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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: 921)

**DISCLOSEABLE TRANSACTIONS**

**SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

The Board is pleased to announce that on 17 October 2017, the Company entered into (i) the First Wealth Management Agreement with the Industrial Bank to subscribe for the Golden Snowball Premium Wealth Management Product in the subscription amount of RMB200,000,000 (equivalent to approximately HK\$234,780,000<sup>Note 1</sup>); (ii) the Second Wealth Management Agreement with the Industrial Bank to subscribe for the Golden Snowball Superior Wealth Management Product (3M) in the subscription amount of RMB200,000,000 (equivalent to approximately HK\$234,780,000<sup>Note 1</sup>); and (iii) the Third Wealth Management Agreement with the Industrial Bank to subscribe for the Golden Snowball Superior Wealth Management Product (6M) in the subscription amount of RMB400,000,000 (equivalent to approximately HK\$469,560,000<sup>Note 1</sup>).

Each of the First Wealth Management Agreement, the Second Wealth Management Agreement and the 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, the relevant subscription amounts under the First Wealth Management Agreement, the Second Wealth Management Agreement and the Third Wealth Management Agreement will be aggregated. The relevant applicable percentage ratios (defined under the Listing Rules) of the transactions under the First Wealth Management Agreement, the Second Wealth Management Agreement and the Third Wealth Management Agreement, on an aggregate basis, exceed 5% but are lower than 25%. Therefore, the transactions under the First Wealth Management Agreement, the Second Wealth Management Agreement and the Third Wealth Management Agreement, 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 Board is pleased to announce that on 17 October 2017, the Company entered into (i) the First Wealth Management Agreement with the Industrial Bank to subscribe for the Golden Snowball Premium Wealth Management Product in the subscription amount of RMB200,000,000 (equivalent to approximately HK\$234,780,000<sup>Note 1</sup>); (ii) the Second Wealth Management Agreement with the Industrial Bank to subscribe for the Golden Snowball Superior Wealth Management Product (3M) in the subscription amount of RMB200,000,000 (equivalent to approximately HK\$234,780,000<sup>Note 1</sup>); and (iii) the Third Wealth Management Agreement with the Industrial Bank to subscribe for the Golden Snowball Superior Wealth Management Product (6M) in the subscription amount of RMB400,000,000 (equivalent to approximately HK\$469,560,000<sup>Note 1</sup>).

### **The First Wealth Management Agreement**

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|---|--|
| <b>(1) Subscription date:</b>                 | 17 October 2017  |
| <b>(2) Name of wealth management product:</b> | “Industrial Bank Co., Ltd. ‘Golden Snowball Premium’ 2017 No. 1 non-principal guaranteed with floating return and closed-end wealth management product 52007”(興業銀行“金雪球-優選”2017年第1期非保本浮動收益型封閉式理財產品 52007)   |
| <b>(3) Parties:</b>                           | (i) The Industrial Bank as issuer; and<br><br>(ii) The Company as subscriber.<br><br>To the best knowledge, information and belief of the Directors, the Industrial 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. |
| <b>(4) Type of wealth management product:</b> | Non-principal-guaranteed with floating return.   |
| <b>(5) Risk rating of product:</b>            | Low.   |
| <b>(6) Principal amount of subscription:</b>  | RMB200,000,000 (equivalent to approximately HK\$234,780,000 <sup>Note 1</sup> ).   |

**(7) Currency of subscription:** Renminbi.

**(8) Holding period of the wealth management product:** 92 days.

**(9) Expected return on annualised basis:** 5.1%

**(10) Investment scope of the wealth management product:** The Golden Snowball Premium Wealth Management Product mainly invests in:

Category 1:	monetary market instruments including bank deposit, bond repurchase and monetary funds, and other interbank financing tools;
Category 2:	bonds and debt financing instruments from banks and stock exchange markets, including treasury bonds, policy financial bonds, central bank bills, short-term financing bills, medium-term notes, enterprise bonds, corporate bonds, convertible bonds, subordinated bonds and hybrid capital bonds etc., as well as other fixed income short-term investment instruments;
Category 3:	other financial assets and their portfolios, such as trust schemes, asset management schemes of securities brokers, insurance debt investment plans, special funds and beneficial interests of the abovementioned assets that are in compliance with the requirements of regulatory authorities, priority beneficial interests of securities investment structured trust products, equity income right products which are based on investment in shares of companies listed on

	Shanghai and Shenzhen stock exchanges, asset management plans of special funds which invest in the equity of limited partnership enterprise, and other transactional financing products with controllable risks as approved by a competent department of the Industrial Bank and in compliance with the requirements of the Industrial Bank etc.
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**(11) Payment of return on principal upon maturity:**

The return shall be paid to the subscriber in one lump sum upon the date of maturity or early termination.

**(12) Right of early termination:**

The subscriber shall have no right of early termination. However, upon the occurrence of specific events, the Industrial Bank is entitled to early termination of the Golden Snowball Premium Wealth Management Product.

**The Second Wealth Management Agreement**

**(1) Subscription date:**

17 October 2017

**(2) Name of wealth management product:**

“Industrial Bank Co., Ltd. ‘Golden Snowball Superior’ non-principal guaranteed and open-end Renminbi wealth management product (3M)” (興業銀行 “金雪球-優悅”非保本開放式人民幣理財產品(3M))

**(3) Parties:**

(i) The Industrial Bank as issuer; and

(ii) The Company as subscriber.

To the best knowledge, information and belief of the Directors, the Industrial 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 wealth management product:**

Non-principal-guaranteed and open-end.

- (5) Risk rating of product:** Relatively low.
- (6) Principal amount of subscription:** RMB200,000,000 (equivalent to approximately HK\$234,780,000<sup>Note 1</sup>).
- (7) Currency of subscription:** Renminbi.
- (8) Holding period of the wealth management product:** 3 months.
- (9) Expected return on annualised basis:** 5.1%.
- (10) Investment scope of the wealth management product:** The Golden Snowball Superior Wealth Management Product (3M) mainly invests in:

Category 1:	monetary market instruments including bank deposit, reverse repurchase of bonds, monetary funds, and other interbank and stock exchange financing tools;
Category 2:	bonds and debt financing instruments from interbank and stock exchange markets, including treasury bonds, policy financial bonds, central bank bills, short-term financing bills, super short-term financing bills, medium-term notes, enterprise bonds, corporate bonds, private placement of debt financing instruments, asset-backed securities, convertible bonds and subordinated bonds etc., as well as other fixed income short-term investment instruments;
Category 3:	non-standardized debt assets;
Category 4:	other financial assets and their portfolios, including trust schemes that are in compliance with the requirements of the

	regulatory authorities, funds, securities and insurance asset management schemes and income/beneficial entitlements of the abovementioned assets, preference shares, structured priorities of securities investment, income (beneficial) entitlements in shares of listed companies, quantitative hedging and priorities, and asset management plans with assets based on investment in equity interest of limited partnership equity etc.
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Financing activities, such as pledge of certificates of deposit and repurchase of bonds, can be conducted on the products based on liquidity needs. The total assets shall not exceed 140% of the net assets.

**(11) Payment of return on principal upon maturity:**

The Golden Snowball Superior Wealth Management Product (3M) will be automatically redeemed upon the end of the holding period, on which day the principal and return shall be paid to the subscriber.

**(12) Right of early termination:**

The subscriber shall have no right of early termination. However, upon the occurrence of specific events, the Industrial Bank is entitled to early termination of Golden Snowball Superior Wealth Management Product (3M).

**The Third Wealth Management Agreement**

**(1) Subscription date:**

17 October 2017

**(2) Name of wealth management product:**

“Industrial Bank Co., Ltd. ‘Golden Snowball Superior’ non-principal guaranteed and open-end Renminbi wealth management product (6M)” (興業銀行 “金雪球-優悅”非保本開放式人民幣理財產品(6M))

**(3) Parties:**

(i) The Industrial Bank as issuer; and

(ii) The Company as subscriber.

To the best knowledge, information and belief of the Directors, the Industrial 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 wealth management product:**

Non-principal-guaranteed and open-end.

**(5) Risk rating of product:**

Relatively low.

**(6) Principal amount of subscription:**

RMB400,000,000 (equivalent to approximately HK\$469,560,000<sup>Note 1</sup>).

**(7) Currency of subscription:**

Renminbi.

**(8) Holding period of the wealth management product:**

6 months.

**(9) Expected return on annualised basis:**

5.1%

**(10) Investment scope of the wealth management product:**

The Golden Snowball Superior Wealth Management Product (6M) mainly invests in:

Category 1:	monetary market instruments including bank deposit, reverse repurchase of bonds, monetary funds, and other interbank and stock exchange financing tools;
Category 2:	bonds and debt financing instruments from interbank and stock exchange markets, including treasury bonds, policy financial bonds, central bank bills, short-term financing bills, super short-term financing bills, medium-term notes, enterprise bonds, corporate bonds, private placement of debt financing instruments, asset-backed securities, convertible bonds and

	subordinated bonds etc., as well as other fixed income short-term investment instruments;
Category 3:	non-standardized debt assets;
Category 4:	other financial assets and their portfolios, including trust schemes that are in compliance with the requirements of the regulatory authorities, funds, securities and insurance asset management schemes and income/beneficial entitlements of the abovementioned assets, preference shares, structured priorities of securities investment, income (beneficial) entitlements in shares of listed companies, quantitative hedging and priorities, and asset management plans with assets based on investment in equity interest of limited partnership equity etc.

Financing activities, such as pledge of certificates of deposit and repurchase of bonds, can be conducted on the products based on liquidity needs. The total assets shall not exceed 140% of the net assets.

**(11) Payment of return on principal upon maturity:**

The Golden Snowball Superior Wealth Management Product (6M) will be automatically redeemed upon the end of the holding period, on which day the principal and return shall be paid to the subscriber.

**(12) Right of early termination:**

The subscriber shall have no right of early termination. However, upon the occurrence of specific events, the Industrial Bank is entitled to early termination of Golden Snowball Superior Wealth Management Product (6M).

**REASONS AND BENEFITS FOR THE SUBSCRIPTIONS**

The subscriptions of the Golden Snowball Premium Wealth Management Product, Golden Snowball

Superior Wealth Management Product (3M) and Golden Snowball Superior Wealth Management Product (6M) 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 Golden Snowball Premium Wealth Management Product, Golden Snowball Superior Wealth Management Product (3M) and Golden Snowball Superior Wealth Management Product (6M) 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**

Each of the First Wealth Management Agreement, the Second Wealth Management Agreement and the 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, the relevant subscription amounts under the First Wealth Management Agreement, the Second Wealth Management Agreement and the Third Wealth Management Agreement will be aggregated. The relevant applicable percentage ratios (defined under the Listing Rules) of the transactions under the First Wealth Management Agreement, the Second Wealth Management Agreement and the Third Wealth Management Agreement, on an aggregate basis, exceed 5% but are lower than 25%. Therefore, the transactions under the First Wealth Management Agreement, the Second Wealth Management Agreement and the Third Wealth Management Agreement, 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 INDUSTRIAL BANK**

### *The Company*

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

### *The Industrial Bank*

The Industrial Bank is a commercial bank and is joint stock company incorporated in the PRC with limited liability. Its main business includes taking deposits, granting short, middle and long-term

loan, handling domestic and overseas settlement, issuing financial bonds, issuing, cashing and selling government bonds as agent, trading government bonds and financial bonds, issuing securities other than stocks as agent, trading securities other than stocks by itself or as agent, assets custody, inter-banking borrowing or lending, trading foreign exchange by itself or as agent, engaging in banking card business, providing letters of credit service and guarantee, providing safe deposit box service, providing financial consultancy service, and engaging in other business as approved by the Chinese banking regulators.

## DEFINITIONS

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

<b>“Board”</b>	the board of directors of the Company;
<b>“Company”</b>	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;
<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>“First Wealth Management Agreement”</b>	the wealth management agreement entered into between the Company and the Industrial Bank on 17 October 2017 in relation to the subscription of the Golden Snowball Premium Wealth Management Product;
<b>“Golden Snowball Premium Wealth Management Product”</b>	“Industrial Bank Co., Ltd. ‘Golden Snowball Premium’ 2017 No. 1 non-principal guaranteed with floating return and closed-end wealth management product 52007” (興業銀行 “金雪球-優選” 2017 年第 1 期非保本浮動收益型封閉式理財產品 52007);
<b>“Golden Snowball Superior Wealth Management Product (3M)”</b>	“Industrial Bank Co., Ltd. ‘Golden Snowball Superior’ non-principal guaranteed and open-end Renminbi wealth management product (3M)” (興業銀行 “金雪球-優悅”非保本開放式人民幣理財產品(3M))

<b>“Golden Snowball Superior Wealth Management Product (6M)”</b>	“Industrial Bank Co., Ltd. ‘Golden Snowball Superior’ non-principal guaranteed and open-end Renminbi wealth management product (6M)” (興業銀行 “金雪球-優悅”非保本開放式人民幣理財產品(6M))
<b>“Group”</b>	the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Hong Kong Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Industrial Bank”</b>	Industrial Bank Co., Ltd.;
<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, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
<b>“Renminbi” or “RMB”</b>	the lawful currency of the PRC;
<b>“Second Wealth Management Agreement”</b>	the wealth management agreement entered into between the Company and the Industrial Bank on 17 October 2017 in relation to the subscription of the Golden Snowball Superior Wealth Management Product (3M);
<b>“Shareholder(s)”</b>	the shareholder(s) of the Company;
<b>“Third Wealth Management Agreement”</b>	the wealth management agreement entered into between the Company and the Industrial Bank on 17 October 2017 in relation to the subscription of the Golden Snowball Superior Wealth Management Product (6M);
<b>“%”</b>	per cent.

*Note:*

- 1. This amount has been converted from RMB into HK\$ at the exchange rate of RMB1 to HK\$1.1739 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, 17 October 2017*

*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. Ma Jin Quan, Mr. Xu Xiang Yi and Mr. Liu Xiao Feng.*