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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
CONTINUING CONNECTED TRANSACTIONS**

On 11 September 2019, the Company and Johnson Hitachi entered into the Business Cooperation Agreement in relation to the sale and purchase of electrical appliances, raw materials, parts and components, supply of equipment and moulds, and the provision by or to the Group of various services.

Following the completion of the Acquisition, Hisense Hitachi will become a subsidiary of the Company under the Listing Rules. Johnson Hitachi, being the holding company of two substantial shareholders of Hisense Hitachi (namely Johnson Controls - Hitachi Air Conditioning Trading (Hong Kong) Limited and Johnson Controls-Hitachi Air Conditioning Taiwan Co., Ltd), will become a connected person of the Company at the subsidiary level. Therefore, the Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Board has approved the Transactions and the Directors (including the Independent Non-executive Directors) have also confirmed that the terms of the Transactions are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Therefore, by virtue of Rule 14A.101 of the Listing Rules, the Transactions are subject to the reporting and announcement requirements applicable to continuing connected transactions, but are exempt from the circular, independent financial advice and Shareholders' approval requirements.

BACKGROUND

Reference is made to the announcement and circular dated 5 March 2019 and 14 August 2019 respectively in relation to, among others, the Acquisition.

The Group and Johnson Hitachi Group have been conducting transactions and trading in respect of electrical appliances manufacturing and processing, purchase and supply of moulds, raw materials, parts and components, and provision of information system services and technical support services (the "**Previous Transactions**"). It is expected that the Group and Johnson Hitachi Group will continue to enter into transactions of a

nature similar to the Previous Transaction from time to time following completion of the Acquisition, therefore, on 11 September 2019, the Company and Johnson Hitachi entered into the Business Cooperation Agreement.

BUSINESS COOPERATION AGREEMENT

Date: 11 September 2019

Parties: The Company
Johnson Hitachi

Term:

The Business Cooperation Agreement shall commence from the date of signing of the Business Cooperation Agreement until 31 December 2020, which can be terminated before its expiration by mutual agreement of the parties.

Subject matters:

The transactions contemplated under the Business Cooperation Agreement will be conducted in the ordinary and usual course of business of the parties, on normal commercial terms and on terms not less favourable to the parties than terms available to or from (as appropriate) independent third parties. The Business Cooperation Agreement does not restrict the rights of the parties (as the case may be) to sell or purchase products or services contemplated under the Business Cooperation Agreement from any other purchasers or suppliers (as the case may be).

The Business Cooperation Agreement is a framework agreement between the parties on the maximum transaction amounts in relation to the transactions in respect of the sale and purchase of electrical appliances, raw materials, parts and components, supply of equipment and moulds, and the provision of information system services and technical support services.

The parties will enter into specific contracts in relation to the purchase and supply of electrical appliances, moulds, raw materials, parts and components, as well as provision of information system services and technical support services, based on the results of the negotiation of the parties, the contents of which shall be in line with the principles on transaction amount and agreed terms as stated in the Business Cooperation Agreement. The specific contracts shall at least contain the following terms: models and quantities of the concerned products (services) for the sale and purchase of electrical appliances, supply of moulds, raw materials, parts and components, pricing principles, quality standards and assurances, settlement methods, delivery methods, technical services, obligations in the event of default, etc..

Either party can authorize and delegate its subsidiaries to perform the corresponding obligations and enjoy corresponding rights under the Business Cooperation Agreement. Specific business contracts shall be entered into between the subsidiaries of the parties separately and the transaction amount in respect of such specific business contracts shall be negotiated and implemented based on the agreed terms in the Business Cooperation Agreement.

Payment term(s) for the transactions contemplated under the Business Cooperation Agreement shall be in accordance with the payment term(s) as stipulated in the definitive contract(s) to be signed by the relevant parties thereto.

The Company's internal policy regarding continuing connected transactions (including the Transaction):

Before a definitive transaction is conducted, the Company will compare the price of similar existing transactions with or quotations obtained from independent third parties. Commencement of the definitive transaction with the connected party/parties is conditional upon the Company's assurance that the price of such continuing connected transaction, according to the principles of fairness and reasonableness, is no less favourable to the Group than those offered by independent third parties in order to ensure fairness of the price of the continuing connected transaction as well as the interests of the Company and its shareholders as a whole.

For such purpose, the Company has adopted an internal policy for managing and monitoring continuing connected transactions contemplated under the Business Cooperation Agreement. According to the internal policy, the operation departments of the Group will compare the terms of the proposed continuing connected transactions to those of the similar existing transactions with independent third parties or quotations offered by independent third parties (as the case may be) prior to the execution of the relevant orders or contracts. If the operation department is of the view that the terms of proposed orders or contracts are less favourable to the Group than those with or offered by independent third parties, it will report to the senior management who will negotiate with the connected party on the terms of the relevant orders or contracts. If, after negotiation, the connected party cannot offer terms which are no less favourable to the Group than those with or offered by independent third parties, the Group will not execute the relevant orders or contracts.

The finance and securities department of the Company is responsible for the collection and summarization of all information in relation to the continuing connected transactions from each operation department and will prepare a summary report regarding the conduct of the continuing connected transactions on a regular basis and make timely report to the senior management regarding the operating status of the continuing connected transactions of Group. It will also conduct a periodically review on the terms of the continuing connected transaction and compare such terms with those of the similar transactions with independent third parties. In addition, the Company conducts annual review on the execution of the continuing connected transactions of the Group.

The transactions contemplated under the Business Cooperation Agreement are in connection with the following aspects of business cooperation between the Company and Johnson Hitachi Group:-

(1) Supply of electrical appliances

The parties to the Business Cooperation Agreement have agreed the aggregate maximum amount for the supply of electrical appliances by the Group to Johnson

Hitachi Group during the term of the Business Cooperation Agreement shall be RMB385,380,000 (exclusive of VAT).

Pricing

The pricing of the supply of electrical appliances will be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness with reference to the market prices of similar electrical appliances supplied to at least three Independent Third Parties selected from time to time.

Historical Amount:

For the period from 1 August 2018 to 31 December 2018 (both days inclusive), the aggregate transaction amount for the supply of electrical appliances by the Group to Johnson Hitachi Group amounted to approximately RMB59,340,000 (exclusive of VAT and unaudited).

For the period from 1 January 2019 to 31 July 2019 (both days inclusive), the aggregate transaction amount for the supply of electrical appliances by the Group to Johnson Hitachi Group amounted to approximately RMB132,760,000 (exclusive of VAT and unaudited).

Proposed Annual Cap:

For (i) the period commencing from the date of the Business Cooperation Agreement to 31 December 2019 and (ii) the financial year ending 31 December 2020, the transactions contemplated under the Business Cooperation Agreement regarding the supply of electrical appliances by the Group to Johnson Hitachi Group are subject to the Annual Cap of RMB92,890,000 and RMB292,490,000 respectively (exclusive of VAT).

The above Annual Cap was determined with reference to (a) similar transactions between the Group with Johnson Hitachi Group in the past; (b) the prevailing market demand of central air-conditioning; (c) the projected level of production and sales of central air-conditioning by the Group to Johnson Hitachi Group for the financial years ending 31 December 2019 and 31 December 2020.

The above Annual Cap was determined also with reference to the following forecast on year-on-year growth in sales of central air-conditioning by the Group to Johnson Hitachi Group: (i) there was 109% growth for the period from 1 January 2019 to 31 July 2019, 84% for the year ending 31 December 2019; and (ii) 30% for the year ending 31 December 2020.

(2) Supply of raw materials, parts and components

The parties to the Business Cooperation Agreement have agreed the aggregate maximum amount for the supply of raw materials, parts and components by the Group to Johnson Hitachi Group during the term of the Business Cooperation Agreement shall be RMB15,530,000 (exclusive of VAT).

Pricing

The pricing of the supply of raw materials, parts and components will be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness with reference to the market prices of similar raw materials, parts and components supplied to at least three Independent Third Parties selected from time to time.

Historical Amount:

For the period from 1 August 2018 to 31 December 2018 (both days inclusive), the aggregate transaction amount for the supply of raw materials, parts and components by the Group to Johnson Hitachi Group amounted to approximately RMB1,850,000 (exclusive of VAT and unaudited).

For the period from 1 January 2019 to 31 July 2019 (both days inclusive), the aggregate transaction amount for the supply of raw materials, parts and components by the Group to Johnson Hitachi Group amounted to approximately RMB4,060,000 (exclusive of VAT and unaudited).

Proposed Annual Cap:

For (i) the period commencing from the date of the Business Cooperation Agreement to 31 December 2019 and (ii) the financial year ending 31 December 2020, the transactions contemplated under the Business Cooperation Agreement regarding the supply of raw materials, parts and components by the Group to Johnson Hitachi Group are subject to the Annual Cap of RMB4,160,000 and RMB 11,370,000 respectively (exclusive of VAT).

The above Annual Cap was determined with reference to (a) similar transactions between the Group with Johnson Hitachi Group in the past; (b) the prevailing market demand of central air-conditioning; (c) the projected level of production and sales of central air-conditioning by the Group to Johnson Hitachi Group for the financial years ending 31 December 2019 and 31 December 2020.

The supply of raw materials, parts and components by the Group to Johnson Hitachi Group is a business ancillary to the sales of central air-conditioning by the Group to Johnson Hitachi Group. There was 68% growth for the period from 1 January 2019 to 31 July 2019 and due to the difference of supply time, which the supply time of raw materials, parts and components is later than the supply time of electrical appliances. In addition, increase the quota of raw materials, parts and components will conduce to the sale of electrical appliances. Therefore, the year-on-year growth in sales of raw materials, parts and components by the Group to Johnson Hitachi Group are anticipated to be 93% for the year ending 31 December 2019, which is higher than the year-on-year growth rate, and 38% for the year ending 31 December 2020.

(3) Supply of equipment

The parties to the Business Cooperation Agreement have agreed the aggregate

maximum amount for the supply of equipment by the Group to Johnson Hitachi Group during the term of the Business Cooperation Agreement shall be RMB2,580,000 (exclusive of VAT).

Pricing

The pricing of the supply of equipment will be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness with reference to the market prices of similar equipment supplied to at least three Independent Third Parties selected from time to time.

Historical Amount:

For the period from 1 August 2018 to 31 December 2018 (both days inclusive), the aggregate transaction amount for the supply of equipment by the Group to Johnson Hitachi Group amounted to approximately RMB1,230,000 (exclusive of VAT and unaudited).

For the period from 1 January 2019 to 31 July 2019 (both days inclusive), the aggregate transaction amount for the supply of equipment by the Group to Johnson Hitachi Group amounted to approximately RMB0 (exclusive of VAT and unaudited).

Proposed Annual Cap:

For (i) the period commencing from the date of the Business Cooperation Agreement to 31 December 2019 and (ii) the financial year ending 31 December 2020, the transactions contemplated under the Business Cooperation Agreement regarding the supply of equipment by the Group to Johnson Hitachi Group are subject to the Annual Cap of RMB1,000,000 and RMB 1,580,000 respectively (exclusive of VAT).

The above Annual Cap was determined with reference to (a) similar transactions between the Group with Johnson Hitachi Group in the past; and (b) the projected level of the supply of equipment by the Group to Johnson Hitachi Group for the financial years ending 31 December 2019 and 31 December 2020.

(4) Provision of information system services to Johnson Hitachi Group

The parties to the Business Cooperation Agreement have agreed the aggregate maximum amount for the provision of information system services by the Group to Johnson Hitachi Group during the term of the Business Cooperation Agreement shall be RMB170,000.

Pricing

The pricing of the provision of the information system services by the Group to Johnson Hitachi Group will be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness with reference to the market prices of provision of similar services to at least three Independent Third Parties selected from time to time.

Historical Amount:

For the period from 1 August 2018 to 31 December 2018 (both days inclusive), the aggregate transaction amount for the provision of information system services by the Group to Johnson Hitachi Group amounted to approximately RMB60,000 (unaudited).

For the period from 1 January 2019 to 31 July 2019 (both days inclusive), the aggregate transaction amount for the provision of information system services by the Group to Johnson Hitachi Group amounted to approximately RMB0 (exclusive of VAT and unaudited).

Proposed Annual Cap:

For (i) the period commencing from the date of the Business Cooperation Agreement to 31 December 2019 and (ii) the financial year ending 31 December 2020, the transactions contemplated under the Business Cooperation Agreement regarding the provision of information system services by the Group to Johnson Hitachi Group are subject to the Annual Cap of RMB80,000 and RMB90,000 respectively.

The above Annual Cap was determined with reference to (a) similar transactions between the Group with Johnson Hitachi Group in the past; and (b) the projected level for the provision of information system services of the Group for the financial years ending 31 December 2019 and 31 December 2020.

The above Annual Cap was determined also with reference to the following forecast on year-on-year growth for the provision of information system services by the Group from Johnson Hitachi Group: (i) 25% for the year ending 31 December 2019; and (ii) 13% for the year ending 31 December 2020.

(5) *Purchase of electrical appliances*

The parties to the Business Cooperation Agreement have agreed the aggregate maximum amount for the purchase of electrical appliances by the Group from Johnson Hitachi Group during the term of the Business Cooperation Agreement shall be RMB265,630,000 (exclusive of VAT).

Pricing

The pricing of the purchase of electrical appliances will be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness with reference to the market prices of similar electrical appliances provided by at least three Independent Third Parties selected from time to time.

Historical Amount:

For the period from 1 August 2018 to 31 December 2018 (both days inclusive), the aggregate transaction amount for the purchase of electrical appliances by the Group from Johnson Hitachi Group amounted to approximately RMB39,410,000 (exclusive of VAT and unaudited).

For the period from 1 January 2019 to 31 July 2019 (both days inclusive), the aggregate transaction amount for the purchase of electrical appliances by the Group from Johnson Hitachi Group amounted to approximately RMB66,580,000 (exclusive of VAT and unaudited).

Proposed Annual Cap:

For (i) the term of the Business Cooperation Agreement to 31 December 2019 and (ii) the financial year ending 31 December 2020, the transactions contemplated under the Business Cooperation Agreement regarding the supply of electrical appliances by the Group to Johnson Hitachi Group, the transactions contemplated under the Business Cooperation Agreement regarding the purchase of electrical appliances by the Group from Johnson Hitachi Group are subject to the Annual Cap of RMB77,230,000 and RMB 188,400,000 respectively (exclusive of VAT).

The above Annual Cap was determined with reference to (a) similar transactions between the Group with Johnson Hitachi Group in the past; (b) the prevailing market demand of central air-conditioning; (c) the projected level of production and sales of central air-conditioning of the Group for the financial years ending 31 December 2019 and 31 December 2020.

The above Annual Cap was determined also with reference to the following forecast on year-on-year growth in purchase of central air-conditioning by the Group from Johnson Hitachi Group: (i) 21% for the year ending 31 December 2019; and (ii) 31% for the year ending 31 December 2020.

(6) Purchase of raw materials, parts and components

The parties to the Business Cooperation Agreement have agreed the aggregate maximum amount for the purchase of raw materials, parts and components by the Group from Johnson Hitachi Group during the term of the Business Cooperation Agreement shall be RMB1,238,540,000 (exclusive of VAT).

Pricing

The pricing of the purchase of raw materials, parts and components will be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness with reference to the market prices of similar raw materials, parts and components provided by at least three Independent Third Parties selected from time to time.

Historical Amount:

For the period from 1 August 2018 to 31 December 2018 (both days inclusive), the aggregate transaction amount for the purchase of raw materials, parts and components by the Group from Johnson Hitachi Group amounted to approximately RMB204,810,000 (exclusive of VAT and unaudited).

For the period from 1 January 2019 to 31 July 2019 (both days inclusive), the

aggregate transaction amount for the purchase of raw materials, parts and components by the Group from Johnson Hitachi Group amounted to approximately RMB243,500,000 (exclusive of VAT and unaudited).

Proposed Annual Cap:

For (i) the period commencing from the date of the Business Cooperation Agreement to 31 December 2019 and (ii) the financial year ending 31 December 2020, the transactions contemplated under the Business Cooperation Agreement regarding the purchase of raw materials, parts and components by the Group from Johnson Hitachi Group are subject to the Annual Cap of RMB 392,470,000 and RMB 846,070,000 respectively(exclusive of VAT).

The above Annual Cap was determined with reference to (a) similar transactions between the Group with Johnson Hitachi Group in the past; (b) the prevailing market demand of central air-conditioning; (c) the projected level of production and sales of central air-conditioning of the Group for the financial years ending 31 December 2019 and 31 December 2020; and (d) the Group's expected increase in the proportion of the purchase of raw materials, parts and components by the Group from Johnson Hitachi Group.

The major types of raw materials, parts and components purchased by the Group from Johnson Hitachi Group are compressors. The Group is engaged in the production of central air-conditioning, which requires the use of compressors as important parts and components for its production. The manufacturing capacity and quality of compressor products produced by Johnson Hitachi Group is higher than that of the Group, and those compressors are of assured quality. The above Annual Cap was determined also with reference to the following forecast on year-on-year growth in purchase of raw materials, parts and components by the Group from Johnson Hitachi Group: (i) 30% for the year ending 31 December 2019; and (ii) 33% for the year ending 31 December 2020.

(7) Provision of technical support services to the Group

The parties to the Business Cooperation Agreement have agreed the aggregate maximum amount for the provision of technical support services to the Group from Johnson Hitachi Group during the term of the Business Cooperation Agreement shall be RMB92,170,000.

Pricing

The pricing of the provision of technical support services will be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness with reference to the market prices of similar services provided by at least three Independent Third Parties selected from time to time.

Historical figures:

For the period from 1 August 2018 to 31 December 2018 (both days inclusive), the aggregate transaction amount for the provision of technical support services to the

Group from Johnson Hitachi Group amounted to approximately RMB6,650,000 (unaudited).

For the period from 1 January 2019 to 31 July 2019 (both days inclusive), the aggregate transaction amount for the provision of technical support services to the Group from Johnson Hitachi Group amounted to approximately RMB18,100,000 (exclusive of VAT and unaudited).

Proposed Annual Cap:

For (i) the period commencing from the date of the Business Cooperation Agreement to 31 December 2019 and (ii) the financial year ending 31 December 2020, the transactions contemplated under the Business Cooperation Agreement regarding the provision of technical support services to the Group from Johnson Hitachi Group are subject to the Annual Cap of RMB29,730,000 and 62,440,000 respectively.

The above Annual Cap was determined with reference to (a) similar transactions between the Group with Johnson Hitachi Group in the past; and (b) the projected level of technical projects for the financial years ending 31 December 2019 and 31 December 2020.

REASONS FOR AND BENEFITS OF THE BUSINESS COOPERATION AGREEMENT

The reciprocal purchase and supply of electrical appliances between the Group and Johnson Hitachi Group

The sale of central air-conditioning by the Group to Johnson Hitachi Group helps to increase the sales scale of the Group and the sales revenue of the Group. The purchase of central air-conditioning by the Group from Johnson Hitachi Group satisfies the business needs of the Group and increases the market share and sales revenue of the Group.

The supply of raw materials, parts and components by the Group

The supply of raw materials, parts and components by the Group to Johnson Hitachi Group is a business ancillary to the sales of central air-conditioning by the Group to Johnson Hitachi Group, which satisfies the business needs of the Group and increases the sales revenue of the Group.

The provision of equipment and information system services by the Group

The sales of equipment and provision of information system services by the Group to Johnson Hitachi Group help to satisfy the development needs of the business cooperation between the Group and Johnson Hitachi Group.

The purchase of raw materials, parts and components by the Group

The Group is engaged in the production of central air-conditioning, which requires the use of compressors as important parts and components for its production. The manufacturing capacity and quality of compressor products produced by Johnson Hitachi Group is higher than that of the Group, and those compressors are of assured

quality. The purchase of compressors by the Group from Johnson Hitachi Group is advantageous to ensure the quality and functions of the products of the Group, and enhances the product competitiveness of the Group.

The provision of technical support services to the Group

The provision of technical support services to the Group by Johnson Hitachi Group helps to strengthen the technical level of central air-conditioning products of the Group, enhance the product competitiveness and maintain the leading advantage of products.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Business Cooperation Agreement, the Transactions and the Annual Caps in relation thereto are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Transactions and therefore none of them is required to abstain from voting on the board resolution approving the Business Cooperation Agreement and the Transactions.

INFORMATION RELATING TO THE COMPANY AND JOHNSON HITACHI

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

Johnson Hitachi is limited company incorporated in the United Kingdom with its registered address at 9/10 The Briars, Waterberry Drive, Waterloooville, England, PO7 7YH. Its legal representative is Mr. Franz Wolfgang Cerwinka and the registered capital is USD929,328,000. Johnson Hitachi is the holding company of Johnson Controls-Hitachi (“JCH”) and Johnson Hitachi mainly manages investment activities of its subsidiaries. JCH is the joint venture between Johnson Hitachi and Hitachi Global Life Solutions, Inc. and it mainly engages in the research and development, manufacturing and sales of equipment of central air-conditioning and related products.

IMPLICATIONS UNDER THE LISTING RULES

Following the completion of the Acquisition, Hisense Hitachi will become a subsidiary of the Company under the Listing Rules. Johnson Hitachi, being the holding company of two substantial shareholders of Hisense Hitachi (namely Johnson Controls - Hitachi Air Conditioning Trading (Hong Kong) Limited and Johnson Controls-Hitachi Air Conditioning Taiwan Co., Ltd), will become a connected person of the Company at the subsidiary level. Therefore, the Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Board has approved the Transactions and the Directors (including the Independent Non-executive Directors) have also confirmed that the terms of the Transactions are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Therefore, by virtue of Rule 14A.101 of the Listing Rules, the Transactions are subject to the reporting and announcement requirements

applicable to continuing connected transactions, but are exempt from the circular, independent financial advice and Shareholders' approval requirements.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of 0.2% equity interests of Hisense Hitachi by the Company from 株式會社聯合貿易 (Joint Trading Company*) pursuant to the sale and purchase agreement dated 5 March 2019;
“Annual Cap(s)”	the annual cap(s) for the Transactions for (i) the period commencing from the date of the Business Cooperation Agreement to 31 December 2019 and (ii) the financial year ending 31 December 2020; details of which are set out in this announcement;
“A Shares”	domestic ordinary shares of the Company with a nominal value of RMB1.00 each and are listed on the Shenzhen Stock Exchange;
“Board” or “Director(s)”	the board of directors of the Company;
“Business Cooperation Framework Agreement”	the Business Cooperation Agreement (業務合作協議) entered into between the Company and Johnson Hitachi dated 11 September 2019 in relation to the sale and purchase of electrical appliances, raw materials, parts and components, supply of equipment and moulds, and the provision by or to the Group of various services;
“Company”	Hisense Home Appliances Group Co., Ltd., a company incorporated in the PRC with limited liability, whose shares are listed on the main board of the Stock Exchange and the Shenzhen Stock Exchange;
“connected person”	has the meaning ascribed to it in the Hong Kong Listing Rules;
“Group”	the Company and its subsidiaries;
“H Shares”	overseas listed foreign shares of the Company with a nominal value of RMB1.00 each and are listed on the Stock Exchange;

“Hisense Hitachi”	Qingdao Hisense Hitachi Air-Conditioning Systems Co., Ltd., a company incorporated in the PRC with limited liability;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Johnson Hitachi”	Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd., a company incorporated in the United Kingdom;
“Johnson Hitachi Group”	Johnson Hitachi and its subsidiaries;
“Independent Third Parties”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected persons and its ultimate beneficial owner(s) or their respective associate;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Share(s)”	share(s) of RMB1.00 each in the capital of the Company, comprising the A Shares and the H Shares;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Transactions”	the transactions in respect of the sale and purchase of electrical appliances, raw materials, parts and components, supply of equipment and moulds, and the provision by or to the Group of various services contemplated under the Business Cooperation Agreement;
“USD”	United States dollars, the lawful currency of the United States
“VAT”	value-added tax;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC;
“*”	for identification only.

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

Foshan City, Guangdong, the PRC, 11 September 2019

As at the date of this announcement, the Company’s executive directors are Mr. Tang Ye Guo, Mr. Jia Shao Qian, Mr. Lin Lan, Mr. Dai Hui Zhong, Mr. Fei Li Cheng 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.