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HISENSE KELON ELECTRICAL HOLDINGS COMPANY LIMITED

海信科龍電器股份有限公司

(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

Reference is made to the announcements of the Company dated 1 September 2016 and 7 September 2016 in respect of the August Wealth Management Agreement, the First September Wealth Management Agreement and the Second September Wealth Management Agreement, pursuant to which Hisense Refrigerator (as subscriber) subscribed for the wealth management products in the aggregate subscription amount of RMB900,000,000 (equivalent to approximately HK\$1,045,504,145^{Note 1}) from the Agricultural Bank of China (as issuer).

The Board is pleased to announce that apart from the August Wealth Management Agreement, the First September Wealth Management Agreement and the Second September Wealth Management Agreement, on 26 September 2016, Hisense Refrigerator entered into the Third September Wealth Management Agreement with the Agricultural Bank of China to subscribe for the 75-day Wealth Management Product in the subscription amount of RMB200,000,000 (equivalent to approximately HK\$232,660,943^{Note 2}).

The Third September 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 amount under the Third September Wealth Management Agreement will be aggregated with the subscription amounts under the August Wealth Management Agreement, the First September Wealth Management Agreement and the Second September Wealth Management Agreement. 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.

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The Third September Wealth Management Agreement

(1) Subscription date: 26 September 2016

(2) Name of wealth management product: “An Xin • Ling Dong • 75 days” RMB wealth management product of the Agricultural Bank of China (中國農業銀行“安心•靈動•75天”人民幣理財產品).

(3) Parties:

- (i) The Agricultural Bank of China as issuer; and
- (ii) Hisense Refrigerator as subscriber.

To the best knowledge, information and belief of the Directors, the Agricultural Bank of China 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 wealth management product: Non-principal-guaranteed with floating return.

(5) Risk rating of product: Low-to-Medium.

(6) Principal amount of subscription:	RMB200,000,000 (equivalent to approximately HK\$232,660,943 ^{Note 2}). The Board considers that the consideration for the subscription was determined on the basis of arm's length commercial terms.
(7) Currency of subscription:	Renminbi.
(8) Holding period of the wealth management product:	75 days.
(9) Expected return on annualised basis:	3.6% after payment of the fees.
(10) Investment scope of the wealth management product:	<p>The 75-day Wealth Management Product mainly invests in domestic and foreign money market instruments with fixed risks and income, including state treasury bonds, financial bonds, central bank bills, money market instruments, credit bonds with higher credit rating, debt financing instruments under private placement, inter-bank funding business with low risks and swap transaction, as well as investment instruments with fixed income issued by commercial banks or other qualified institutions, non-standard debts, trust plans and other types of investment products that comply with regulatory requirements.</p> <p>Approximately 20 to 40% of the funds will be invested in treasury bonds in inter-bank bonds market, central bank bills, financial bonds, repurchases, credit bonds with high credit rating, debt financing instruments under private placement, cash and deposits and approximately 60 to 80% of the funds will be invested in money market instruments, investment trust scheme, non-standard debts and other investment instruments with fixed income. Such investment proportions may vary in the range of -10% to 10%, as the Agricultural Bank of China may adjust the investment portfolio in accordance with the trend and dynamic of the related investment markets.</p>

(11) Payment of return on principal upon maturity:

If the principal and return are to be redeemed before 15:00 on the redemption date which is a Working Day, the principal and return will be redeemed on the redemption date; if the principal and return are to be redeemed after 15:00 on a Working Day or be redeemed on a non-Working Day, the principal and return will be redeemed the next Working Day following the day of redemption.

REASONS AND BENEFITS FOR THE SUBSCRIPTIONS

The subscription of the 75-day Wealth Management Product is 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 subscription of the 75-day Wealth Management Product is 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 Third September 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 amount under the Third September Wealth Management Agreement will be aggregated with the subscription amounts under the August Wealth Management Agreement, the First September Wealth Management Agreement and the Second September Wealth Management Agreement. 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 THE AGRICULTURAL BANK OF CHINA

The Company

The Company is principally engaged in the manufacture and sales of refrigerators and air-conditioners.

The Agricultural Bank of China

The Agricultural Bank of China is a licensed bank incorporated under the laws of the PRC. The principal businesses of the Agricultural Bank of China include various corporate and retail banking products and services for a broad range of customers, and carrying out treasury operations for our own accounts or on behalf of customers. Its business scope includes, among others, investment banking, fund management, financial leasing and life insurance.

DEFINITIONS

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

“75-day Wealth Management Product”

“An Xin • Ling Dong • 75 days” RMB wealth management product of the Agricultural Bank of China (中國農業銀行“安心•靈動• 75 天”人民幣理財產品), a wealth management product issued by the Agricultural Bank of China, the major terms of which are summarised in this announcement;

“Agricultural Bank of China”

the Agricultural Bank of China Limited;

“August Wealth Management Agreement”

the wealth management agreement entered into between Hisense Refrigerator and the Agricultural Bank of China on 11 August 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 7 September 2016;

“Board”

the board of directors of the Company;

“Company”

Hisense Kelon Electrical Holdings Company Limited, 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;

“connected person(s)”

has the meaning ascribed to it under the Listing Rules;

“Director(s)”

the director(s) of the Company;

“First September Wealth

the wealth management agreement entered into between

Management Agreement”	Hisense Refrigerator and the Agricultural Bank of China on 1 September 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 1 September 2016;
“Group”	the Company and its subsidiaries;
“Hisense Refrigerator”	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;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Renminbi” or “RMB”	the lawful currency of the PRC;
“Second September Wealth Management Agreement”	the wealth management agreement entered into between Hisense Refrigerator and the Agricultural Bank of China on 7 September 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 7 September 2016;
“Shareholder(s)”	the shareholder(s) of the Company;
“Third September Wealth Management Agreement”	the wealth management agreement entered into between Hisense Refrigerator and the Agricultural Bank of China on 26 September 2016 in relation to the subscription of the 75-day Wealth Management Product;

“Wealth Management Agreements”

collectively, the August Wealth Management Agreement, the First September Wealth Management Agreement, the Second September Wealth Management Agreement and the Third September Wealth Management Agreement;

“Working Day”

the statutory working days in the PRC on which the Agricultural Bank of China is open for business; and

“%”

per cent.

Notes:

1. *This amount is an aggregation of the HK\$ amounts converted from RMB at the exchange rates that were used in the announcements of the Company dated 1 September 2016 and 7 September 2016. The conversions were 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 the exchange rate of RMB1 to HK\$1.1633 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 Kelon Electrical Holdings Company Limited
Tang Ye Guo
Chairman

Foshan City, Guangdong, the PRC, 26 September 2016

As at the date of this announcement, the Company’s directors are Mr. Tang Ye Guo, Mr. Liu Hong Xin, Mr. Lin Lan, Mr. Dai Hui Zhong, Mr. Jia Shao Qian and Mr. Wang Yun Li; and the Company’s independent non-executive directors are Mr. Xu Xiang Yi, Mr. Wang Xin Yu and Mr. Wang Ai Guo.