agreement”	the wealth management agreement entered into between Refrigerator Marketing Company and CZBank on 17 October 2019 in relation to the subscription of the 2019 CZBank Third Wealth Management Product;
“2019 CZBank Third Wealth Management Product”	the wealth management product subscribed under the 2019 CZBank Third Wealth Management Agreement;
“Board”	the board of Directors;
“Company”	Hisense Home Appliances Group Co., Ltd. (海信家電集團股份有限公司), a company incorporated in the PRC with limited liability, whose shares are listed on the main board of the Stock Exchange and the Shenzhen Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“CZBank”	a branch of China Zheshang Bank Co., Ltd.* (浙商銀行股份有限公司), a licensed bank incorporated under the laws of the PRC;
“CZBank Wealth Management Agreements”	collectively, the 2019 CZBank First Wealth Management Agreement, the 2019 CZBank Second Wealth Management Agreement, the 2019 CZBank Third Wealth Management Agreement and the 2019 CZBank Fourth Wealth Management Agreement;
“CZBank Wealth Management Products”	collectively, the 2019 CZBank First Wealth Management Product, the 2019 CZBank Second Wealth Management Product, the 2019 CZBank Third Wealth Management Product and the 2019 CZBank Fourth Wealth Management Product;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;

“Refrigerator Marketing Company”	Guangdong Hisense Refrigerator Marketing Co., Ltd. (廣東海信冰箱營銷股份有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

*In this announcement, for illustrative purposes only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1 to HK\$1.1081. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the above rate or at any other rates, or at all.*

*English translations of names in Chinese or another language in this announcement which are marked with “\*” are for identification purposes only.*

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

Foshan City, Guangdong, the PRC, 17 October 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.*