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### **ANNOUNCEMENT ON EXEMPT FINANCIAL ASSISTANCE**

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.10B of the Hong Kong Listing Rules.

The Board announced that on 30 August 2021, the Company as the borrower and Hisense Holdings as the lender entered into the Loan Agreement pursuant to which Hisense Holdings has agreed to provide a revolving loan to the Company up to a daily outstanding amount of US\$500 million (inclusive of interest) or the equivalent amount in other currencies. Details of the Loan Agreement are set out below.

#### **THE LOAN AGREEMENT**

Date : 30 August 2021

Parties : The Company as the borrower, Hisense Holdings as the lender

Each of the Company and Hisense Holdings shall be entitled to authorise its subsidiaries (under this agreement, Hisense Holdings subsidiaries do not include Hisense Finance Co., Ltd.\* (海信集團財務有限公司) , the connected transactions between the Company and Hisense Finance Co., Ltd. are carried out in accordance with the Financial Services Agreement signed by both parties) to take up its rights and obligations and perform under the Loan Agreement.

Subject matter : A revolving loan up to a daily outstanding amount of US\$500 million (inclusive of interest) or the equivalent amount in other currencies. The Loan Agreement does not restrict the Group from obtaining loans from other financial institutions.

Interest : The interest rate per annum shall not exceed the interest rate of three-month LIBOR of US dollars plus 1.35%. If the principal amount of the loan is in

other currency, the parties shall refer to the interest rate of the US dollars and negotiate the corresponding interest rate of such currency.

The interest starts accruing from the date of drawdown.

Term	: Two years commencing from the date of approval of the Loan Agreement by the Independent Shareholders at the EGM.
Drawdown	: One-off or in multiple tranches.
Repayment	: One-off at the end of the term or early repayment in tranches.
Security	: No security or collateral is provided.

The terms of the Loan Agreement were arrived at after arm's length negotiations between the Company and Hisense Holdings. The interest rate is determined with reference to the prevailing interest rates prescribed by other commercial banks providing similar loans and shall not be higher than interest rates offered by other commercial banks for similar loans.

## **INFORMATION ON THE COMPANY AND HISENSE HOLDINGS**

### *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. The Company completed the merger of Sanden Holdings Corporation to expand into the automotive air conditioning compressor and automotive air conditioning industries in May 2021.

### *Hisense Holdings*

Hisense Group Holdings Co.,Ltd.\* (海信集團控股股份有限公司), a company incorporated in the PRC with limited liability, is the controlling shareholder of the Company. Its principal activities are import and export of technology; import and export of goods; real estate development and operation; medical services; catering services; investment activities with own funds; asset management services for investment with own funds; research and development of household appliances; manufacture of household appliances; sale of household appliances; installation services for household appliances; repair of daily-use appliances; manufacture of refrigeration and air-conditioning equipment; sale of refrigeration and air-conditioning equipment; manufacture of telecommunication equipment; sale of telecommunication equipment; manufacture of network equipment; sale of network equipment; application system integration services for artificial intelligence industry; information system integration services; specialized equipment manufacturing; research and development of automotive parts; manufacture of automotive parts and accessories; intelligent vehicle equipment manufacturing; intelligent vehicle equipment sales; network equipment manufacturing; network equipment sales; software development; educational consulting services; conference and exhibition services; leisure and tourism activities; property management; non-residential real estate leasing; residential leasing;

machinery and equipment leasing; automobile leasing; catering management; parking services. Hisense Holdings has no actual controller.

## **APPROVAL PROCEDURES**

1. The eleventh session of the Board convened its meeting on 30 August 2021. Nine Directors were entitled to attend the meeting and all of them have attended the meeting. Connected directors, Mr. Duan Yue Bin, Mr. Jia Shao Qian, Mr. Lin Lan, Mr. Dai Hui Zhong and Mr. Fei Li Cheng, abstained from voting in this resolution. The convening of and the voting at the meeting were in compliance with the relevant requirements of the Company Law of the PRC and the articles of association of the Company. After careful consideration by the attending Directors, the proposal on the Company's loan from Hisense Group Holdings Co., Ltd. was passed with 4 affirmative votes, nil dissenting votes and nil abstaining votes.
2. Prior recognition (prior consent) of the independent non-executive Directors and expression of their independent opinion:

The three independent non-executive Directors have agreed to submit the Loan Agreement to the Board for consideration. They are of opinion that the proposed transactions contemplated under the Loan Agreement are based on normal commercial terms or better, and the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT**

In view of the needs of the overseas business of the Group, the Group requires channels for overseas fund raising. At the same time, lower overseas financing costs are used to improve the efficiency of the company's capital use. The terms of the Loan Agreement are on normal commercial terms or better and no more favourable than independent third parties. The Board considers that the terms of the Loan Agreement are on normal commercial terms or better, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE HONG KONG LISTING RULES AND THE SHENZHEN LISTING RULES**

As at the date of this announcement, Hisense Holdings is the controlling shareholder of the Company and a connected person of the Company. Accordingly, the Loan Agreement and the transactions contemplated thereunder constitute financial assistance to be received by the Group from a connected person under Chapter 14A of the Hong Kong Listing Rules. However, since the Loan Agreement and the transactions contemplated thereunder are conducted on normal commercial terms or better and are not secured by the assets of the Group, the Loan Agreement and the transactions contemplated thereunder are exempt from reporting, announcement and independent Shareholders' approval requirements under Rule 14A.90 of the Hong Kong Listing Rules.

Hisense Holdings is a connected person of the Company under Item (1) of Rule 10.1.3 of the Shenzhen Listing Rules. Therefore, the Loan Agreement constitute connected transactions of the Company under

the Shenzhen Listing Rules and are subject to the approval by the Independent Shareholders at the EGM pursuant to the requirements under the Shenzhen Listing Rules.

In view of Hisense Holdings' interest in the Loan Agreement, Hisense Holdings and its associates will abstain from voting on the relevant resolution at the EGM. As such, Hisense Air-Conditioning and Hisense Hong Kong will abstain from voting on the relevant resolution at the EGM.

A circular of the EGM containing, among other things, further information of the Loan Agreement will be despatched to the Shareholders on 30 August 2021.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

1. Resolution of the Board; and
2. the Loan Agreement.

## **DEFINITIONS**

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

“Board”	the board of directors of the Company
“Company”	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 PRC with limited liability, whose shares are listed on the main board of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the 2021 third extraordinary general meeting of the Company to be held for approving the Loan Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hisense Air-Conditioning”	Qingdao Hisense Air-Conditioning Company Limited* (青島海信空調有限公司), a company incorporated in the PRC with limited liability and a subsidiary of Hisense Holding, which holds approximately 37.92% of the issued shares of the Company
“Hisense Holdings”	Hisense Group Holdings Co., Ltd.* (海信集團控股股份有限公司), a company incorporated in the PRC with limited liability
“Hisense Hong Kong”	Hisense (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of Hisense Holdings,

	which holds approximately 9.13% of the issued shares of the Company
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“LIBOR”	the London Interbank Offered Rate
“Loan Agreement”	the loan agreement dated 30 August 2021 entered into between the Company and Hisense Holdings in relation to the provision of loan by Hisense Holdings to the Company
“PRC”	the People’s Republic of China
“Shareholder(s)”	the shareholder(s) of the Company
“Shenzhen Listing Rules”	the Rules Governing Listing of Securities on the Shenzhen Stock Exchange
“US\$” or “US dollars”	the United States dollars, the lawful currency of the United States
“%”	per cent

*English translations of the names in Chinese or another language in this announcement which are marked with “\*” are for identification purposes only.*

By order of the Board  
**Hisense Home Appliances Group Co., Ltd.**  
**Duan Yue Bin**  
*Chairman*

Foshan City, Guangdong, the PRC, 30 August 2021

*As at the date of this announcement, the Company’s executive directors are Mr. Duan Yue Bin, Mr. Jia Shao Qian, Mr. Lin Lan, Mr. Dai Hui Zhong, Mr. Fei Li Cheng and Mr. Xia Zhang Zhua; and the Company’s independent non-executive directors are Mr. Ma Jin Quan, Mr. Zhong Geng Shen and Mr. Cheung Sai Kit.*