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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

At the ninth extraordinary meeting for the year 2017 held by the ninth session of the Directors on 28 November 2017 and the 2018 first extraordinary general meeting held on 18 January 2018, 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 RMB6,000,000,000 to financial institutions such as commercial banks, trustee companies, securities companies and fund houses to conduct short-term and low-risk investment for wealth management was approved. The progress is now announced as follows:

The Board is pleased to announce that from July 2017 to April 2018, Air-conditioner Marketing Company, a subsidiary of the Company, entered into the Wealth Management Agreements to subscribe for the Wealth Management Products in an aggregate subscription amount of RMB650,000,000 (equivalent to approximately HK\$812,500,000^{Note}). The Group utilised its idle funds for the payment of the subscription amount under each of the Wealth Management Agreements.

Each of the Wealth Management Agreements 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.

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The 2017 Everbright Bank First Wealth Management Agreement

(1) Subscription date: 18 July 2017

(2) Name of product: “Standard Active Ying” (定制活期盈).

(3) Parties: (i) The Everbright Bank as issuer; and
(ii) Air-conditioner Marketing Company as subscriber.

(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\$125,000,000^{Note}).

(7) Currency of subscription: Renminbi.

(8) Term of investment: 6 days.

(9) Expected return on annualised basis:	4.00% after payment of the fees.
(10) Investment scope of the product:	The 2017 Everbright Bank First Wealth Management Product invests in financial instruments with good profitability and liquidity in the foreign and domestic markets including bank deposits, money market instruments (including bond repurchase, lending and money market funds), bond products (including treasury bonds, central bank bills, short-term financing bonds, enterprise bonds, corporate bonds, subordinated bonds, convertible bonds, exchangeable bonds, private replacement of financing instrument (PPN), ABS, ABN and CLO asset-backed securities), other fixed return assets and subscription of new shares, etc.
(11) Payment of return on principal upon maturity:	The principal and return will be deposited to the 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.
(12) Right of early termination:	The subscriber shall have no right of early termination. However, upon the occurrence of specific events, the Everbright Bank is entitled to early termination of the “Standard Active Ying” Wealth Management Product.

The 2017 Everbright Bank Second Wealth Management Agreement

(1) Subscription date:	4 August 2017
(2) Name of product:	“Everbright Bank Sunshine Wealth Management Plan T Structured Product” (光大銀行陽光理財 T 計劃機構定制產品).
(3) Parties:	<ul style="list-style-type: none"> (i) The Everbright Bank as issuer; and (ii) Air-conditioner Marketing Company as subscriber.
(4) Type of product:	Non-principal-guaranteed with floating return.

(5) Risk rating of product:	Relatively low.
(6) Principal amount of subscription:	RMB200,000,000 (equivalent to approximately HK\$250,000,000 ^{Note}).
(7) Currency of subscription:	Renminbi.
(8) Term of investment:	31 days.
(9) Expected return on annualised basis:	4.50% after payment of the fees.
(10) Investment scope of the product:	The 2017 Everbright Bank Second Wealth Management Product invests in financial instruments with good profitability and liquidity in the foreign and domestic markets including bank deposits, money market instruments (including bond repurchase, lending and money market funds), bond products (including treasury bonds, local treasury bonds, central bank bills, short-term financing bonds, subordinated bonds, enterprise bonds, corporate bonds, convertible bonds, exchangeable bonds, private replacement of financing instrument (PPN), ABS, ABN and CLO asset-backed securities), other fixed return assets and subscription of new shares, etc.
(11) Payment of return on principal upon maturity:	The principal and return will be deposited to the 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.
(12) Right of early termination:	The subscriber shall have no right of early termination. However, upon the occurrence of specific events, the Everbright Bank is entitled to early termination of the “Everbright Bank Sunshine Wealth Management Plan T Structured Product” Wealth Management Product.

The 2017 Everbright Bank Third Wealth Management Agreement

(1) Subscription date:	8 August 2017
(2) Name of product:	“Everbright Bank Sunshine Wealth Management Plan T Structured Product” (光大銀行陽光理財 T 計劃機構定制產品).
(3) Parties:	<ul style="list-style-type: none"> (i) The Everbright Bank as issuer; and (ii) Air-conditioner Marketing Company as subscriber.
(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\$125,000,000 ^{Note}).
(7) Currency of subscription:	Renminbi.
(8) Term of investment:	92 days.
(9) Expected return on annualised basis:	5.00% after payment of the fees.
(10) Investment scope of the product:	The 2017 Everbright Bank Third Wealth Management Product invests in financial instruments with good profitability and liquidity in the foreign and domestic markets including bank deposits, money market instruments (including bond repurchase, lending and money market funds), bond products (including treasury bonds, local treasury bonds, central bank bills, short-term financing bonds, subordinated bonds, enterprise bonds, corporate bonds, convertible bonds, exchangeable bonds, private replacement of financing instrument (PPN), ABS, ABN and CLO asset-backed securities), other fixed return assets and subscription of new shares, etc.
(11) Payment of return on principal upon maturity:	The principal and return will be deposited to the 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.

(12) Right of early termination:

The subscriber shall have no right of early termination. However, upon the occurrence of specific events, the Everbright Bank is entitled to early termination of the “Everbright Bank Sunshine Wealth Management Plan T Structured Product” Wealth Management Product.

The 2017 Everbright Bank Fourth Wealth Management Agreement

(1) Subscription date: 6 September 2017

(2) Name of product: “Everbright Bank Sunshine Wealth Management Plan T Structured Product” (光大銀行陽光理財 T 計劃機構定制產品).

(3) Parties: (i) The Everbright Bank as issuer; and
(ii) Air-conditioner Marketing Company as subscriber.

(4) Type of product: Non-principal-guaranteed with floating return.

(5) Risk rating of product: Relatively low.

(6) Principal amount of subscription: RMB 150,000,000
(equivalent to approximately HK\$187,500,000^{Note}).

(7) Currency of subscription: Renminbi.

(8) Term of investment: 50 days.

(9) Expected return on annualised basis: 4.95% after payment of the fees.

(10) Investment scope of the product: The 2017 Everbright Bank Fourth Wealth Management Product invests in financial instruments with good profitability and liquidity in the foreign and domestic markets including bank deposits, money market instruments (including bond repurchase, lending and money market funds), bond products (including treasury bonds, local treasury bonds, central bank bills, short-term financing

bonds, subordinated bonds, enterprise bonds, corporate bonds, convertible bonds, exchangeable bonds, private replacement of financing instrument (PPN), ABS, ABN and CLO asset-backed securities), other fixed return assets and subscription of new shares, etc.

(11) Payment of return on principal upon maturity:

The principal and return will be deposited to the 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.

(12) Right of early termination:

The subscriber shall have no right of early termination. However, upon the occurrence of specific events, the Everbright Bank is entitled to early termination of the “Everbright Bank Sunshine Wealth Management Plan T Structured Product” Wealth Management Product.

The 2018 Everbright Bank First Wealth Management Agreement

(1) Subscription date: 23 April 2018

(2) Name of product: “Everbright Bank Sunshine Wealth Management Plan T Structured Product” (光大銀行陽光理財 T 計劃機構定制產品).

(3) Parties: (i) The Everbright Bank as issuer; and
(ii) Air-conditioner Marketing Company as subscriber.

(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\$125,000,000^{Note}).

(7) Currency of subscription: Renminbi.

(8) Term of investment: 157 days.

(9) Expected return on annualised basis:	5.25% after payment of the fees.
(10) Investment scope of the product:	The 2018 Everbright Bank First Wealth Management Product invests in financial instruments with good profitability and liquidity in the foreign and domestic markets including bank deposits, money market instruments (including bond repurchase, lending and money market funds), bond products (including treasury bonds, local treasury bonds, central bank bills, short-term financing bonds, subordinated bonds, enterprise bonds, corporate bonds, convertible bonds, exchangeable bonds, private replacement of financing instrument (PPN), ABS, ABN and CLO asset-backed securities), other fixed return assets and subscription of new shares, etc.
(11) Payment of return on principal upon maturity:	The principal and return will be deposited to the 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.
(12) Right of early termination:	The subscriber shall have no right of early termination. However, upon the occurrence of specific events, the Everbright Bank is entitled to early termination of the “Everbright Bank Sunshine Wealth Management Plan T Structured Product” Wealth Management Product.

To the best knowledge, information and belief of the Directors, the Everbright 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.

REASONS AND BENEFITS FOR THE SUBSCRIPTIONS

The approval procedures of this subscription of wealth management product by the Company are in compliance with the relevant requirements of “Management Measures for Conducting Entrusted Wealth Management Transactions”. The subscription of the Wealth Management Products 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 Wealth Management Products 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 Wealth Management Agreements 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 EVERBRIGHT BANK

The Company

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

The Everbright Bank

The Everbright Bank is a commercial bank and is a joint stock company incorporated in the PRC with limited liability. The principal businesses of the Everbright Bank include taking deposits, granting short, middle and long-term loan, handling domestic and overseas settlement, draft discount services, issuing financial bonds, issuing, cashing and selling government bonds as agent, trading government bonds and financial bonds, issuing securities other than stocks as agent, inter-banking borrowing or lending, trading foreign exchange by itself or as agent, providing letters of credit service and guarantee, agency services such as settlement services for receipt and payment and insurance business, 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:

“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;

“The Everbright Bank”

China Everbright Bank Co., Ltd (中國光大銀行股份有限公司), a bank incorporated under the laws of the PRC;

“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;

“The 2018 Everbright Bank First Wealth Management Agreement”

the wealth management agreement entered into between Air-conditioner Marketing Company and the Everbright Bank on 23 April 2018 in relation to the subscription of the 2018 Everbright Bank First Wealth Management Product;

“The 2018 Everbright Bank First Wealth Management Product”

“Everbright Bank Sunshine Wealth Management Plan T Structured Product” (中國光大銀行陽光理財 T 計劃機構定制產品), a wealth management product issued by the Everbright Bank, the major terms of which are summarised in this announcement;

“The 2017 Everbright Bank First Wealth Management Agreement”

the wealth management agreement entered into between the Company and the Everbright Bank on 18 July 2017 in relation to the subscription of the First Wealth Management Product;

“The 2017 Everbright Bank First Wealth Management Product”

“Standard Active Ying” (定制活期盈), a wealth management product issued by the Everbright Bank, the major terms of which are summarised in this announcement;

“The 2017 Everbright Bank Fourth Wealth Management

the wealth management agreement entered into between Air-conditioner Marketing Company and the Everbright Bank

“Agreement”	on 6 September 2017 in relation to the subscription of the Fourth Wealth Management Product;
“The 2017 Everbright Bank Fourth Wealth Management Product”	“Everbright Bank Sunshine Wealth Management Plan T Structured Product” (中國光大銀行陽光理財 T 計劃機構定制產品), a wealth management product issued by the Everbright Bank, the major terms of which are summarised in this announcement;
“Group”	the Company and its subsidiaries;
“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;
“Renminbi” or “RMB”	the lawful currency of the PRC;
“The 2017 Everbright Bank Second Wealth Management Agreement”	the wealth management agreement entered into between Hisense Refrigerator and the Everbright Bank on 4 August 2017 in relation to the subscription of the Second Wealth Management Product;
“The 2017 Everbright Bank Second Wealth Management Product”	“Everbright Bank Sunshine Wealth Management Plan T Structured Product” (中國光大銀行陽光理財 T 計劃機構定制產品), a wealth management product issued by the Everbright Bank, the major terms of which are summarised in this announcement;
“Shareholder(s)”	the shareholder(s) of the Company;
“The 2017 Everbright Bank	the wealth management agreement entered into between

“Third Wealth Management Agreement”

Air-conditioner Marketing Company and the Everbright Bank on 8 August 2017 in relation to the subscription of the Third Wealth Management Product;

“The 2017 Everbright Bank Third Wealth Management Product”

“Everbright Bank Sunshine Wealth Management Plan T Structured Product” (中國光大銀行陽光理財 T 計劃機構定制產品), a wealth management product issued by the Everbright Bank, the major terms of which are summarised in this announcement;

“Wealth Management Agreements”

collectively, the First Wealth Management Agreement, the Second Wealth Management Agreement, the Third Wealth Management Agreement, the Fourth Wealth Management Agreement and 2018 Everbright Bank First Wealth Management Agreement;

“Wealth Management Products”

the wealth management products subscribed under the Wealth Management Agreements;

“Working Day”

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

“%”

per cent.

Notes:

All amounts in this announcement have been converted from RMB into HK\$ at an exchange rate of RMB1 to HK\$1.25 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, 23 April 2018

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.