
NOTICE OF EXTRAORDINARY GENERAL MEETING

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Hisense 海信科龙

HISENSE KELON ELECTRICAL HOLDINGS COMPANY LIMITED

海信科龍電器股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00921)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fourth 2009 extraordinary general meeting (the “EGM”) of Hisense Kelon Electrical Holdings Company Limited (the “Company”) will be held at the conference room of the Company’s head office, Shunde District, Foshan City, Guangdong Province, the PRC at 2:00 p.m. on 31 August 2009 for the purpose of considering and, if thought fit, approving with or without modification, the following resolutions. Unless otherwise defined, capitalized terms used in this notice and the following resolutions shall have the same meanings as those defined in the announcement of the Company dated 16 July 2009:

Resolutions in relation to the Acquisition by issuance of the Consideration Shares

SPECIAL RESOLUTIONS

1. “**THAT** the resolution in relation to the non-public issue of Shares (A Shares) by the Company for acquiring assets be and is hereby approved, and each of the following resolutions be voted upon item-by-item”
 - (a) “Method of issue: **THAT** the non-public issue of A Shares to a specified subscriber be and is hereby approved.”
 - (b) “Type and nominal value of Shares to be issued: **THAT** the Shares to be issued under this non-public share issue of the Company are RMB-denominated ordinary shares (A Shares) listed on the Shenzhen Stock Exchange with a nominal value of RMB1.00 each be and are hereby approved.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) “Assets to be acquired pursuant to the issue of Shares: **THAT** the assets to be acquired under this non-public share issue of the Company are 100% of the equity interests in Hisense Shandong, 51% of the equity interests in Hisense Zhejiang, 55% of the equity interests in Hisense Beijing (including 60% of the equity interests in Hisense Nanjing held by Hisense Beijing), 49% of the equity interests in Hisense Hitachi, 78.7% of the equity interests in Hisense Mould and the Hisense Marketing Business owned by Qingdao Hisense be and are hereby approved.”
- (d) “Consideration for the assets to be acquired: **THAT** the consideration for the Acquisition is RMB1,238,204,800 be and is hereby approved.”
- (e) “Target subscriber and way of subscription: **THAT** the issue of A Shares to Qingdao Hisense, and the A Shares to be issued shall be fully subscribed by Qingdao Hisense in consideration for the subject assets referred to in resolution 1(c) above, be and is hereby approved.”
- (f) “Issue price and pricing method: **THAT** the issue price of this non-public share issue is the average trading price of the A Shares for the 20 trading days immediately preceding the date of announcement on resolutions passed at the 9th meeting of 2009 of the sixth Board, i.e. RMB3.42 per A Share, be and is hereby approved.”
- (g) “Number of A Shares to be issued: **THAT** the number of A Shares to be issued under this non-public share issue is not more than 362,048,187 be and is hereby approved.”
- (h) “Adjustments to number of A Shares to be issued and issue price upon occurrence of “ex-right and ex-dividend” events prior to issue of the Consideration Shares: **THAT** upon occurrence of any “ex-right and ex-dividend” events, such as distribution of dividends, bonus issue, capitalization of the capital reserve fund, prior to the issue of the Consideration Shares, the issue price shall be subject to the corresponding “ex-right and ex-dividend” adjustments and the number of A Shares to be issued shall be adjusted accordingly based on any adjustments of the issue price, be and is hereby approved.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (i) “Lock up arrangement: **THAT** the Consideration Shares to be issued to, and the A Shares originally held by, Qingdao Hisense, will not be traded or transferred by it for a period of 36 months after the allotment and issue and the registration of the Consideration Shares with the Shenzhen branch of China Securities Depository and Clearing Corporation Limited under the name of Qingdao Hisense be and is hereby approved.”
 - (j) “Both existing and new Shareholders to be entitled to the accumulated undistributed profit of the Company before this issue: **THAT** upon the completion of this issue, both existing and new Shareholders shall be entitled to the undistributed profit before this issue be and is hereby approved.”
 - (k) “Term of resolution in respect of this issue: **THAT** the resolution in respect of this non-public share issue shall be valid for a period of 12 months from the date of its consideration and approval by the Shareholders at the EGM be and is hereby approved.”
2. “**THAT** the Acquisition Agreement dated 29 June 2009 and the signature thereof be and is hereby approved.”
3. “**THAT** the (draft) report relating to the non-public issue of Shares (A Shares) by the Company for acquiring assets and connected transactions (海信科龍電器股份有限公司非公開發行股份 (A股) 購買資產暨關聯交易報告書 (草案)) required by PRC law (the “Report”) be and is hereby approved and confirmed and the Board be and is hereby authorized to do all things and acts and sign all documents which they may consider desirable or expedient to implement or give effect to any matters relating to or in connection with the Report.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

Resolution in relation to the waiver pursuant to the Takeover Procedures in respect of the obligation on Qingdao Hisense to acquire further Shares by way of an offer and resolution in relation to the waiver pursuant to the Takeovers Code in respect of the obligation on Qingdao Hisense and its concert parties to make a mandatory general offer

ORDINARY RESOLUTIONS

4. (a) “**THAT** the waiver in respect of the obligation on Qingdao Hisense to acquire further Shares by way of an offer (other than those already owned by Qingdao Hisense) be and is hereby approved and an application be made by Qingdao Hisense to CSRC for such waiver in accordance with clause 62.1(3) of the Takeover Procedures.”
- (b) “**THAT**, subject to the Executive granting to Qingdao Hisense and parties acting in concert with it the Whitewash Waiver and the satisfaction of any conditions attached to the Whitewash Waiver imposed by the Executive, the waiver pursuant to Note 1 of the Notes on dispensations from Rule 26 of the Takeovers Code in respect of the obligation on Qingdao Hisense and parties acting in concert with it to make a mandatory general offer to the Shareholders to acquire Shares (other than those already owned or agreed to be acquired by Qingdao Hisense and parties acting in concert with it) pursuant to the Acquisition which would otherwise arise under Rule 26.1 of the Takeovers Code as a result of the allotment and issue of Consideration Shares be and is hereby approved.”

Resolution in relation to the authorisation of the Board to deal with, in its absolute discretion, all matters relating to the Acquisition and the non-public allotment and issue of Consideration Shares

SPECIAL RESOLUTION

5. “**THAT** the Board be and is hereby authorised to deal with, in its absolute discretion and to the extent permitted by the relevant laws and regulations, all matters relating to the non-public allotment and issue of the Consideration Shares, as they may consider necessary or expedient, including without limitation:
- (a) to determine, including but not limited to, the appropriate manner of issue, and to determine the issue quantity, specific timing of issue and issue price in compliance with the relevant regulations and as approved by the relevant regulatory authorities;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) to sign and make appropriate and necessary amendments to each of the documents and contracts in relation to the Acquisition and the allotment and issue of the Consideration Shares pursuant to the requirements of the relevant government authorities;
- (c) to handle all matters in relation to the listing of the Consideration Shares on the Shenzhen Stock Exchange and other related application procedures and formalities;
- (d) to sign all other documents and deal with all other matters in connection with the Acquisition and the allotment and issue of the Consideration Shares; and
- (e) such authorisation will be valid for 12 months following the approval by the Shareholders at the EGM.”

By Order of the Board of
Hisense Kelon Electrical Holdings Company Limited
Tang Ye Guo
Chairman

Foshan City, Guangdong, the PRC, 16 July 2009

Notes:

- (1) H Shareholders intending to attend the EGM shall give written reply slip, as attached, to the Company (which may be delivered in person, by post or by fax) which shall be lodged at the registered office of the Company on or before 11 August 2009. To qualify for attendance at the EGM, all H Shares transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 31 July 2009 for registration.
- (2) Shareholders entitled to attend and vote at the EGM are entitled to appoint one or more persons (whether or not a Shareholder) as their proxy or proxies to attend and vote on behalf of themselves. In order to be valid, the form of proxy, together with any power of attorney or other document of authority, if any, under which the form is signed or a notarially certified copy thereof, must be deposited at the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM.
- (3) Holders of A Shares and H Shares whose names appear on the register of members of the Company as at the close of business on 31 July 2009 (including holders of H Shares who have submitted verified transfer forms no later than 4:30 p.m. on 31 July 2009) will be entitled to attend the EGM. The register of members of the Company will be closed from 3 August 2009 to 31 August 2009 (both days inclusive).

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (4) The place for registration is: The Securities Department, Hisense Kelon Electrical Holdings Company Limited, No. 8 Ronggang Road, Ronggui Street, Shunde District, Foshan City, Guangdong Province. Postal code: 528303 Tel: (86) 757 2836 2570 Fax: (86) 757 2836 1055 Contact persons: Li Lin, Lv Yan Song, Mei Shi Liang.
- (5) Appointment of proxies
- (i) Each shareholder who has the right to attend and vote at the EGM is entitled to appoint one or more proxies, whether they are Shareholders or not, to attend and vote on his behalf at the EGM. A proxy of a Shareholder who has appointed more than one proxy may only vote on a poll.
- (ii) Proxies of the Shareholders must be appointed in writing and the appointment must be signed by the Shareholders or their agents who have been duly authorised in writing. If the instrument of appointment of the proxy is signed by an agent of the Shareholder, the power of attorney or other document of authority of the agent must be notarially certified. In order to be valid, the notarially certified copy of such power of attorney or other document of authority, together with the instrument of appointment of the proxy, shall be deposited at the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at the address given in Note (1) above, not less than 24 hours before the time appointed for holding of the EGM.
- (6) Shareholders attending the EGM are responsible for their own transportation and accommodation expenses.
- (7) Voting on the resolutions to approve the Acquisition and the Whitewash Waiver will be conducted by way of poll as required under the Listing Rules and the Takeovers Code, respectively.
- (8) Qingdao Hisense, its associates and parties acting in concert with it will abstain from voting in respect of resolutions no. 1, 1.(a) to 1.(k), 2 to 5 proposed to be considered and approved at the EGM.
- (9) Resolutions no. 4.(a) and 4.(b) shall be voted as a single resolution only.
- (10) Resolutions no. 5.(a), 5.(b), 5.(c), 5.(d) and 5.(e) shall be voted as a single resolution only.

As at the date of this notice, the directors of the Company are Mr. Tang Ye Guo, Mr. Zhou Xiao Tian, Ms. Yu Shu Min, Mr. Lin Lan, Ms. Liu Chun Xin and Mr. Zhang Ming; and the independent non-executive directors are Mr. Zhang Sheng Ping, Mr. Lu Qing and Mr. Cheung Yui Kai, Warren.