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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 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 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.

**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.

**Terms:** 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.

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) .
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 announcement, 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.

## **APPROVAL PROCEDURES**

1. The eleventh session of the Board convened its meeting on 8 June 2023. Nine Directors were entitled to attend the meeting and all of them have attended the meeting. Connected directors, Mr. Dai Hui Zhong, Mr. Jia Shao Qian, Mr. Yu Zhi Tao, Mr. Hu Jian Yong and Ms. Gao Yu Ling, 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. 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 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.

A circular of the AGM containing, among other things, further information of the Loan Agreement will be despatched to the Shareholders on 8 June 2023.

## **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:

“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., or any adjournment of such meeting
“Board”	the board of Directors
“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
“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 37.23% of the issued shares of the Company as at the date of this announcement
“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 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 Group,

which holds approximately 8.97% of the issued shares of the Company as at the date of this announcement

“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“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



“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 of  
**Hisense Home Appliances Group Co., Ltd.**  
**Dai Hui Zhong**  
*Chairman*

Foshan City, Guangdong, the PRC, 8 June 2023

*As at the date of this announcement, 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 and Mr. Li Zhi Gang.*