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)

ANNOUNCEMENT ON THE RESOLUTION PASSED AT THE SEVENTH EXTRAORDINARY MEETING OF 2010 OF THE SEVENTH SESSION OF THE BOARD OF DIRECTORS

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The seventh session of the board of directors (the "**Board**") of Hisense Kelon Electrical Holdings Company Limited (the "**Company**") convened its seventh extraordinary meeting of 2010 by way of written resolutions on 11 May 2010. Nine out of the nine directors who should attend the meeting attended. The convening of and the voting at the meeting were in compliance with the relevant requirements of the Company Law of the People's Republic of China (the "**PRC**") and the Articles of Association of the Company. After careful consideration by the directors present, the following resolution was passed at the meeting:

The "Resolution on the Authorisation of the Company's Board of Directors to Dispose of Not More Than 50,000,000 Shares of Huayi Compressor Company Limited Held by the Company at the General Meeting" was considered and approved:

The seventh session of the Board of the Company convened its third extraordinary meeting of 2010 on 23 March 2010, and agreed to authorise the management of the Company to dispose of not more than six million shares of Huayi Compressor Company Limited ("Huayi Compressor") held by the Company.

In order to better leverage on the shares of Huayi Compressor held by the Company, to supplement the Company's need for cash flow during the course of its normal operating activities and to generate better returns for the Company, a resolution will be proposed at the general meeting in relation to the authorisation of the Board to dispose of certain shares of Huayi Compressor held by the Company at the General Meeting. Details of the proposed authorisation are set out as follows:

1. Period of disposal: within 12 months after approval at the general meeting;
2. Range of disposal price: a reasonable price range to be determined in accordance with the market conditions;
3. Number of shares to be disposed: not more than 50 million shares to be disposed in tranches or on a one-off basis.

In disposing the shares of Huayi Compressor, the Company will strictly comply with the relevant provisions and requirements of the Guiding Opinions on the Listed Companies' Transfer of Original Shares Released from Trading Restrictions, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and perform its obligations for information disclosure on a timely basis.

Voting results: 9 votes in favour, 0 vote against and 0 votes abstaining.

The above resolution shall be laid before the general meeting of the Company for consideration.

Independent opinion of the independent non-executive directors

Pursuant to the requirements of the Guiding Opinions on Establishing an Independent Director System in Listed Companies issued by the China Securities Regulatory Commission and the Articles of Association of the Company, the independent non-executive directors of Hisense Kelon Electrical Holdings Company Limited (the "**Company**") hereby issue their independent opinion, based on their independent judgment, on the Resolution on the Authorisation of the Company's Board of Directors to Dispose of Not More Than 50,000,000 Shares of Huayi Compressor Company Limited ("**Huayi Compressor**") held by the Company at the General Meeting, which was considered at the seventh extraordinary meeting of 2010 of the seventh session of the Board as follows:

The proposal to be presented at the general meeting by the Board in relation to the authorisation of the Board to dispose of the abovementioned shares of Huayi Compressor at a suitable time and at a reasonable price range in strict compliance with the relevant provisions and requirements of the Guiding Opinions on the Listed Companies' Transfer of Original Shares Released from Trading Restrictions, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will supplement the Company's need for cash flow during the course of its normal operating activities and to generate better returns for the Company. The move is beneficial to the development of the Company.

We concur with the voting results of the Board, and recommend the shareholders to vote for such resolution at the general meeting.

By Order of the Board of

Hisense Kelon Electrical Holdings Company Limited

Tang Ye Guo

Chairman

As at the date of this announcement, the executive 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.

Foshan City, Guangdong, the PRC, 11 May 2010