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**HISENSE HOME APPLIANCES GROUP CO., LTD.**

海信家電集團股份有限公司

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

*(Stock Code: 00921)*

## **Announcement on entrusted wealth management of idle self-owned funds**

This announcement is made by Hisense Home Appliances Group Co., Ltd. (the “**Company**”, together with its subsidiaries the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance and Rules 13.09 and 13.10B of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

At the fourth extraordinary meeting for the year 2018 held by the tenth session of the board of directors (the “**Board**”) of the Company on 26 November 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 Group 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 RMB5,000,000,000 to financial institutions such as commercial banks, trustee companies, securities companies, fund house and insurance companies to conduct short-term and low-risk investment for wealth management was approved. Details of such arrangement are as follows:

### **I. Summary of entrusted wealth management**

#### **1. The purpose of entrusted wealth management**

As the Group’s operational efficiency has been improving, the Group’s cash at bank and on hand further increase. On the condition that the normal operation will not be disrupted and the risk is under control, the use of the idle self-owned funds for conducting entrusted wealth management may improve the efficiency of the use of capital of the Group and generate more revenue for the Group and its shareholders.

#### **2. Investment amount**

The idle self-owned funds in aggregate of RMB5,000,000,000 may be used for conducting entrusted wealth management. The said fund limit is of revolving basis.

#### **3. Investment method**

The idle self-owned fund to be used for entrusted wealth management will be entrusted to financial institutions such as commercial banks, trustee companies, securities companies, fund house and insurance companies to conduct short term low-risk investment for wealth management.

#### **4. Investment term**

The authorisation for using approved aggregated amount of funds for the Group's entrusted wealth management is valid for a period of 12 months from the date of the passing of the resolution authorising the use of idle funds for entrusted wealth management at the general meeting of the Company.

### **II. Source of funds for entrusted wealth management**

The funds to be utilised for entrusted wealth management will be idle self-owned funds of the Group. The source of funds is in compliance with the laws and regulations.

### **III. Approval procedures**

According to the relevant requirements of the Guidelines of the Shenzhen Stock Exchange for the Standardised Operation of Companies Listed on the Main Board and the Articles of Association of the Company, upon being considered and approved by the Board, the matter on entrusted wealth management has to be submitted to the 2019 first extraordinary general meeting of the Company for consideration and approval by shareholders.

### **IV. Impact of the entrusted wealth management on the Group**

The Group has carried out a comprehensive prediction and calculation on risk and revenue of the entrusted wealth management products and future capital needs. The use of the relevant funds will not affect the daily operation and the principal business development of the Group and is beneficial for improving of the efficiency of the use of the idle funds of the Group.

Agreements regarding entrusted wealth management will be entered into in the future. Should the entrusted wealth management contemplated under such agreements constitutes notifiable transaction of the Company according to the Listing Rules, the Company will comply with all applicable requirements of the Listing Rules as and when appropriate.

### **V. Risk control**

The Board has formulated Management Measures for Conducting Entrusted Wealth Management Transactions", which stipulated the requirements of approval authority, execution procedures, accounting management and risk control in respect of entrusted wealth management, to effectively prevent investment risks and ensure capital safety.

### **VI. The independent advice on the Group's entrusted wealth management from independent directors**

The independent non-executive directors of the Company considered that the necessary approval procedures for the entrusted wealth management of the Group have been completed and the voting procedures are in compliance with the laws and regulations. The Company has formulated “Management Measures for Conducting Entrusted Wealth Management Transactions” which stipulates the detailed requirements of approval authority, execution procedures, accounting management and risk control of entrusted wealth management, to effectively prevent investment risks and ensure capital safety. The funds to be used by the Group for entrusted wealth management will be used for purchasing products with controllable risks such as wealth management products from banks with lower risk and stable revenue. The Group’s 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.

By order of the Board of  
**Hisense Home Appliances Group Co., Ltd.**  
**Tang Ye Guo**  
Chairman

Foshan City, Guangdong, the PRC, 26 November 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. Zhong Geng Shen and Mr. Cheung Sai Kit.*