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## 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 progress is now announced as follows:

Reference is made to the announcements of the Company dated 11 July 2019, 8 August 2019, 16 August 2019, 2 January 2020 and 15 January 2020 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, The 2019 Hua Xia Bank Fifth Wealth Management Agreement, The 2019 Hua Xia Bank Sixth Wealth Management Agreement, The 2019 Hua Xia Bank Seventh Wealth Management Agreement, The 2019 Hua Xia Bank Eighth Wealth Management Agreement, The 2020 Hua Xia Bank First Wealth Management Agreement and The Hua Xia Bank Second 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 RMB2,310,000,000 (equivalent to approximately HK\$2,629,688,261<sup>Note 1</sup>) from the Hua Xia Bank (as issuer).

The Board is pleased to announce that, on 17 January 2020, the Company as subscriber entered into the 2020 Hua Xia Bank Third Wealth Management Agreement to subscribe for the 2020 Hua Xia Bank Third Wealth Management Product in the subscription amount of RMB100,000,000 (equivalent to approximately HK\$112,843,892<sup>Note 2</sup>).

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

The 2020 Hua Xia Bank Third 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 Hua Xia Bank Wealth Management

Agreements are aggregated, the relevant applicable percentage ratios (as defined under the Listing Rules) of the transactions under the Hua Xia Bank Wealth Management Agreements exceed 5% but are lower than 25%. Therefore, the transactions under the Hua Xia Bank 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 progress is now announced as follows:

Reference is made to the announcements of the Company dated 11 July 2019, 8 August 2019, 16 August 2019, 2 January 2020 and 15 January 2020 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, The 2019 Hua Xia Bank Fifth Wealth Management Agreement, The 2019 Hua Xia Bank Sixth Wealth Management Agreement, The 2019 Hua Xia Bank Seventh Wealth Management Agreement, The 2019 Hua Xia Bank Eighth Wealth Management Agreement, The 2020 Hua Xia Bank First Wealth Management Agreement and The Hua Xia Bank Second 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 RMB2,310,000,000 (equivalent to approximately HK\$2,629,688,261 <sup>Note 1</sup>) from the Hua Xia Bank (as issuer).

The Board is pleased to announce that, on 17 January 2020, the Company as subscriber entered into the 2020 Hua Xia Bank Third Wealth Management Agreement to subscribe for the 2020 Hua Xia Bank Third Wealth Management Product in the subscription amount of RMB100,000,000 (equivalent to approximately HK\$112,843,892 <sup>Note 2</sup>).

The Group utilised its idle funds for the payment of the subscription amount under each of the Hua Xia Bank Wealth Management Agreements. Summarised below are the major terms of the Hua Xia Bank Wealth Management Agreement:

<b>2020 Hua Xia Bank Third Wealth Management Agreement</b>	
<b>(1) Date of subscription:</b>	17 January 2020
<b>(2) Name of product:</b>	Profit Increasing Enterprise Customized Wealth Management Product No.1639)* (1639 號增盈定制理財產品)
<b>(3) Parties:</b>	<p>(i) Hua Xia Bank as issuer (ii) the Company as subscriber</p> <p>To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Hua Xia Bank and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.</p>

<b>(4) Type of product:</b>	Close-end and non-principal-guaranteed with floating return
<b>(5) Risk rating of product:</b>	Stable
<b>(6) Principal amount of subscription:</b>	RMB100,000,000 (equivalent to approximately HK\$112,843,892 <sup>Note 2)</sup> )
<b>(7) Currency of subscription:</b>	Renminbi
<b>(8) Term of investment:</b>	94 days
<b>(9) Expected maximum rate of return:</b>	4.10% per annum
<b>(10) Investment scope of the product:</b>	The Hua Xia Bank Wealth Management Products invest 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 the Company in a lump sum on the maturity date.
<b>(12) Right of early termination:</b>	Both the Company and Hua Xia Bank are entitled to early termination of the relevant Hua Xia Bank Wealth Management Product.

## 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 Hua Xia Bank 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 Hua Xia Bank 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**

The 2020 Hua Xia Bank Third 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 Hua Xia Bank Wealth Management Agreements are aggregated, the relevant applicable percentage ratios (as defined under the Listing Rules) of the transactions under the Hua Xia Bank Wealth Management Agreements exceed 5% but are lower than 25%. Therefore, the transactions under the Hua Xia Bank 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 HUA XIA BANK**

### *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.

### *Hua Xia Bank*

Hua Xia Bank is a branch of China Hua Xia Bank Co., Ltd.\*(華夏銀行股份有限公司), a licensed bank incorporated under the laws of the PRC listed on The Shanghai Stock Exchange (Stock code: 600015). Hua Xia Bank principally engaged in 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 otherwise requires, the following terms have the meanings set out below:

“2018 Hua Xia Bank First Wealth Management Agreement”	the wealth management agreement entered into between Refrigerator Marketing Company and 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;
“2018 Hua Xia Bank Second Wealth Management Agreement”	the wealth management agreement entered into between the Company and Hua Xia Bank on 10 December 2018 in relation to the subscription of the 2018 Hua Xia Bank Second Wealth Management Product, the particulars of which are disclosed in the announcement of the Company dated 11 July 2019;
“2019 Hua Xia Bank Eighth Wealth Management Agreement”	the wealth management agreement entered into between Refrigerator Marketing Company and Hua Xia Bank on 16 August 2019 in relation to the subscription of the 2019 Hua Xia Bank Eighth Wealth Management Product, the particulars of which are disclosed in the announcement of the Company dated 16 August 2019;

“2019 Hua Xia Bank Fifth Wealth Management Agreement”	the wealth management agreement entered into between Refrigerator Marketing 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;
“2019 Hua Xia Bank First Wealth Management Agreement”	the wealth management agreement entered into between Refrigerator Marketing Company and 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;
“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;
“2019 Hua Xia Bank Second Wealth Management Agreement”	the wealth management agreement entered into between 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;
“2019 Hua Xia Bank Seventh Wealth Management Agreement”	the wealth management agreement entered into between Refrigerator Marketing Company and Hua Xia Bank on 8 August 2019 in relation to the subscription of the 2019 Hua Xia Bank Seventh Wealth Management Product, the particulars of which are disclosed in the announcement of the Company dated 8 August 2019;
“2019 Hua Xia Bank Sixth Wealth Management Agreement”	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, the particulars of which are disclosed in the announcement of the Company dated 8 August 2019;
“2019 Hua Xia Bank Third Wealth Management Agreement”	the wealth management agreement entered into between the Company and 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;
“2020 Hua Xia Bank First Wealth Management Agreement”	the wealth management agreement entered into between Refrigerator Marketing Company and Hua Xia Bank on 2 January 2020 in relation to the subscription of the 2020 Hua Xia Bank First Wealth Management Product, the particulars of which are disclosed in the announcement of the Company dated 2 January 2020;
“2020 Hua Xia Bank Second Wealth Management Agreement”	the wealth management agreement entered into between Refrigerator Marketing Company and Hua Xia Bank on 15 January 2020 in relation to the subscription of the 2020 Hua Xia Bank Second Wealth Management

	Product, the particulars of which are disclosed in the announcement of the Company dated 15 January 2020;
“2020 Hua Xia Bank Third Wealth Management Agreement”	the wealth management agreement entered into between the Company and Hua Xia Bank on 17 January 2020 in relation to the subscription of the 2020 Hua Xia Bank Third Wealth Management Product
“2020 Hua Xia Bank Third Wealth Management Product”	the wealth management product subscribed under the 2020 Hua Xia Bank Third Wealth Management Agreement, the major terms of which are summarized in this announcement;;
“Air-conditioner Marketing Company”	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;
“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;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hua Xia Bank”	a branch of China 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;
“Hua Xia Bank Wealth Management Agreements”	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, the 2019 Hua Xia Bank Seventh Wealth Management Agreement, the 2019 Hua Xia Bank Eighth Wealth Management Agreement, the 2020 Hua Xia Bank First Wealth Management Agreement, the 2020 Hua Xia Bank Second Wealth Management Agreement and the 2020 Hua Xia Bank Third Wealth Management Agreement;
“Hua Xia Bank Wealth Management Products”	the wealth management products subscribed under the Hua Xia Bank Wealth Management Agreements;
“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.

*Notes:*

- 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, 8 August 2019, 16 August 2019, 2 January 2020 and 15 January 2020. 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.*
- This amount has been converted from RMB into HK\$ at an exchange rate of RMB0.88618 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.*

*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 January 2020

*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.*