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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)

DISCLOSEABLE TRANSACTIONS

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

At the first meeting for the year 2020 held by the tenth session of the Directors on 14 April 2020 and the 2019 annual general meeting of the Company held on 23 June 2020, 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 RMB9,000,000,000 to commercial banks, trust companies, securities companies, fund companies, insurance companies, asset management companies and other financial institutions to conduct short-term and low-risk investment for wealth management was approved. The progress is now announced as follows:

Reference is made to the Hua Xia Bank Wealth Management Agreements in relation to subscription of wealth management products by the Company and its subsidiaries (as subscribers) from Hua Xia Bank (as issuer), further particulars of which are listed out in the section headed "List of Hua Xia Bank Wealth Management Agreements" in this announcement.

The Board is pleased to announce that, on 14 January 2021, Refrigerator Marketing Company, the non-wholly owned subsidiary of the Company as subscriber entered into the 2021 Hua Xia Bank 2nd Wealth Management Agreement to subscribe for the 2021 Hua Xia Bank 2nd Wealth Management Product in the subscription amount of RMB500,000,000 (equivalent to approximately HK\$598,773,711^{Note1}).

The Group utilised its idle funds for the payment of the subscription amount under each of the Hua Xia Bank Wealth Management Agreements.

The 2021 Hua Xia Bank 2nd 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, when the relevant subscription amounts under the Hua Xia Bank Wealth Management Agreements are aggregated, the relevant applicable percentage ratios (as defined under the Listing Rules) of the transactions under the Hua Xia Bank Wealth Management Agreements exceed 5% but are lower than 25%. Therefore, the transactions under the Hua Xia Bank 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 Group utilised its idle funds for the payment of the subscription amount under each of the Hua Xia Bank Wealth Management Agreements. Summarised below are the major terms of the Hua Xia Bank Wealth Management Agreement:

| | 2021 Hua Xia Bank 2nd Wealth Management Agreement |
|---|--|
| (1) Date of subscription: | 14 January 2021 |
| (2) Name of product: | Institute profit Increasing 90 Days Wealth Management Product* (機構增盈週期 90 天理財產品) |
| (3) Parties: | (i) Hua Xia Bank as issuer (ii) Refrigerator Marketing Company as subscriber To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Hua Xia Bank and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons. |
| (4) Type of product: | Open-end and non-principal-guaranteed with floating return |
| (5) Risk rating of product: | Stable |
| (6) Principal amount of subscription: | RMB500,000,000(equivalent to approximately HK\$598,773,711 ^{Note 1}) |
| (7) Currency of subscription: | Renminbi |
| (8) Term of investment: | 90 days |
| (9) Expected maximum rate of return: | 3.60% per annum |
| (10) Investment scope of the product: | The Hua Xia Bank Wealth Management Products invest in various kinds of products, including but not limited to: bank deposits, bonds, money market instruments, non-standardized debt assets, asset management plans, trust scheme and other assets, etc. |
| (11) Payment of return on principal upon maturity: | The principal and return (if any) will be deposited to the designated account of the subscriber 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 Hua Xia Bank is entitled to early termination of the relevant Hua Xia Bank Wealth Management Product. |

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The approval procedures of the subscriptions of wealth management products by the Company are in compliance with the relevant requirements of the “Management Measures for Conducting Entrusted Wealth Management Transactions” (《委託理財管理制度》) of the Company. The subscriptions of the Hua Xia Bank Wealth Management Products are made from the idle self-owned funds of the Group. Such use of the idle self-owned funds for entrusted wealth management is beneficial for enhancing efficiency of use of the idle self-owned funds of the Group and will not adversely affect the daily operation and the principal business development of the Group as well as the interests of medium and small investors of the Company.

The Board considers that the subscriptions of the Hua Xia Bank Wealth Management Products are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

The 2021 Hua Xia Bank 2nd 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, when the relevant subscription amounts under the Hua Xia Bank Wealth Management Agreements are aggregated, the relevant applicable percentage ratios (as defined under the Listing Rules) of the transactions under the Hua Xia Bank Wealth Management Agreements exceed 5% but are lower than 25%. Therefore, the transactions under the Hua Xia Bank 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 ON THE COMPANY AND HUA XIA BANK

The Company

The Company and its subsidiaries are principally engaged in research and development, manufacturing and marketing of electrical products such as refrigerators, household air-conditioners, central air-conditioners, freezers, washing machines, kitchen appliances, etc.

Hua Xia Bank

Hua Xia Bank is a branch of China Hua Xia Bank Co., Ltd.*(華夏銀行股份有限公司), a licensed bank incorporated under the laws of the PRC listed on The Shanghai Stock Exchange (Stock code: 600015). Hua Xia Bank principally engaged in provision of RMB deposit-taking; disbursement of short, medium and long-term loans, settlement; discount of bills; issuance of financial bonds; agency for issuance, agency for honoring and underwriting of government bonds and purchase and sale of government bonds; interbank lending and borrowing; provision of letter of credit and guarantee services; agency for collection and payment; safe box services; foreign exchange deposits, loans and remittance, etc.

LIST OF HUA XIA BANK WEALTH MANAGEMENT AGREEMENTS

| Name of agreement (collectively, the “Hua Xia Bank Wealth Management Agreements”) | Date of agreement / announcement | Subscriber | Wealth management products subscribed (collectively, the “Hua Xia Bank Wealth Management Products”) |
|--|---|--------------------------------|--|
| 2019 Hua Xia Bank 7th Wealth Management Agreement | 8 August 2019 (agreement) / 8 August 2019 (announcement) | Refrigerator Marketing Company | 2019 Hua Xia Bank 7th Wealth Management Product |
| 2020 Hua Xia Bank 1st Wealth Management Agreement | 2 January 2020 (agreement) / 2 January 2020 (announcement) | Refrigerator Marketing Company | 2020 Hua Xia Bank 1st Wealth Management Product |
| 2020 Hua Xia Bank 2nd Wealth Management Agreement | 15 January 2020 (agreement) / 15 January 2020 (announcement) | Refrigerator Marketing Company | 2020 Hua Xia Bank 2nd Wealth Management Product |
| 2020 Hua Xia Bank 3rd Wealth Management Agreement | 17 January 2020 (agreement) / 17 January 2020 (announcement) | Company | 2020 Hua Xia Bank 3rd Wealth Management Product |
| 2020 Hua Xia Bank 4th Wealth Management Agreement | 14 February 2020 (agreement) / 14 February 2020 (announcement) | Refrigerator Marketing Company | 2020 Hua Xia Bank 4th Wealth Management Product |
| 2020 Hua Xia Bank 5th Wealth Management Agreement | 14 February (agreement) / 14 February 2020 (announcement) | Refrigerator Marketing Company | 2020 Hua Xia Bank 5th Wealth Management Product |
| 2020 Hua Xia Bank 6th Wealth Management Agreement | 20 April 2020 (agreement) / 20 April 2020 (announcement) | Refrigerator Marketing Company | 2020 Hua Xia Bank 6th Wealth Management Product |
| 2020 Hua Xia Bank 7th Wealth Management Agreement | 11 June 2020 (agreement) / 11 June 2020 (announcement) | Refrigerator Marketing Company | 2020 Hua Xia Bank 7th Wealth Management Product |
| 2020 Hua Xia Bank 8th Wealth Management Agreement | 13 July 2020 (agreement) / 13 July 2020 (announcement) | Refrigerator Marketing Company | 2020 Hua Xia Bank 8th Wealth Management Product |
| 2020 Hua Xia Bank 9th Wealth Management Agreement | 14 September 2020 (agreement) / 14 September 2020 (announcement) | Refrigerator Marketing Company | 2020 Hua Xia Bank 9th Wealth Management Product |
| 2020 Hua Xia Bank 10th Wealth Management Agreement | 10 December 2020 (agreement) / 10 December 2020 (announcement) | Refrigerator Marketing Company | 2020 Hua Xia Bank 10th Wealth Management Product |
| 2020 Hua Xia Bank 11th Wealth Management Agreement | 10 December 2020 (agreement) / 10 December 2020 (announcement) | Refrigerator Marketing Company | 2020 Hua Xia Bank 11th Wealth Management Product |
| 2020 Hua Xia Bank 12th Wealth Management Agreement | 10 December 2020 (agreement) / 10 December 2020 (announcement) | Company | 2020 Hua Xia Bank 12th Wealth Management Product |
| 2020 Hua Xia Bank 13th Wealth Management Agreement | 10 December 2020 (agreement) / 10 December 2020 (announcement) | Company | 2020 Hua Xia Bank 13th Wealth Management Product |
| 2020 Hua Xia Bank 14th Wealth Management Agreement | 10 December 2020 (agreement) / 10 December 2020 (announcement) | Company | 2020 Hua Xia Bank 14th Wealth Management Product |
| 2021 Hua Xia Bank 1st Wealth Management Agreement | 7 January 2021 (agreement) / 7 January 2021 (announcement) | Company | 2021 Hua Xia Bank 1st Wealth Management Product |

The aggregate subscription amount of the Hua Xia Bank Wealth Management Products is RMB3,050,000,000 (equivalent to approximately HK\$3,465,602,873.71^{Note 2}).

DEFINITIONS

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

| | |
|---|---|
| “2021 Hua Xia Bank 2nd Wealth Management Agreement” | the wealth management agreement entered into between Refrigerator Marketing Company and Hua Xia Bank on 14 January 2021 in relation to the subscription of the 2021 Hua Xia Bank 2nd Wealth Management Product; |
| “2021 Hua Xia Bank 2nd Wealth Management Product” | the wealth management product subscribed under the 2021 Hua Xia Bank 2nd Wealth Management Agreement, the major terms of which are summarized in this announcement; |
| “Board” | the board of Directors; |
| “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 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; |
| “Group” | the Company and its subsidiaries; |
| “Hua Xia Bank” | a branch of China Hua Xia Bank Co., Limited. (華夏銀行股份有限公司), a licensed bank incorporated under the laws of the PRC; |
| “Hua Xia Bank Wealth Management Agreements” | the Hua Xia Bank wealth management agreements as listed in the section headed “List of Hua Xia Bank Wealth Management Agreements” in this announcement; |
| “Hua Xia Bank Wealth Management Products” | the wealth management products subscribed under the Hua Xia Bank Wealth Management Agreements; |
| “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; |
| “PRC” | the People’s Republic of China; |
| “Refrigerator Marketing | Guangdong Hisense Refrigerator Marketing Co., Ltd.* (廣東海信冰 |

| | |
|------------------|--|
| Company” | 箱營銷股份有限公司), a subsidiary of the Company; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Shareholder(s)” | the shareholder(s) of the Company; |
| “Working Day” | the day on which the Hua Xia 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; |
| “%” | per cent; and |
| “*” | for identification purpose only. |

Notes:

1. This amount has been converted from RMB into HK\$ at an exchange rate of RMB0.83504 to HK\$1 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 is an aggregation of the HK\$ amounts converted from RMB at exchange rates adopted in the announcement of the Company dated 8 August 2019, 2 January 2020, 15 January 2020, 17 January 2020, 14 February 2020, 20 April 2020, 11 June 2020, 13 July 2020, 14 September 2020, 10 December 2020 and 7 January 2021. The conversion is 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
Hisense Home Appliances Group Co., Ltd.
Tang Ye Guo
Chairman

Foshan City, Guangdong, the PRC, 14 January 2021

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. Duan Yue Bin 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.