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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)**

**OVERSEAS REGULATORY ANNOUNCEMENT  
AND INSIDE INFORMATION**

This overseas regulatory announcement is made by Hisense Home Appliances Group Co., Ltd. (the “**Company**”) pursuant to Rules 13.10B and 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The following sets out the information published by the Company on the website of the Shenzhen Stock Exchange, for information purpose.

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

Foshan City, Guangdong, the PRC, 28 May 2020

*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 and Mr. Fei Li Cheng; and the Company's independent non-executive directors are Mr. Ma Jin Quan, Mr. Zhong Geng Shen and Mr. Cheung Sai Kit.*

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

**Indicative Announcement on the Proposed Mixed Ownership Reform  
of the Indirect Controlling Shareholder**

*The Company and all directors of the board of the Company guarantee the truthfulness, accuracy and completeness of this announcement, and that this announcement contains no false representation, misleading statement or material omission.*

**Important Notes:**

1. On 28 May 2020, Hisense Home Appliances Group Co., Ltd (the “**Company**”) received a letter from the State-owned Assets Supervision and Administration Commission of Qingdao Municipal People’s Government\* (青島市人民政府國有資產監督管理委員會) (the “**Qingdao SASAC**”) as forwarded by Hisense Company Limited (“**Hisense Company**”) titled “Notice on the ‘Implementation Plan of the Mixed Ownership Reform of Hisense Company’” (Qingdao SASAC [2020] No.77) (the “**Notice**”). According to the Notice, the ‘Implementation Plan of the Mixed Ownership Reform of Hisense Company’ has been approved by the Qingdao Municipal People’s Government (青島市人民政府) and shall be implemented based on the enterprise reform and restructuring work requirements and in accordance with relevant laws and regulations.
2. The subject entity of the Mixed Ownership Reform is Qingdao Hisense Electric Holdings Company Limited\* (青島海信電子產業控股股份有限公司) (“**Hisense Electric Holdings**”), which is the indirect controlling shareholder of the Company. Hisense Electric Holdings will, through enlarging its registered capital, introduce strategic investor(s) with industrial synergy and the ability to assist Hisense Electric Holdings in its international development in order to achieve a more diversified shareholding structure as well as a more market-based corporate governance structure. If Hisense Electric Holdings is able to identify qualified strategic investor(s) through the above proposed capital increase, the Company may change from being a company ultimately controlled by Qingdao SASAC to not having any ultimate beneficial controller.
3. There may be differences between the sum of the sub-items and the total sum in this announcement due to rounding.

**I. APPROVAL STATUS**

The key information of the Notice issued by Qingdao SASAC is as follows: The “Implementation Plan of the Mixed Ownership Reform of Hisense Company” has been approved by the Qingdao Municipal People’s Government (青島市人民政府) and shall be implemented based on the enterprise reform and restructuring work requirements and in accordance with relevant laws and regulations.

## II. BRIEF OVERVIEW OF THE IMPLEMENTATION PLAN OF THE MIXED OWNERSHIP REFORM

The subject entity of the Mixed Ownership Reform is Hisense Electric Holdings. Hisense Electric Holdings will, through enlarging its registered capital, introduce strategic investor(s) with industrial synergy and the ability to assist Hisense Electric Holdings in its international development in order to achieve a more diversified shareholding structure as well as a more market-based corporate governance structure. An overview of the Implementation Plan is as follows:

1. Hisense Electric Holdings will perform an audit and a valuation of its company with a base date of 30 April 2020. Upon completion of such audit and valuation, 41,500,000 new shares (representing approximately 17.20% of the shares of Hisense Electric Holdings) will be issued for listing and public trading on the Qingdao Property Rights Exchange\* (青島市產權交易所) to attract investments by strategic investor(s). Existing strategic investor(s) of Hisense Electric Holdings may also participate in the proposed capital increase.
2. If Hisense Electric Holdings is able to identify qualified strategic investor(s) through the proposed capital increase, its shareholding structure upon completion of the proposed capital increase will be as follows:

<b>Name of Shareholder</b>	<b>Shareholding</b>
Hisense Company	26.79%
Qingdao Xinfeng Information Technology Company Limited* (青島新豐信息技術有限公司)	7.16%
Shanghai Haifeng Shipping Company Limited* (上海海豐航運有限公司)	2.64%
Qingdao Yuanli Information Consultant Company Limited and Controlling Partnership Enterprises* (青島員利信息諮詢股份有限公司及控制合夥企業)	9.43%
Qingdao Hengxin Chuangshi Electronic Technology Company Limited* (青島恒信創勢電子技術有限公司)	3.06%
170 individual shareholders	33.71%
Strategic investor(s) to be introduced	17.20%
<b>Total</b>	<b>100%</b>

3. If Hisense Electric Holdings is able to identify qualified strategic investor(s) through the proposed capital increase, it will have a more diversified shareholding base and no single shareholder, or shareholders acting in concert, will control over 30% of its voting rights. As such, the directors of Hisense Electric Holdings are nominated by its shareholders according to the proportion of their capital contributions and the articles of association of Hisense Electric Holdings and are elected at general meetings of Hisense Electric Holdings. No single shareholder, or shareholders acting in concert, can decide the appointment of more than half of the board of directors of Hisense Electric Holdings and control the board.

Accordingly, Hisense Electric Holdings may become a company with no ultimate beneficial controller, which in turn may lead to the Company changed from being a company ultimately controlled by Qingdao SASAC to not having any ultimate beneficial controller, and Hisense Electric Holdings may no longer be an indirect controlling shareholder of the Company.

4. Following the completion of the above proposed capital increase in Hisense Electric Holdings, Qingdao SASAC will transfer its 100% equity interest in Hisense Company to Qingdao Huatong State-owned Capital Operation (Group) Co. Ltd.\* (青島華通國有資本運營(集團)有限責任公司) (“**Huatong Group**”).

### **III. OUTSTANDING PROCEDURAL MATTERS RELATING TO THE IMPLEMENTATION PLAN OF THE MIXED OWNERSHIP REFORM**

The Implementation Plan of the Mixed Ownership Reform has already obtained approvals from the Qingdao Municipal People’s Government (青島市人民政府) and the Qingdao SASAC. It is still subject to the audit and valuation of Hisense Electric Holdings, as well as the introduction of strategic investor(s) through the public listing process on the Qingdao Property Rights Exchange\* (青島市產權交易所). Upon completion of the proposed capital increase and the transfer of the 100% equity interest of Qingdao SASAC in Hisense Company to Huatong Group without consideration the Mixed Ownership Reform will be completed.

### **IV. IMPACT OF THE MIXED OWNERSHIP REFORM ON THE COMPANY**

The introduction of strategic investor(s) through the proposed capital increase will help Hisense Electric Holdings to further optimise its governance structure and introduce a flexible market mechanism to the Company. It also stimulates corporate vitality, improves efficiency, accelerates the Company’s international development strategy with the help of industrial synergy of the strategic investor(s) and brings a better development prospect to the Company.

### **V. OTHER RELATED INFORMATION AND RISK ALERT**

The proposed capital increase of Hisense Electric Holdings will not result in circumstances leading to any breach of the statutory shareholding requirement by the Company and of any original shareholding undertaking by the relevant undertaking parties.

Under the Implementation Plan of the Mixed Ownership Reform, strategic investor(s) are to be introduced to Hisense Electric Holdings through the public listing process on the Qingdao Property Rights Exchange\* (青島市產權交易所). It is uncertain as to whether qualified strategic investor(s) may be identified.

The Company will strictly follow the provisions and requirements of the relevant laws and regulations and urge relevant parties to inform the progress in time and fulfil the obligation of information disclosure. The Company’s designated information disclosure media are the China Securities Journal\* (中國證券報), Securities Times\*

(證券時報) and the websites of the Shenzhen Stock Exchange. All publicly disclosed information of the Company is subject to the official announcement published by the above designated media. Investors should pay attention to investment risks.

Announcement is hereby given.

**The Board of Directors of Hisense Home Appliances Group Co., Ltd.**

28 May 2020

*\*For identification purposes only*