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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 26 October 2016, 7 November 2016, 14 November 2016, 22 November 2016, 24 November 2016, 16 February 2017, 21 March 2017, 6 July 2017, 24 August 2017 and 23 October 2017 in respect of the Third Wealth Management Agreement, the Fourth Wealth Management Agreement, the Fifth Wealth Management Agreement, the Sixth Wealth Management Agreement, the Seventh Wealth Management Agreement, the Eighth Wealth Management Agreement, the Ninth Wealth Management Agreement, the Tenth Wealth Management Agreement, the Eleventh Wealth Management Agreement, the Twelfth Wealth Management Agreement, the Thirteenth Wealth Management Agreement, the Fourteenth Wealth Management Agreement, the Fifteenth Wealth Management Agreement, the Sixteenth Wealth Management Agreement and the Seventeenth Wealth Management Agreement, pursuant to which the subsidiaries of the Company, Hisense Refrigerator, Air-conditioner Marketing Company and Hisense (Beijing) Electronics (as subscribers), subscribed for wealth management products in the aggregate subscription amount of RMB2,280,000,000 (equivalent to approximately HK\$2,596,274,972^{Note 1}) from the SPD Bank (as issuer).

The Board is pleased to announce that apart from the Third Wealth Management Agreement, the Fourth Wealth Management Agreement, the Fifth Wealth Management Agreement, the Sixth Wealth Management Agreement, the Seventh Wealth Management Agreement, the Eighth Wealth Management Agreement, the Ninth Wealth Management Agreement, the Tenth Wealth Management Agreement, the Eleventh Wealth Management Agreement, the Twelfth Wealth Management Agreement, the Thirteenth Wealth Management Agreement, the Fourteenth Wealth Management Agreement, the Fifteenth Wealth Management Agreement, the Sixteenth Wealth

Management Agreement and the Seventeenth Wealth Management Agreement, on 31 October 2017, Air-conditioner Marketing Company, a subsidiary of the Company, entered into the Eighteenth Wealth Management Agreement to subscribe for the Eighteenth Wealth Management Product in the subscription amount of RMB100,000,000 (equivalent to approximately HK\$117,390,000^{Note 2}).

The Eighteenth 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.

Reference is made to the announcements of the Company dated 26 October 2016, 7 November 2016, 14 November 2016, 22 November 2016, 24 November 2016, 16 February 2017, 21 March 2017, 6 July 2017, 24 August 2017 and 23 October 2017 in respect of the Third Wealth Management Agreement, the Fourth Wealth Management Agreement, the Fifth Wealth Management Agreement, the Sixth Wealth Management Agreement, the Seventh Wealth Management Agreement, the Eighth Wealth Management Agreement, the Ninth Wealth Management Agreement, the Tenth Wealth Management Agreement, the Eleventh Wealth Management Agreement, the Twelfth Wealth Management Agreement, the Thirteenth Wealth Management Agreement, the Fourteenth Wealth Management Agreement, the Fifteenth Wealth Management Agreement, the Sixteenth Wealth Management Agreement and the Seventeenth Wealth Management Agreement, pursuant to which the subsidiaries of the Company, Hisense Refrigerator, Air-conditioner Marketing Company and Hisense (Beijing) Electronics (as subscribers), subscribed for wealth management products in the aggregate subscription amount of RMB2,280,000,000 (equivalent to approximately HK\$2,596,274,972^{Note 1}) from the SPD Bank (as issuer).

The Board is pleased to announce that apart from the Third Wealth Management Agreement, the Fourth Wealth Management Agreement, the Fifth Wealth Management Agreement, the Sixth Wealth Management Agreement, the Seventh Wealth Management Agreement, the Eighth Wealth Management Agreement, the Ninth Wealth Management Agreement, the Tenth Wealth Management Agreement, the Eleventh Wealth Management Agreement, the Twelfth Wealth Management Agreement, the Thirteenth Wealth Management Agreement, the Fourteenth Wealth Management Agreement, the Fifteenth Wealth Management Agreement, the Sixteenth Wealth Management Agreement and the Seventeenth Wealth Management Agreement, on 31 October 2017, Air-conditioner Marketing Company, a subsidiary of the Company, entered into the Eighteenth

Wealth Management Agreement to subscribe for the Eighteenth Wealth Management Product in the subscription amount of RMB100,000,000 (equivalent to approximately HK\$117,390,000^{Note 2}).

The Eighteenth Wealth Management Agreement

- (1) **Subscription date:** 31 October 2017
- (2) **Name of product:** “More Wealth More Accumulation 176 days” (利多多聚財 176 天).
- (3) **Parties:**
- (i) The SPD Bank as issuer; and
 - (ii) Air-conditioner Marketing Company as subscriber.

To the best knowledge, information and belief of the Directors, the SPD 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:** Non-principal-guaranteed with floating return.
- (5) **Risk rating of product:** Relatively low.
- (6) **Principal amount of subscription:** RMB100,000,000 (equivalent to approximately HK\$117,390,000^{Note 2}).
- (7) **Currency of subscription:** Renminbi.
- (8) **Term of investment:** 176 days.
- (9) **Expected return on annualised basis:** 5.30%.
- (10) **Investment scope of the product:** The Eighteenth Wealth Management Product invests in cash, treasury bonds, local treasury bonds, central bank bills, policy financial bonds, credit bonds such as short-term financing bonds, medium-term notes, subordinated debt, enterprise bonds, corporate bonds, private placement of debt financing instruments, ABS, ABN and ABS subordinated

bonds which are rated “AA” or above (rated “A-” (inclusive) or above in respect of credit bonds for which the SPD Bank is the lead underwriter), non-standardized debt assets which fulfill regulatory requirements such as repurchases, interbank lending, income receipts of securities dealers, preference shares, interbank deposits, currencies funds and credit assets, placement scheme and trust scheme of securities dealers/funds/insurance companies, etc.

(11) Payment of return on principal upon maturity:

The principal and return will be deposited to the Air-conditioner Marketing Company’s designated account on the maturity date if it is a Working Day, or on the following Working Day if the maturity date falls on a non-Working Day, in which case the term of investment will be extended accordingly.

(12) Right of early termination:

The SPD Bank is entitled to early termination of the Eighteenth Wealth Management Product.

REASONS AND BENEFITS FOR THE SUBSCRIPTIONS

The subscription of the Eighteenth 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 Eighteenth 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 Eighteenth 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 THE SPD BANK

The Company

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

The SPD Bank

The SPD Bank is a licensed bank incorporated under the laws of the PRC. The principal businesses of the SPD Bank include 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:

“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 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;
“Eighteenth Wealth Management Agreement”	the wealth management agreement entered into between Air-conditioner Marketing Company and the SPD Bank on 31 October 2017 in relation to the subscription of the Eighteenth

Wealth Management Product;

“Eighteenth Wealth Management Product”

“More Wealth More Accumulation 176 days” (利多多聚財 176 天), a wealth management product issued by the SPD Bank, the major terms of which are summarised in this announcement;

“Eighth Wealth Management Agreement”

the wealth management agreement entered into between Air-conditioner Marketing Company and the SPD Bank on 10 November 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 14 November 2016;

“Eleventh Wealth Management Agreement”

the wealth management agreement entered into between Hisense Refrigerator and the SPD Bank on 17 November 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 22 November 2016;

“Fifteenth Wealth Management Agreement”

the wealth management agreement entered into between Air-conditioner Marketing Company and the SPD Bank on 6 July 2017 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 6 July 2017;

“Fifth Wealth Management Agreement”

the wealth management agreement entered into between Air-conditioner Marketing Company and the SPD Bank on 26 October 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 26 October 2016;

“Fourteenth Wealth Management Agreement”

the wealth management agreement entered into between Hisense Refrigerator and the SPD Bank on 21 March 2017 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 21 March 2017;

“Fourth Wealth Management Agreement”

the wealth management agreement entered into between Air-conditioner Marketing Company and the SPD Bank on 25 October 2016 in relation to the subscription of wealth

management product, the particulars of which are disclosed in the announcement of the Company dated 26 October 2016;

“Group”

the Company and its subsidiaries;

“Hisense (Beijing) Electric”

Hisense (Beijing) Electric Co., Ltd.* (海信（北京）電器有限公司), a non-wholly owned subsidiary of the Company;

“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 Stock Exchange”

The Stock Exchange of Hong Kong Limited;

“Listing Rules”

the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;

“Ninth Wealth Management Agreement”

the wealth management agreement entered into between Air-conditioner Marketing Company and the SPD Bank on 10 November 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 14 November 2016;

“Renminbi” or “RMB”

the lawful currency of the PRC;

“Seventeenth Wealth Management Agreement”

the wealth management agreement entered into between Air-conditioner Marketing Company and the SPD Bank on 23 October 2017 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 23 October 2017;

“Seventh Wealth Management Agreement”

the wealth management agreement entered into between Air-conditioner Marketing Company and the SPD Bank on 7 November 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 7 November 2016;

“Shareholder(s)”

the shareholder(s) of the Company;

“Sixteenth Wealth Management Agreement”	the wealth management agreement entered into between Hisense (Beijing) Electric and the SPD Bank on 24 August 2017 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 24 August 2017;
“Sixth Wealth Management Agreement”	the wealth management agreement entered into between Hisense Refrigerator and the SPD Bank on 7 November 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 7 November 2016;
“SPD Bank”	Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行), a bank incorporated under the laws of the PRC;
“Tenth Wealth Management Agreement”	the wealth management agreement entered into between Air-conditioner Marketing Company and the SPD Bank on 14 November 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 14 November 2016;
“Third Wealth Management Agreement”	the wealth management agreement entered into between Air-conditioner Marketing Company and the SPD Bank on 9 September 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 26 October 2016;
“Thirteenth Wealth Management Agreement”	the wealth management agreement entered into between Hisense Refrigerator and the SPD Bank on 16 February 2017 in relation to the subscription of the wealth management product, the particulars of which are disclosed in the announcement of the Company dated 16 February 2017;
“Twelfth Wealth Management Agreement”	the wealth management agreement entered into between Hisense Refrigerator and the SPD Bank on 24 November 2016 in relation to the subscription of wealth management product, the particulars of which are disclosed in the announcement of the Company dated 24 November 2016;

“Wealth Management Agreements”

collectively, the Third Wealth Management Agreement, the Fourth Wealth Management Agreement, the Fifth Wealth Management Agreement, the Sixth Wealth Management Agreement, the Seventh Wealth Management Agreement, the Eighth Wealth Management Agreement, the Ninth Wealth Management Agreement, the Tenth Wealth Management Agreement, the Eleventh Wealth Management Agreement, the Twelfth Wealth Management Agreement, the Thirteenth Wealth Management Agreement, the Fourteenth Wealth Management Agreement, the Fifteenth Wealth Management Agreement, the Sixteenth Wealth Management Agreement, the Seventeenth Wealth Management Agreement and the Eighteenth Wealth Management Agreement;

“Working Day”

the day on which the SPD Bank is generally open for business, other than Saturday, Sunday (except for days on which it is open for business due to adjustment of Chinese holidays) or any other statutory holidays in the PRC; and

“%”

per cent.

**For identification purpose only*

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 26 October 2016, 7 November 2016, 14 November 2016, 22 November 2016, 24 November 2016, 16 February 2017, 21 March 2017, 6 July 2017, 24 August 2017 and 23 October 2017. 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 an 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, 31 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.