

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

ANNOUNCEMENT

CONNECTED TRANSACTIONS

CAPITAL INCREASE AGREEMENT

CAPITAL INCREASE AGREEMENT

On 29 March 2024, the Company and Hisense Visual, entered into the Capital Increase Agreement, pursuant to which Hisense Visual agreed to make a capital increase in Hisense Intelligent Electronic with RMB153,000,000 in cash, and the Company agreed to make a capital increase in Hisense Intelligent Electronic of RMB147,000,000 in cash. Upon completion of the Capital Increase, Hisense Visual's direct interest in Hisense Intelligent Electronic will be diluted from 100% to 87.86%, and the Company's direct interest in Hisense Intelligent Electronic will be 12.14%.

HONG KONG LISTING RULE IMPLICATIONS

As at the date of this announcement, Hisense Visual is a subsidiary of Hisense Holdings and Hisense Holdings (through its indirect interest in the Company held by Hisense Air-conditioning and Hisense HK) is the controlling shareholder of the Company. Accordingly, Hisense Visual is a connected person of the Company. As Hisense Visual holds 100% of the equity interests in Hisense Intelligent Electronic, Hisense Intelligent Electronic is also a connected person of the Company according to the Hong Kong Listing Rules. Therefore, the transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio for the transactions contemplated under the Capital Increase Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Capital Increase Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules but is exempt from approval by the independent shareholders of the Company.

CAPITAL INCREASE AGREEMENT

The principal terms of the Capital Increase Agreement are set out below:

Date: 29 March 2024

Parties: (a) Hisense Visual
(b) the Company

Please refer to the section headed “Information of the Parties” below for background and information of the Parties.

Capital Increase: (a) Hisense Visual shall make an increase in the amount of RMB153,000,000 in cash in Hisense Intelligent Electronic; and
(b) the Company shall make an increase in the amount of RMB147,000,000 in cash in Hisense Intelligent Electronic.

As at the date of this announcement, Hisense Visual holds 100% of the equity interests in Hisense Intelligent Electronic. Upon completion of the Capital Increase, the registered capital of Hisense Intelligent Electronic will be increased from RMB875,459,785 to RMB1,163,921,324, with RMB1,022,575,170 to be registered capital attributable to the Hisense Visual, RMB141,346,154 to be registered capital attributable to the Company, and Hisense Visual’s direct interest in Hisense Intelligent Electronic will be diluted from 100.00% to 87.86%, and the Company’s direct interest in Hisense Intelligent Electronic will be 12.14%.

Prior to and after the Capital Increase, the equity interests of the holders of Hisense Intelligent Electronic are as follows:

Name of the equity holder	Prior to the completion of the Capital Increase		New registered capital (RMB)	After the completion of the Capital Increase	
	Registered capital (RMB)	Equity interest (%)		Registered capital (RMB)	Equity interest (%)
Hisense Visual	875,459,785	100.00%	147,115,385	1,022,575,170	87.86%
The Company	Nil	Nil	141,346,154	141,346,154	12.14%
Total	875,459,785	100.00%	288,461,539	1,163,921,324	100%

Basis of consideration:

The amounts of Capital Increase were determined after arm’s length negotiation among the Parties to the Capital Increase Agreement with reference to the assessed net book assets of Hisense Intelligent Electronic as at 31 December 2023, and the unit consideration for every share in the registered capital in the Hisense Intelligent Electronic is RMB1.04.

Each of the Parties will finance its capital under the Capital Increase Agreement by self-raised funds.

Completion:

After the signing of the Capital Increase Agreement, the Parties shall complete the filing procedures with the relevant administrative authorities for industry and commerce of the PRC in respect of the capital increase and the corresponding amendments to the articles of

association and adjustment of the members of the board of directors and supervisory committee of Hisense Intelligent Electronic.

Pursuant to the Capital Increase Agreement, the Parties shall settle the initial capital increase amount of RMB200,000,000, with Hisense Visual settling RMB102,000,000 and the Company settling RMB98,000,000 to Hisense Intelligent Electronic within 1 week after the completion of the registration with the relevant administrative authorities for industry and commerce of the PRC in relation to the capital increase. The remaining RMB100,000,000 shall be settled by 31 December 2024, with Hisense Visual settling RMB51,000,000 and the Company settling RMB49,000,000.

INFORMATION ON HISENSE INTELLIGENT ELECTRONIC

Hisense Intelligent Electronic is a company incorporated in the PRC and a wholly owned subsidiary of Hisense Visual. It is principally engaged in the technical research and development, technical consulting, technical services in the field of electronic technology, software development, network technology development and consulting, housing rental, property management, catering management services, conference services, parking services (operating on the basis of the Business Parking Permit issued by the Public Security Department of the PRC), sales of electronic products and household appliances.

The following are the audited financial figures of Hisense Intelligent Electronic for the year ended 31 December 2023:

Unit: RMB'0,000

Item	For the year ended 31 December 2023
Total assets	89,886.39
Total liabilities	681.91
Total accounts receivable	94.76
Contingencies	0.00
Net assets	89,204.48
Operating revenue	5,015.39
Net profits	1,065.17
Net cash flow from operating activities	7,449.70

INFORMATION OF THE PARTIES

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 and moulds, automotive air conditioner compressors and integrated thermal management systems.

Hisense Visual

The scope of business of Hisense Visual includes the research and development, manufacture, sale, service, repair and recycling of television sets, flat panel displays, mobile phones, refrigerators, freezers, washing machines, water heaters, microwave ovens, small household appliances such as dishwashers, irons, hairdryers, cookers, broadcasting and television equipment, electronic computers, telecommunication products, mobile telecommunication equipment, information technology products, household and commercial appliances, and electronic products; Non-standard equipment processing, installation and after-sales service; computer hardware and components, the research and development, manufacture, sale, service, repair and recycling of software and peripherals; the research and development, design and sale of LED large screen display, touch all-in-one machine, interactive intelligent flat panel, digital signage, vending machine and its ancillary products; the research and development, design and sale of touch display products and electronic products. Self-operated import and export business (operating under project approved by the Ministry of Foreign Trade and Economic Cooperation of the PRC); production of satellite television terrestrial broadcasting reception equipment. Housing rental, machinery and equipment rental, property management; general cargo.

Hisense Visual is a company listed on the Shanghai Stock Exchange, and its controlling shareholder is Hisense Holdings, which holds 30.07% of its interest. Hisense Holdings has no effective controller and details of its shareholders' interests are as follows:

1. Hisense Group Limited* (海信集團有限公司) (“**Hisense Group**”) holds 26.79 % interest in Hisense Holdings. The ultimate beneficial owner of Hisense Group 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) 31.04% is owned by the Position Incentive Shareholders of Hisense Holdings who hold interests in Hisense Holdings directly; (ii) 12.10% 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 Hengxin was incorporated on 14 December 2012. The Partnerships consist of 21 partnerships which were established from 2016 to 2023. 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.

Qingdao Yuanli was incorporated on 22 June 2010. As interests holding vehicles for the relevant Position Incentive Shareholders of Hisense Holdings, Qingdao Yuanli is not engaged in any operating activities.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

The purpose of entering into Capital Increase Agreement is to raise funds for the construction of employee dormitories and supporting facilities to meet the needs of employee. The Capital Increase is beneficial to talent retention and attraction of the Company, supporting the sustainable development of the Company.

As Mr. Dai Hui Zhong, Mr. Jia Shao Qian and Mr Yu Zhi Tao also act as directors of Hisense Holdings and/or its subsidiaries, they have abstained from voting on the resolutions for approving the transaction contemplated under the Capital Increase Agreement. Apart from the aforementioned Directors, none of the other Directors has or is deemed to have material interests in this connected transaction.

The Directors (including the independent non-executive Directors) consider that the terms of the Capital Increase Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Hisense Visual is a subsidiary of Hisense Holdings and Hisense Holdings (through its indirect interest in the Company held by Hisense Air-conditioning and Hisense HK) is the controlling shareholder of the Company. Accordingly, Hisense Visual is a connected person of the Company. As Hisense Visual holds 100% of the equity interests in Hisense Intelligent Electronic, Hisense Intelligent Electronic is also a connected person of the Company according to the Hong Kong Listing Rules. Therefore, the transaction contemplated under the Capital Increase Agreement is a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio for the transactions contemplated under the Capital Increase Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Capital Increase Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules but is exempt from approval by the independent shareholders of the Company.

DEFINITIONS

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

“Board”	the board of Directors;
“Capital Increase”	the capital increase of registered capital in the aggregate amount of RMB300,000,000 into Hisense Intelligent Electronic by the Company and Hisense Visual;
“Capital Increase Agreement”	the Capital Increase Agreement (增資協議) entered into between Hisense Visual and the Company dated 29 March 2024 in relation to the Capital Increase;
“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 both the Stock Exchange and the Shenzhen Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“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 a subsidiary of Hisense Holdings, and holds approximately 37.23% of the Shares as at the date of this announcement;
“Hisense HK”	Hisense (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of Hisense Holdings, and holds approximately 8.97% of the Shares as at the date of this announcement;
“Hisense Intelligent Electronic”	Qingdao Hisense Intelligent Electronic Technology Co., Ltd* (青島海信智能電子科技有限公司), a company incorporated

	in the PRC with limited liability and a wholly owned subsidiary of Hisense Visual
“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 Visual”	Hisense Visual Technology Co., Ltd.* (海信視像科技股份有限公司), a company incorporated in the PRC with limited liability, whose shares are listed on the Shanghai Stock Exchange and is an indirect subsidiary of Hisense Holdings
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Parties”	the parties signing the Capital Increase Agreement, being the Company and Hisense Visual
“PRC”	the People’s Republic of China;
“Qingdao Yuanli”	Qingdao Yuanli Information Consulting Co., Ltd.* (青島員利信息諮詢股份有限公司), a company incorporated in the PRC with limited liability;
“RMB”	Renminbi, the lawful currency of the PRC;
“%”	percent.

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

Foshan City, Guangdong, the PRC, 29 March 2024

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.