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If you have sold or transferred all your shares in **Hisense Home Appliances Group Co., Ltd.**, you should hand this circular at once to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Hisense 海信家電

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)

(1) PROPOSED EXEMPT FINANCIAL ASSISTANCE
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
(3) NOTICE OF THE 2022 ANNUAL GENERAL MEETING

Capitalised terms used in this cover page have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 10 of this circular.

A notice of the AGM to be held on Thursday, 29 June 2023 at 3:00 p.m. at the conference room of Hisense Building, No.17 Donghai West Road, Qingdao City, Shandong Province, the PRC are set out on pages AGM-1 to AGM-5 of this circular. A proxy form for use at the AGM and a reply slip are enclosed with this circular. The notice of the AGM, the proxy form and the reply slip are also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://hxjd.hisense.cn>).

Whether or not you intend to attend the AGM, you are requested to complete and return the proxy form in accordance with the instructions printed on it and return it to the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for holding the AGM or any adjournment of such meeting (as the case may be). Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM or any adjournment of such meeting (as the case may be) should you so wish and, in such event, the proxy form previously submitted shall be deemed to be revoked.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

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| “AGM” | the 2022 annual general meeting of the Company to be held at the conference room of Hisense Building, No.17 Donghai West Road, Qingdao City, Shandong Province, the PRC on Thursday, 29 June 2023 at 3:00 p.m., the notice of which is set out on pages AGM-1 to AGM-5 of this circular, or any adjournment of such meeting |
| “Articles of Association” | the articles of association of the Company, as amended from time to time |
| “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” | the board of Directors |
| “Company” | Hisense Home Appliances Group Co., Ltd., 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 main board of the Shenzhen Stock Exchange |
| “Director(s)” | director(s) of the Company |
| “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 indirectly controlled by Hisense Group, which holds approximately 37.23% of the issued shares of the Company as at the date of this circular |
| “Hisense Company” | Hisense Company Limited* (海信集團有限公司), a company incorporated in the PRC with limited liability |
| “Hisense Holdings” | Hisense Group Holdings Limited* (海信集團控股股份有限公司), a company incorporated in the PRC with limited liability |

DEFINITIONS

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| “Hisense Hong Kong” | Hisense (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of Hisense Group, which holds approximately 8.97% of the issued shares of the Company as at the date of this circular |
| “H Shares” | overseas listed foreign shares of the Company with a nominal value of RMB1.00 each and are listed on the Hong Kong Stock Exchange |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Independent Shareholders” | in respect of the Loan Agreement, Shareholders other than Hisense Holdings and its associates and other Shareholders which are required to abstain from voting in relation to the Loan Agreement under the Shenzhen Listing Rules |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange |
| “Loan Agreement” | the loan agreement dated 8 June 2023 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 |
| “Restricted Shares” | A Shares granted by the Company to the participants pursuant to the 2022 Restricted A Share Incentive Scheme of the Company |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “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 Share(s) |
| “Shenzhen Listing Rules” | the Rules Governing Listing of Securities on the Shenzhen Stock Exchange |
| “TERM SOFR” | the forward-looking term Secured Overnight Financing Rate provided by Chicago Mercantile Exchange |

DEFINITIONS

“US\$” or “US dollars” the United States dollars, the lawful currency of the United States

“%” per cent

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

References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD

Hisense 海信家電

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)

Executive Directors:

Mr. Dai Hui Zhong
Mr. Jia Shao Qian
Mr. Yu Zhi Tao
Mr. Hu Jian Yong
Mr. Xia Zhang Zhua
Ms. Gao Yu Ling

Registered office:

No. 8 Ronggang Road
Ronggui, Shunde
Foshan
Guangdong Province
PRC

Independent non-executive Directors:

Mr. Zhong Geng Shen
Mr. Cheung Sai Kit
Mr. Li Zhi Gang

*Principal place of business
in Hong Kong:*

Room 3101-3105
Singa Commercial Centre
No. 148 Connaught Road West
Hong Kong

8 June 2023

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED EXEMPT FINANCIAL ASSISTANCE
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
(3) NOTICE OF THE 2022 ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions in relation to, among others: (i) the proposed exempt financial assistance; (ii) the proposed amendments to the Articles of Association and (iii) notice of the 2022 AGM.

1. PROPOSED EXEMPT FINANCIAL ASSISTANCE

On 8 June 2023, 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. The Loan Agreement will replace the loan agreement dated 30 August 2021 entered into between the Company and Hisense Holdings in relation to the provision of a revolving loan by Hisense Holdings to the Company.

LETTER FROM THE BOARD

The Loan Agreement

Date: 8 June 2023

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 TERM SOFR of US dollars plus 1.61161%. 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 AGM.

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.

LETTER FROM THE BOARD

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 Group and Hisense Holdings

The Group

The Group is 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 and automotive air conditioner compressor and integrated thermal management system.

Hisense Holdings

Hisense Holdings was incorporated in 2001 and has a registered capital of RMB3,860,393,984. Its legal representative is Mr. Jia Shaoqian and its registered address is at 218 Qian Wan Gang Road, Qingdao Economic and Technological Development Zone, Qingdao City. Its scope of business includes: 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 communication equipment; sale of communication equipment; manufacture of network equipment; sale of network equipment; research and development of artificial intelligence industry application systematic integration services; information system integration services; manufacture of special purpose equipment; research and development of automotive parts and components; manufacture of automotive parts and accessories; manufacture of intelligent vehicle equipment; sales of intelligent vehicle equipment; manufacture of internet of things equipment; sales of internet of things equipment; software development; education and consultancy services; convention and exhibition services; leisure and tourism activities; property management; non-residential property leasing; residential leasing; machinery and equipment leasing; car leasing; catering management; car park services.

Hisense Holdings has no effective controller and details of its shareholders' interests are as follows:

1. Hisense Company holds 26.79% interest in Hisense Holdings. The ultimate beneficial owner of Hisense Company is the State-owned Assets Supervision and Administration Commission of the Qingdao Municipal Government (青島市人民政府國有資產監督管理委員會).

LETTER FROM THE BOARD

2. Qingdao Xinfeng Information Technology Co., Ltd.* (青島新豐信息技術有限公司) (“**Qingdao Xinfeng**”) holds 24.36% interest in Hisense Holdings and Shanghai Haifeng Shipping Co., Ltd.* (上海海豐航運有限公司) (“**Shanghai Haifeng**”) holds 2.64% interest in Hisense Holdings. Qingdao Xinfeng and Shanghai Haifeng are parties acting in concert and collectively own 27.00% interest in Hisense Holdings. The ultimate beneficial owner of Qingdao Xinfeng and Shanghai Haifeng is Mr. Yang Shaopeng* (楊紹鵬).
3. The position incentive shareholders (崗位激勵股東) (the “**Position Incentive Shareholders**”) of Hisense Holdings hold an aggregate interest of 46.21% in Hisense Holdings. As at the date of this circular, of this 46.21% interest in Hisense Holdings, (i) 30.17% is owned by the Position Incentive Shareholders of Hisense Holdings who hold interests in Hisense Holdings directly; (ii) 12.98% is owned by Qingdao Yuanli Information Consulting Co., Ltd.* (青島員利信息諮詢股份有限公司) (“**Qingdao Yuanli**”) and partnerships (合夥企業) (the “**Partnerships**”); and (iii) 3.06% is owned by Qingdao Hengxin Chuangshi Electronic Technology Co., Ltd.* (青島恒信創勢電子技術有限公司) (“**Qingdao Hengxin**”). Qingdao Yuanli, Qingdao Hengxin and the Partnerships are companies holding interests in Hisense Holdings on behalf of other Position Incentive Shareholders of Hisense Holdings whose interests in Hisense Holdings are held indirectly.

The Position Incentive Shareholders of Hisense Holdings are the core staff of Hisense Holdings under its incentive plan who hold interests in Hisense Holdings directly or indirectly. They are, including but not limited to, the directors, senior management staff, core management staff and key staff of Hisense Holdings. The Position Incentive Shareholders of Hisense Holdings who hold interests in Hisense Holdings directly do not overlap with those who hold interests in Hisense Holdings indirectly through Qingdao Yuanli, Qingdao Hengxin and the Partnerships. Moreover, there is no acting in concert arrangement among the Position Incentive Shareholders of Hisense Holdings.

Qingdao Yuanli was incorporated on 22 June 2010. The Partnerships consist of seventeen partnerships which were established from 2016 to 2022. Qingdao Hengxin was incorporated on 14 December 2012. Qingdao Yuanli, Qingdao Hengxin and the Partnerships act as interests holding vehicles for the relevant Position Incentive Shareholders of Hisense Holdings and they do not have any operations.

Reasons for and benefits of entering into the Loan Agreement

In view of the needs of the overseas business of the Group, the Group requires channels for overseas fund raising. 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.

LETTER FROM THE BOARD

Implications under the Hong Kong Listing Rules and the Shenzhen Listing Rules

As at the date of this circular, Hisense Holdings is the controlling Shareholder 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 AGM 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 AGM. As such, Hisense Air-Conditioning and Hisense Hong Kong will abstain from voting on the relevant resolution at the AGM.

General

Mr. Dai Hui Zhong, Mr. Jia Shao Qian, Mr. Yu Zhi Tao, Mr. Hu Jian Yong and Ms. Gao Yu Ling, as connected directors, have abstained from voting on the relevant resolution:

- (a) Mr. Dai Hui Zhong is the chairman of Hisense Air-Conditioning;
- (b) Mr. Jia Shao Qian is the chairman and the president of Hisense Holdings and the director of Hisense Air-Conditioning;
- (c) Mr. Yu Zhi Tao is the executive vice-president of Hisense Holdings, the chairman of Hisense Visual Technology Co., Ltd;
- (d) Mr. Hu Jian Yong is the director of Hisense Air-Conditioning; and
- (e) Ms. Gao Yu Ling is the supervisor of Hisense Air-Conditioning.

3. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

As disclosed in the announcement of the Company dated 23 May 2023, the Company completed the registration of the grant of 25,422,000 Restricted Shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The Board therefore proposed to amend the existing Articles of Association of the Company to increase the issued share capital for the purpose of issue of 25,422,000 Restricted Shares. Save for

LETTER FROM THE BOARD

the proposed amendments to the Articles of Association as set out below, other provisions in the Articles of Association remain unchanged. Details of the proposed amendments are as follows:

| Existing Articles | Revised Articles |
|---|---|
| <p>Article 3.5</p> <p>The Company has issued a total number of 1,362,725,370 ordinary shares, of which H Shares amount to 459,589,808 shares, representing 33.73% of the total share capital, and A Shares amount to 903,135,562 shares, representing 66.27% of the total share capital. The registered share capital of the Company is RMB1,362,725,370.</p> | <p>Article 3.5</p> <p>The Company has issued a total number of 1,362,725,370<u>1,388,147,370</u> ordinary shares, of which H Shares amount to 459,589,808 shares, representing 33.73%<u>33.11%</u> of the total share capital, and A Shares amount to 903,135,562<u>928,557,562</u> shares, representing 66.27%<u>66.89%</u> of the total share capital. The registered share capital of the Company is RMB1,362,725,370<u>RMB1,388,147,370</u>.</p> |

The amended Articles of Association shall become effective on the date of passing of the relevant resolution at the AGM. Prior to the passing of the relevant special resolution at the AGM, the existing Articles of Association of the Company shall remain valid.

AGM

The AGM will be held at the conference room of Hisense Building, No.17 Donghai West Road, Qingdao City, Shandong Province, the PRC at 3:00 p.m. on Thursday, 29 June 2023.

The notice of the AGM is set out on pages AGM-1 to AGM-5 of this circular. The proxy form for use at the AGM and the reply slip are enclosed with this circular. The notice of the AGM, the proxy form and the reply slip are also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://hxjd.hisense.cn>).

Whether or not you intend to attend the AGM, you are requested to complete and return the proxy form in accordance with the instructions printed on it and return it to the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for holding the AGM or any adjournment of such meeting (as the case may be). Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM or any adjournment of such meeting (as the case may be) should you so wish and, in such event, the proxy form previously submitted shall be deemed to be revoked.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to The Securities Department, Hisense Home Appliances Group Co., Ltd. by personal delivery, post or fax during hours between 8:30 a.m. and 11:00 a.m.,

LETTER FROM THE BOARD

1:30 p.m. and 4:30 p.m. on every business day on or before Tuesday, 20 June 2023. Failure to complete or return the reply slip will not preclude eligible Shareholders from attending the AGM should they so wish.

The vote of the Shareholders at the AGM will be taken by poll in accordance with Rule 13.39(4) of the Listing Rules and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

In order to determine the Shareholders who are eligible to attend and vote at the AGM, the register of members of the H Shares of the Company will be closed from Wednesday, 21 June 2023 to Thursday, 29 June 2023 (both days inclusive). In order to qualify for attending the AGM, all transfer documents of the H Shares together with the relevant share certificates must have been lodged with the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 20 June 2023 for registration.

The record date for such purposes is Tuesday, 20 June 2023. Shareholders whose names appeared on the register of members of the Company as at the close of business on Tuesday, 20 June 2023 (including holders of the H Shares who have submitted verified transfer forms at or before 4:30 p.m. on Tuesday, 20 June 2023) are entitled to attend the AGM and to vote in respect of all resolutions to be proposed at the AGM.

RECOMMENDATION

The Board is of the opinion that all resolutions to be proposed at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the AGM as set out in the notices of the AGM.

Yours faithfully,
By order of the Board
Hisense Home Appliances Group Co., Ltd.
Dai Hui Zhong
Chairman

NOTICE OF THE 2022 ANNUAL GENERAL MEETING

Hisense 海信家電

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)

NOTICE OF THE 2022 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 annual general meeting (the “**AGM**”) of Hisense Home Appliances Group Co., Ltd. (the “**Company**”) will be held at the conference room of Hisense Building, No.17 Donghai West Road, Qingdao City, Shandong Province, the People's Republic of China (the “**PRC**”) on Thursday, 29 June 2023 at 3:00 p.m. or any adjournment of such meeting for the purpose of considering and, if thought fit, passing the following resolutions, with or without modification, as ordinary resolutions of the Company. Unless otherwise indicated, capitalized terms used herein shall have the same meaning as those defined in the circular dated 8 June 2023 issued by the Company (the “**Circular**”).

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors of the Company (the “**Board**”) for the year ended 31 December 2022⁽⁸⁾.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2022⁽⁸⁾.
3. To consider and approve the 2022 annual report of the Company and its summary⁽⁸⁾.
4. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2022⁽⁸⁾.
5. To consider and approve the profit distribution proposal of the Company for the year ended 31 December 2022⁽⁹⁾.
6. To consider and approve the re-appointment of ShineWing Certified Public Accountants LLP as the auditor of the Company for the ensuing year and to authorise the Board to fix its remuneration⁽¹¹⁾.
7. To consider and approve the Company's Special Report on the Commencement of Foreign Exchange Derivatives Business for the year 2023⁽¹²⁾.
8. To consider and approve the resolution on entrusted wealth management of idle self-owned funds of the Company⁽¹³⁾.

NOTICE OF THE 2022 ANNUAL GENERAL MEETING

9. To consider and approve the resolution to purchase liability insurance for the directors and the members of the senior management of the Company and to authorise the Board to handle the relevant matters⁽¹⁴⁾.
10. To consider and approve the proposal on the Company's loan from Hisense Group Holdings Co., Ltd.
11. To consider and approve the resolution on the basic annual remuneration of the chairman of the Board.⁽¹⁶⁾

SPECIAL RESOLUTIONS

1. To consider and approve the resolution on amendments to the relevant provisions of the Articles of Association and to request the general meeting of Shareholders to authorize the Board to deal with the filing, change, registration and other related matters required for the amendments to the Articles of Association for and on behalf of the Company⁽¹⁷⁾.

By order of the Board
Hisense Home Appliances Group Co., Ltd.
Dai Hui Zhong
Chairman

Foshan City, Guangdong, the PRC, 8 June 2023

Notes:

- (1) Holders of the H shares of the Company intending to attend the AGM shall return the accompanying reply slip in writing to the registered office of the Company during hours between 8:30 a.m. and 11:00 a.m. or 1:30 p.m. and 4:30 p.m. on every business day on or before Tuesday, 20 June 2023. To qualify for attendance at the AGM, all transfers of the H shares of the Company together with the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 20 June 2023 for registration. The record date for such purposes is Tuesday, 20 June 2023.
- (2) Shareholders who are entitled to attend and vote at the AGM are entitled to appoint one or more persons (whether or not a shareholder of the Company) as their proxy or proxies to attend and vote on their behalf.
- (3) Holders of the H shares of the Company whose names appear on the register of members of the Company as at the close of business on Tuesday, 20 June 2023 (including holders of the H Shares of the Company who have submitted verified transfer forms at or before 4:30 p.m. on Tuesday, 20 June 2023) will be entitled to attend the AGM. The register of members of the Company will be closed from Wednesday, 21 June 2023 to Thursday, 29 June 2023 (both days inclusive).
- (4) To be valid, the proxy form, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited with the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 24 hours before the time appointed for holding the AGM or any adjournment of such meeting (as the case may be).

NOTICE OF THE 2022 ANNUAL GENERAL MEETING

- (5) In order to determine the shareholders of the Company who are entitled to receive the dividend, the register of members of the H shares of the Company will be closed from Wednesday, 12 July 2023 to Monday, 17 July 2023 (both days inclusive). Holders of the H shares of the Company whose names appear on the register of members of the H shares of the Company on Monday, 17 July 2023 are entitled to receive the dividend. Holders of the H shares of the Company who wish to receive the dividend shall submit transfer forms together with the relevant share certificate(s) to the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 11 July 2023. The record date for such purposes is Monday, 17 July 2023.
- (6) In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll (except those which relate purely to a procedural or administrative matter). As such, the resolutions set out in this notice will be voted on by way of poll. Voting results will be uploaded to the website of the Company at <http://hxjd.hisense.cn> and the website of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> after conclusion of the AGM.
- (7) The registered address of the Company is: No. 8 Ronggang Road, Ronggui, Shunde, Foshan Guangdong Province, the PRC.
- Postal code: 528303
Tel: (86) 757 2836 2570
Fax: (86) 757 2836 1055
Contact person: Ms. Zhou Xin
- (8) Please refer to the 2022 annual report of the Company for information relating to the reports as referred to in the ordinary resolutions numbered 1, 2, 3 and 4 in this notice.
- (9) The profit distribution proposal of the Company for the year ended 31 December 2022 referred to in the ordinary resolution numbered 5 in this notice is as follows:

As audited by ShineWing Certified Public Accountants LLP, the net profit attributable to the shareholders of the Company (recognised in parent company) for the year ended 31 December 2022 is RMB2,036,319,786.81. The legal surplus has reached 50% of the Company's registered capital and no further withdrawals were made during the year, undistributed profits at the beginning of the year 2022 of RMB3,241,538,883.32 is added; and the distributed profits of RMB291,623,229.18 is deducted. The actual distributable profits is RMB4,986,235,440.95.

The profit distribution proposal of the Company for the year ended 31 December 2022 is as follows:

The payment of a cash dividend of RMB5.17 (tax inclusive) per 10 shares held by all shareholders on the basis of the total number of 1,387,257,381 shares of the Company as at the date of this circular (excluding the remaining 889,989 repurchased shares), without bonus issue and not to issue shares by way of conversion of capital reserve. The total amount of cash dividend to be distributed will be RMB717,394,477.31. The remaining undistributed profits will be retained for distribution in the following year.

If, during the period after the Board has approved the profit distribution plan until the implementation of the profit distribution plan, the Company's total share capital is changed, the distribution proportion will be re-ascertained based on the latest total share capital in accordance with the principle of "the total amount of cash dividend to be distributed remaining the same".

NOTICE OF THE 2022 ANNUAL GENERAL MEETING

(10) Withholding and payment of dividend income tax

Pursuant to the provisions of the Corporate Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and the Implementing Regulations of the Corporate Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), with effect from 1 January 2008, any PRC domestic enterprise shall withhold the corporate income tax when distributing dividends payable to the shareholders being non-resident enterprises (i.e. legal persons) for accounting periods starting from 1 January 2008, and the payer of the dividends shall serve as the withholding agent. The Company will strictly abide by the law and identify all shareholders who are subject to the withholding and payment of corporate income tax based on the register of members of the H shares of the Company as at the record date in respect of the distribution of dividends and shall distribute the relevant dividends after deducting corporate income tax of 10% to non-resident enterprise shareholders (as defined under the Enterprise Income Tax Law (《企業所得稅法》), including HKSCC Nominees Limited, other corporate nominees or trustees, or other organisations or entities) whose names appear on the register of members of the H shares of the Company.

After receiving the dividends, a non-resident enterprise may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or through appointed agent or through a person who has obligation to withhold or pay dividend, and provide information to prove that it is an actual beneficiary conforming with the requirement(s) of taxation treaties (arrangement). After the relevant tax authorities have verified that there is no error, it shall refund tax with reference to the tax levied and the difference in the amount of tax payable calculated at the tax rate under the taxation treaties (arrangement).

Pursuant to the requirements of "Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (Cai Shui Zi [1994]020)" (財政部、國家稅務總局關於個人所得稅若干政策問題的通知(財稅字[1994]020號)), foreign individuals are exempted from individual income tax on dividends and bonus received from foreign-invested enterprises in the PRC. As the Company is a foreign-invested joint stock limited company, the individual shareholders who hold the H shares of the Company and whose names appear on the register of members of the H shares of the Company are not required to pay the individual income tax of the PRC.

Shareholders and investors should read the contents of this notice carefully. Shareholders are recommended to consult their tax advisers regarding PRC, Hong Kong and other tax implications arising from their holding and disposal of the H shares of the Company. The Company has no obligation and shall not be responsible for confirming the identities of the shareholders. The Company will withhold and pay the enterprise income tax in strict compliance with the relevant laws or requirements of the relevant government authorities and based strictly on the register of members of the H shares of the Company on the record date. The Company shall owe no liability whatsoever in respect of, and will not entertain any request arising from, any delay in ascertaining the identity of the shareholders, or the inaccurate determination of the identity of the shareholders, or any disputes over the mechanism of withholding and paying of the enterprise income tax.

- (11) In relation to the ordinary resolution numbered 6 in this notice, the Company intends to re-appoint ShineWing Certified Public Accountants LLP as the auditor of the Company for the ensuing year to audit the financial report and internal control of the Company.
- (12) For the purpose of the ordinary resolution numbered 7 in this notice, the product range of the Company's proposed foreign exchange derivative business in 2023 is a combination of forward exchange settlements, foreign exchange purchases and related business and other foreign exchange derivative transactions, etc., with the balance of the foreign exchange derivative business not exceeding US\$1 billion.
- (13) Information relating to the resolution on entrusted wealth management of idle self-owned funds of the Company as referred to in the ordinary resolution numbered 8 in this notice is contained in the announcement on entrusted wealth management of idle self-owned funds published by the Company on 30 March 2023.

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- (14) In relation to the ordinary resolution numbered 9 in this notice, the Company intends to purchase “director and senior management liability insurance” for the directors and the members of the senior management of the Company, and it is agreed that the Company will enter into insurance contract of insurance premium not exceeding RMB100,000 for a term of one year.
- (15) References to time and dates in this notice are to Hong Kong time and dates.
- (16) In relation to the ordinary resolution numbered 11 in this notice, with reference to the remuneration level of the chairmen of the industry and region of the Company, it is agreed that the chairman of the Company would receive annual basic remuneration of RMB2,600,000 (before taxation).
- (17) Amendments to the Articles of Association referred to in the special resolution numbered 1 in this notice have been published in the announcement of the Company dated 8 June 2023 and are set out on pages 8 to 9 of the circular.
- (18) The English version of the proposed resolutions as set out in this notice is for reference only and if there is any conflict between the English and the Chinese versions, the Chinese version shall prevail.

As at the date of this notice, the Company's executive directors are Mr. Dai Hui Zhong, Mr. Jia Shao Qian, Mr. Yu Zhi Tao, Mr. Hu Jian Yong, Mr. Xia Zhang Zhua and Ms. Gao Yu Ling; and the Company's independent non-executive directors are Mr. Zhong Geng Shen, Mr. Cheung Sai Kit, Mr. Li Zhi Gang.