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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **HISENSE KELON ELECTRICAL HOLDINGS COMPANY LIMITED**, you should at once hand this circular 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 transferee.

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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)**

**PROPOSED APPOINTMENT OF DIRECTORS AND SUPERVISORS  
SPECIAL REPORT ON THE CARRYING OUT OF FOREIGN EXCHANGE  
CAPITAL TRANSACTION BUSINESS IN 2012  
AND NOTICE OF THE 2011 ANNUAL GENERAL MEETING**

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A notice convening the 2011 annual general meeting (the "AGM") of Hisense Kelon Electrical Holdings Company Limited (the "Company") to be held at the conference room of the Company's head office, Shunde District, Foshan City, Guangdong Province, the People's Republic of China (the "PRC") on 26 June 2012 at 10:00 a.m. is set out on pages 9 to 19 of this circular. If you are not able to attend the AGM in person, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and deliver the same to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof if you so wish.

10 May 2012

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## DEFINITIONS

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

“AGM”	the 2011 annual general meeting of the Company to be held at the conference room of the Company’s head office, Shunde District, Foshan City, Guangdong Province, the PRC on 26 June 2012 at 10:00 a.m., the notice of which is set out on pages 9 to 19 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Company”	Hisense Kelon Electrical Holdings Company Limited (海信科龍電器股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	the People’s Republic of China
“Shenzhen Stock Exchange”	The Shenzhen Stock Exchange

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LETTER FROM THE BOARD

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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)**

*Directors:*

Mr. Tang Ye Guo  
Mr. Ren Li Ren  
Ms. Yu Shu Min  
Mr. Lin Lan  
Mr. Xiao Jian Lin  
Mr. Gan Yong He

*Registered office:*

No. 8 Ronggang Road  
Ronggui Street  
Shunde District  
Foshan City  
Guangdong Province  
PRC

*Independent non-executive Directors:*

Mr. Zhang Sheng Ping  
Mr. Wang Xin Yu  
Mr. Wang Ai Guo

*Principal place of business*

*in Hong Kong:*  
Room 3101-05  
Singa Commercial Centre,  
No. 148 Connaught Road West,  
Hong Kong

10 May 2012

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED APPOINTMENT OF DIRECTORS AND SUPERVISORS  
SPECIAL REPORT ON THE CARRYING OUT OF FOREIGN EXCHANGE  
CAPITAL TRANSACTION BUSINESS IN 2012  
AND  
NOTICE OF THE 2011 ANNUAL GENERAL MEETING**

### **INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions in relation to (i) the election of directors and shareholder representative supervisor and (ii) the special report on the carrying out of foreign exchange capital transaction business in 2012 to be proposed at the AGM.

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## LETTER FROM THE BOARD

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### **PROPOSED APPOINTMENT OF DIRECTORS**

The seventh session of the Board currently consists of nine directors, namely Mr. Tang Ye Guo, Mr. Ren Li Ren, Ms. Yu Shu Min, Mr. Lin Lan, Mr. Xiao Jian Lin, Mr. Gan Yong He, Mr. Zhang Sheng Ping, Mr. Wang Xin Yu and Mr. Wang Ai Guo.

The term of the current directors will expire in due course. Mr. Zhang Sheng Ping will not offer himself for re-election. Mr. Tang Ye Guo, Mr. Ren Li Ren, Ms. Yu Shu Min, Mr. Lin Lan, Mr. Xiao Jian Lin, Mr. Gan Yong He, Mr. Xu Xiang Yi, Mr. Wang Xin Yu and Mr. Wang Ai Guo have been nominated for election as directors of the eighth session of the Board.

Before the directors of the eighth session of the Board assume their offices, the directors of the seventh session of the Board will continue to discharge their directors' duties in accordance with the requirements of the relevant laws, administrative regulations and other regulatory documents and the Articles of Association. Please refer to the notice of AGM contained in this circular for the biographical details of the director candidates.

The independent non-executive directors currently nominated by the Board possess educational background, working experience, professional quality and/or professional integrity which are required for the exercise of their duties and powers. The Board has received a written confirmation from each of the independent non-executive director candidates in respect of their independence in accordance with the requirements provided under Rule 3.13 of the Listing Rules. The Company considers that the independent non-executive director candidates of the eighth session of the Board meet the relevant requirements under Rule 3.13 of the Listing Rules and considers them to be independent.

### **PROPOSED APPOINTMENT OF SUPERVISORS**

The seventh session of the supervisory committee currently consists of three supervisors, of whom Mr. Guo Qing Cun and Mr. Gao Zhong Xiang are shareholder representative supervisors and Mr. Liu Zhan Cheng is the employee representative supervisor.

The term of the current supervisors will expire in due course. Mr. Gao Zhong Xiang and Mr. Liu Zhan Cheng will not offer themselves for re-election. Mr. Guo Qing Cun and Ms. Li Jun shall stand for election as shareholder representative supervisors of the eighth session of the supervisory committee. Mr. Zhang Jian Jun has fulfilled the relevant requirements to be democratically elected by the employees of the Company as the employee representative supervisor of the eighth session of the supervisory committee and are therefore not subject to election at the AGM. Please refer to the notice of AGM contained in this circular for the biographical details of the shareholder representative supervisor candidates.

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## LETTER FROM THE BOARD

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### SPECIAL REPORT ON THE CARRYING OUT OF FOREIGN EXCHANGE CAPITAL TRANSACTION BUSINESS IN 2012

Pursuant to the relevant requirements of Memorandum No. 26 for Information Disclosure — Derivatives Investments issued by Shenzhen Stock Exchange (《深圳證券交易所信息披露業務備忘錄第26號 — 衍生品投資》), and in view of its actual business needs, the scope of the products for which Hisense Kelon Electrical Holdings Company Limited (hereafter abbreviated, the “Company”) proposes to carry out foreign exchange capital derivatives business comprises a combination of forward settlement and sale of foreign exchange and its related businesses, with the balance of the foreign exchange capital derivatives business not exceeding US\$700 million. The relevant details are set out as follows:

#### **I. Necessity of carrying out foreign exchange capital trading business**

In 2012, the risk significantly increases in the foreign exchange market with the two-way fluctuations in the RMB/USD exchange rate widening, coupled by intensifying fluctuation in non-USD currencies such as EURO. In 2011, the import and export business of the Company recorded a total turnover of approximately US\$850 million. To mitigate the exposure to foreign exchange risks in the import and export business and to safeguard the stable operation of the Company, there is a necessity for the Company to avert foreign exchange risks through the carrying out of foreign exchange capital transaction business.

#### **II. Summary of foreign exchange capital transaction business to be carried out**

To avert foreign exchange risks in the collection and payment of foreign exchange for its import and export business, the Company proposes to carry out the following foreign exchange capital transaction businesses:

1. Forward settlement of foreign exchange: contract for forward settlement of foreign exchange will be entered into with the banks in alignment with the amount and time of foreign exchange to be collected in future in order to fix the exchange rate for foreign exchange to be collected in future.
2. Forward sale of foreign exchange: contract for forward sale of foreign exchange will be entered into with the banks in alignment with the amount and time of foreign exchange to be paid in future in order to fix the exchange rate for foreign exchange to be paid in future.

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## LETTER FROM THE BOARD

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3. DF+NDF business: contract for forward settlement and sale of foreign exchange (abbreviated “DF”) will be entered into with domestic banks in alignment with the amount and time of foreign exchange to be collected and paid in future, and an overseas subsidiary of the Company will simultaneously enter into non-deliverable forward (abbreviated “NDF”) contract with foreign banks in a reverse direction with the same amount and same maturity date in order to fix the income upon maturity.

### **III. Principal terms of foreign exchange capital transactions to be carried out**

1. Duration of the contract: all foreign exchange capital transactions to be carried out by the Company shall have a term not exceeding two years.
2. Counterparty: banks.
3. Arrangement about liquidity: all foreign exchange capital transaction businesses shall be based on reasonable estimation of the future import and export business of the Company to fulfill actual trading needs. In addition, forward foreign exchange transactions are carried out by way of bank credits and thus have no impact on the liquidity of the Company.

### **IV. Management system**

Pursuant to the “Internal Control System for Forward Foreign Exchange Capital Transactions” and the “Management Measures for Foreign Exchange Capital”.

### **V. Risk analysis of foreign exchange capital transactions**

#### **1. Market risks**

Unilateral forward settlement of foreign exchange and unilateral forward sale of foreign exchange: taking into account its research and forecast on the trend of the foreign exchange rates and considering the Company’s tolerance to price changes arising from fluctuations in exchange rates, the Company will determine if it will enter into contracts for forward settlement of foreign exchange and contracts for forward sale of foreign exchange in order to fix the costs and gains from currency exchange. Despite the existence of certain opportunities of losses, the timely operation of unilateral forward settlement and sale of foreign exchange business will effectively avert the market risks and ensure reasonable profits for the Company.

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## LETTER FROM THE BOARD

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For DF+NDF business, the income upon maturity will be fixed at the time of its operation and it is not exposed to the risks of market fluctuations.

### 2. *Liquidity risks*

The Company enters into contracts related to foreign exchange capital transactions based on its reasonable estimation of future foreign exchange income and expenses. There is neither speculative operation nor risks of non-performance, and the liquidity of the Company will not be affected.

### 3. *Risk of breach of contracts by banks*

In relation to the forward settlement and sale of foreign exchange business and NDF settlement and sale of foreign exchange business, the Company will not be able to settle the original foreign exchange contracts using the contract price in case the banks go bankrupt during the term of the contracts. There exists the risk of the income being uncertain.

However, as the Company will select to carry out its foreign exchange capital transaction business with reputable banks such as Bank of China, Bank of Communications, HSBC and ANZ Bank, which possess solid strengths and stable operation, the risk of loss that the Company may suffer due to the bankruptcy of such banks is basically negligible.

## VI. **Description of risk management strategies**

The Company upholds the principle of “capital safety, appropriateness and reasonableness”, under which all foreign exchange capital businesses shall have a normal and reasonable business background to eliminate speculative operation. At the same time, the Company’s foreign exchange capital transactions are subject to hierarchical management system with specific management positions and responsibilities at each level. The application, supervision and actual operation of foreign exchange capital business are the responsibilities of different levels and different departments with specific persons-in-charge. The hierarchical management has fundamentally eradicated the risks of operation by one single person or one single department, realizing effective control and prevention of risks.

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## LETTER FROM THE BOARD

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### **VII. Analysis of fair values**

The Company recognizes and measures fair values in accordance with Chapter 7 “Determination of Fair Values” of the Accounting Standard for Enterprise No. 22 — Recognition and Measurement of Financial Instruments, and the fair values are fundamentally determined in accordance with the prices provided by the banks which are the contractual counterparties. The Company measures and recognizes the fair values on a monthly basis.

### **VIII. Accounting policies and principle of auditing**

In accordance with the relevant requirements of the Accounting Standard for Enterprises No. 22 — Recognition and Measurement of Financial Instruments, the Accounting Standard for Enterprises No. 24 — Hedging, and the Accounting Standard for Enterprises No. 37 — Presentation of Financial Instruments and the guidelines of the Ministry of Finance, the Company has arranged corresponding audits on the foreign exchange capital transaction businesses that have already been carried out to reflect the relevant items in the statement of financial position and the income statement.

### **AGM**

The notice of the AGM is set out on pages 9 to 19 of this circular. A form of proxy for use at the AGM is enclosed with this circular. To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon, and must be lodged, 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, with the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 24 hours before the time appointed for holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting at the AGM or any adjournment thereof if they so wish.

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## LETTER FROM THE BOARD

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### VOTING BY POLL

In accordance with Article 8.27 of the Articles of Association, a poll may be demanded in any general meeting of the Company by:

- (A) the chairman of the meeting; or
- (B) at least two shareholders present in person or by proxy entitled to vote thereat; or
- (C) one or more shareholder(s) present in person or by proxy and representing, individually or in aggregate, 10% or more of all shares carrying the right to vote at the general meeting.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes casted at the AGM will be taken by poll (except those which relate purely to a procedural or administrative matter) and the chairman of the meeting will make such demand at the AGM and will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

The register of members of the Company will be closed from 26 May 2012 (Saturday) to 26 June 2012 (Tuesday) (both days inclusive). To qualify for attendance at the AGM, all H shares transfer together with the relevant share certificates must be lodged with the Company's branch share registrar 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 Friday, 25 May 2012 for registration.

### RECOMMENDATION

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

Yours faithfully,

By Order of the Board of

**Hisense Kelon Electrical Holdings Company Limited**

**Tang Ye Guo**

*Chairman*

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## NOTICE OF ANNUAL 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 2011 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2011 annual general meeting (the “AGM”) 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 People’s Republic of China (the “PRC”) on 26 June 2012 at 10:00 a.m. to consider and, if thought fit, pass the following resolutions:

#### **ORDINARY RESOLUTIONS**

1. To consider and approve the report of the board of directors of the Company for the year 2011;
2. To consider and approve the report of the supervisory committee of the Company for the year 2011;
3. To consider and approve the 2011 annual report of the Company and its summary;
4. To consider and approve the audited 2011 financial statements of the Company;
5. To consider and approve the profit distribution proposal of the Company for the year 2011 <sup>(7)</sup>;
6. To consider and approve the resolution on the reappointment of Crowe Horwath China Certified Public Accountants (LLP) as the auditor of the Company for the year of 2012 and the authorization to the board of directors to fix its remuneration <sup>(8)</sup>;
7. To consider and approve the special report on the carrying out of foreign exchange capital transaction business in 2012 of the Company;
8. To consider and approve the resolution to purchase liability insurance for directors and senior management members of the Company and to authorize the board of directors to proceed with the relevant matters <sup>(9)</sup>;

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## NOTICE OF ANNUAL GENERAL MEETING

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9. To consider and approve the resolutions on the election of the new session of the board of directors:
- 9.1 To consider and approve the election of Mr. Tang Ye Guo <sup>(11)</sup> as an executive director of the eighth session of the board of directors of the Company and to fix the level of his remuneration;
- 9.2 To consider and approve the election of Ms. Yu Shu Min <sup>(12)</sup> as an executive director of the eighth session of the board of directors of the Company and to fix the level of her remuneration;
- 9.3 To consider and approve the election of Mr. Lin Lan <sup>(13)</sup> as an executive director of the eighth session of the board of directors of the Company and to fix the level of his remuneration;
- 9.4 To consider and approve the election of Mr. Xiao Jian Lin <sup>(14)</sup> as an executive director of the eighth session of the board of directors of the Company and to fix the level of his remuneration;
- 9.5 To consider and approve the election of Mr. Ren Li Ren <sup>(15)</sup> as an executive director of the eighth session of the board of directors of the Company and to fix the level of his remuneration;
- 9.6 To consider and approve the election of Mr. Gan Yong He <sup>(16)</sup> as an executive director of the eighth session of the board of directors of the Company and to fix the level of his remuneration;
- 9.7 To consider and approve the election of Mr. Xu Xiang Yi <sup>(17)</sup> as an independent non-executive director of the eighth session of the board of directors of the Company and to fix the level of his remuneration;
- 9.8 To consider and approve the election of Mr. Wang Xin Yu <sup>(18)</sup> as an independent non-executive director of the eighth session of the board of directors of the Company and to fix the level of his remuneration;
- 9.9 To consider and approve the election of Mr. Wang Ai Guo <sup>(19)</sup> as an independent non-executive director of the eighth session of the board of directors of the Company and to fix the level of his remuneration;

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## NOTICE OF ANNUAL GENERAL MEETING

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10. To consider and approve the resolutions on the election of the new session of the supervisory committee:

10.1 To consider and approve the election of Mr. Guo Qing Cun <sup>(20)</sup> as a shareholder representative supervisor of the eighth session of the supervisory committee of the Company and to fix the level of his remuneration; and

10.2 To consider and approve the election of Ms. Li Jun <sup>(21)</sup> as a shareholder representative supervisor of the eighth session of the supervisory committee of the Company and to fix the level of her remuneration.

According to the provisions in the Articles of Association of the Company, cumulative voting system shall be adopted for the election of directors and supervisors.

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

Foshan City, Guangdong, the PRC, 10 May 2012

*As at the date of this notice, the Company's directors are Mr. Tang Ye Guo, Mr. Ren Li Ren, Ms. Yu Shu Min, Mr. Lin Lan, Mr. Xiao Jian Lin and Mr. Gan Yong He; and the Company's independent non-executive directors are Mr. Zhang Sheng Ping, Mr. Wang Xin Yu and Mr. Wang Ai Guo.*

*Notes:*

- (1) Holders of H shares intending to attend the AGM shall return the accompanying reply slip in writing to the registered office of the Company on or before Tuesday, 5 June 2012. To qualify for attendance at the AGM, all H shares transfer together with the relevant share certificates must be lodged with the Company's branch share registrar 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 Friday, 25 May 2012 for registration.
- (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 A shares and H shares of the Company whose names appear on the register of members of the Company as at the close of business on 25 May 2012 (Friday) (including holders of H shares of the Company who have submitted verified transfer forms on or before 25 May 2012) will be entitled to attend the AGM. The register of members of the Company will be closed from 26 May 2012 (Saturday) to 26 June 2012 (Tuesday) (both days inclusive).

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## NOTICE OF ANNUAL GENERAL MEETING

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- (4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of such power of attorney or authority, must be deposited with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 24 hours before the time appointed for holding the AGM.
- (5) 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 (except those which relate purely to a procedural or administrative matter) must be taken by poll. As such, the resolutions set out in the notice of AGM will be voted on by way of poll. Voting results will be uploaded to the website of the Company at [www.kelon.com](http://www.kelon.com) and the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after conclusion of the AGM.
- (6) Please refer to the 2011 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 the notice of AGM.
- (7) The profit distribution proposal of the Company for the year 2011 referred to in the ordinary resolution numbered 5 in the notice of AGM is:

As audited by Crowe Horwath China Certified Public Accountants (LLP), the Company realized net profit attributable to shareholders of the listing company of RMB227,015,100, which will be applied to set off losses of previous years. There will be no profit distribution nor capitalization of capital reserve for the year.

- (8) In relation to the ordinary resolution numbered 6 in the notice of AGM, the Company intends to reappoint Crowe Horwath China Certified Public Accountants (LLP) as the auditor of the Company for 2012 to audit the financial report and internal control of the Company in 2012.
- (9) In relation to the ordinary resolution numbered 8 in the notice of AGM, the Company intends to purchase "director and senior management liability insurance" for directors and senior management members 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.
- (10) The registered address of the Company is: No. 8 Ronggang Road, Ronggui, Shunde District, Foshan City, Guangdong Province.

Postal code: 528303

Tel: (86) 757 2836 2570

Fax: (86) 757 2836 1055

Contact person: Li Lin Hu Xiao Ming

- (11) Mr. Tang Ye Guo, aged 49, has successively held the positions of the chief accountant, the deputy general manager, the general manager and director of 青島海信電器股份有限公司 (Hisense Electric Co., Ltd.) ("Hisense Electric") from 1997. From August 2003 to January 2004, he served as an assistant to the president of Hisense Company Limited ("Hisense Group"), and from January 2004 to September 2005, he served as the general manager and chairman of the board of directors of Qingdao Hisense Air-Conditioning Company Limited ("Hisense Air-Conditioning"). Mr. Tang was appointed as the chairman of the board of directors of Hisense Air-Conditioning and a director of Hisense Electric and the president of the Company from September 2005 to June 2006. He has acted as the vice president of Hisense Group since January 2004. He has acted as chairman of the board of directors of Hisense Air-Conditioning and the chairman of the board of directors of the Company since June 2006. He has acted as a director of Hisense Group since April 2010. Mr. Tang is also a member of the nomination committee and a member and the chairman of the strategic committee under the seventh session of the board of directors of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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As a participant of the first share option incentive scheme of the Company, Mr. Tang has been granted share options for the subscription of 1,260,000 A shares of the Company (representing approximately 0.093% of the total issued share capital of the Company and approximately 0.141% of the total issued A shares of the Company as at the date of this notice).

Save as disclosed above, Mr. Tang has not held any directorship in any other listed companies for the past three years nor holds interests in any shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Mr. Tang does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries. During the term of his directorship, Mr. Tang will not receive any director's remuneration from the Company, however, Mr. Tang will receive emoluments as the chairman of the Company in the amount of RMB1,000,000 (before taxation) per year which was determined by the remuneration and appraisal committee of the board of directors after taking into consideration the scale of operation of the Company and the remuneration level of senior management members of other listed companies. Mr. Tang will stand for election as an executive director of the Company. If elected, Mr. Tang's term of office will commence from the date of his appointment at the general meeting until the expiry of the term of the eighth session of the board of directors (that is, 25 June 2015).

Save as disclosed above, Mr. Tang confirms that there is no other matter that needs to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matter that needs to be brought to the attention of the shareholders of the Company.

- (12) Ms. Yu Shu Min, aged 60, has successively served as the deputy secretary to the party committee of 青島市電子儀錶工業總公司 (Qingdao Municipal Electronics Instrument Industrial Corporation), the deputy secretary to the party committee and the vice president of Hisense Group, the general manager of Hisense Electric, the chief executive officer of Hisense Group. Ms. Yu has been the vice chairman of the board of directors and the president of Hisense Group and the chairman of the board of directors of Hisense Electric since July 2001. She has been a director of the Company since June 2006. Ms. Yu is also a member of the remuneration and appraisal committee and the strategic committee under the seventh session of the board of directors of the Company.

Save as disclosed above, Ms. Yu has not held any directorship in any other listed companies for the past three years nor holds interests in any shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Ms. Yu does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries. During the term of her directorship, Ms. Yu will not receive any director's remuneration from the Company. Ms. Yu will stand for election as an executive director of the Company. If elected, Ms. Yu's term of office will commence from the date of her appointment at the general meeting until the expiry of the term of the eighth session of the board of directors (that is, 25 June 2015).

Save as disclosed above, Ms. Yu confirms that there is no other matter that needs to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matter that needs to be brought to the attention of the shareholders of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (13) Mr. Lin Lan, aged 53, had been working as the manager of the power system software development department of 西門子諮詢公司 (Siemens, currently known as “AMEC Limited” in the UK), the senior project manager and senior engineer for GE 動力系統公司 (GE Power Systems). Mr. Lin had acted as the vice president of the Company from September 2002 to June 2006. Since July 2006, he has served as the vice president of Hisense Group. He has been a director of Hisense Electric since May 2007 and a director of Hisense Group since December 2009. He has acted as a director of the Company since June 2006. Mr. Lin is also a member of the remuneration and appraisal committee and the strategic committee under the seventh session of the board of directors of the Company.

Save as disclosed above, Mr. Lin has not held any directorship in any other listed companies for the past three years nor holds interests in any shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Mr. Lin does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries. During the term of his directorship, Mr. Lin will not receive any director’s remuneration from the Company. Mr. Lin will stand for election as an executive director of the Company. If elected, Mr. Lin’s term of office will commence from the date of his appointment at the general meeting until the expiry of the term of the eighth session of the board of directors (that is, 25 June 2015).

Save as disclosed above, Mr. Lin confirms that there is no other matter that needs to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matter that needs to be brought to the attention of the shareholders of the Company.

- (14) Mr. Xiao Jian Lin, aged 44, has successively served as the deputy head of Operation Centre, the head of Finance Centre, the head of Finance Department and the assistant to president of Hisense Group. He has been the head of audit department of Hisense Group from August 2007 to January 2009. He has been the vice-president of Hisense Group since January 2008, the head of Finance and Operation Management Centre of Hisense Group since January 2009, a director of Hisense Group since January 1999, and a director of Hisense Electric since June 2008. He has been a director of Hisense Air-Conditioning since August 2011. He has served as a director of the Company since January 2011. Mr. Xiao is also a member of the strategic committee under the seventh session of the board of directors of the Company.

As a participant of the first share option incentive scheme of the Company, Mr. Xiao has been granted share options for the subscription of 828,000 A shares of the Company (representing approximately 0.061% of the total issued share capital of the Company and approximately 0.093% of the total issued A shares of the Company as at the date of this notice).

Save as disclosed above, Mr. Xiao has not held any directorship in any other listed companies for the past three years nor holds interests in any shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Mr. Xiao does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries. During the term of his directorship, Mr. Xiao will not receive any director’s remuneration from the Company. Mr. Xiao will stand for election as an executive director of the Company. If elected, Mr. Xiao’s term of office will commence from the date of his appointment at the general meeting until the expiry of the term of the eighth session of the board of directors (that is, 25 June 2015).

Save as disclosed above, Mr. Xiao confirms that there is no other matter that needs to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matter that needs to be brought to the attention of the shareholders of the Company.

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- (15) Mr. Ren Li Ren, aged 47, has served successively as the assistant to the general manager and the vice general manager of Hisense Electric, the assistant to the general manager of Qingdao Hisense Computer Co., Ltd., the general manager of Hisense (Beijing) Electrical Co., Ltd. and Hisense (Nanjing) Electrical Co., Ltd.. From June 2006 to July 2009, he acted as the assistant to the president of the Company. He was the general manager of Hisense Ronshen (Yangzhou) Refrigerator Co., Ltd. and the vice general manager of Hisense Ronshen (Guangdong) Refrigerator Co., Ltd. from November 2007 to August 2009. Mr. Ren has been a director of Hisense Air-Conditioning since August 2011. Mr. Ren has been the vice president of the Company from June 2009 to June 2011. He has acted as the president of the Company since June 2011. He has acted as a director of the Company since August 2011. Mr. Ren is also a member of the nomination committee and the strategic committee under the seventh session of the board of directors of the Company.

As a participant of the first share option incentive scheme of the Company, Mr. Ren has been granted share options for the subscription of 720,000 A shares of the Company (representing approximately 0.053% of the total issued share capital of the Company and approximately 0.080% of the total issued A shares of the Company as at the date of this notice).

Save as disclosed above, Mr. Ren has not held any directorship in any other listed companies for the past three years nor holds interests in any shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Mr. Ren does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries. During the term of his directorship, Mr. Ren will not receive any director's remuneration from the Company, however, Mr. Ren will receive emoluments as the president of the Company in the amount of RMB800,000 (before taxation) per year which was determined by the remuneration and appraisal committee of the board of directors after taking into consideration the scale of operation of the Company and the remuneration level of senior management members of other listed companies. Mr. Ren will stand for election as an executive director of the Company. If elected, Mr. Ren's term of office will commence from the date of his appointment at the general meeting until the expiry of the term of the eighth session of the board of directors (that is, 25 June 2015).

Save as disclosed above, Mr. Ren confirms that there is no other matter that needs to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matter that needs to be brought to the attention of the shareholders of the Company.

- (16) Mr. Gan Yong He, aged 44, was previously the head of manufacturing quality department and the head of central quality department of Anhui Boxihua Household Electric Appliance Co., Ltd., and the quality manager and the quality director of Electrolux (China) Home Appliances Co., Ltd. He has been the deputy general manager of Hisense Ronshen (Guangdong) Refrigerator Co., Ltd. from June 2008 to June 2011, and has served as the vice-president of the Company since June 2011. He has served as a director of the Company since January 2012.

As a participant of the first share option incentive scheme of the Company, Mr. Gan has been granted share options for the subscription of 181,000 A shares of the Company (representing approximately 0.013% of the total issued share capital of the Company and approximately 0.020% of the total issued A shares of the Company as at the date of this notice).

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Save as disclosed above, Mr. Gan has not held any directorship in any other listed companies for the past three years nor holds interests in any shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Mr. Gan does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries. During the term of his directorship, Mr. Gan will not receive any director's remuneration from the Company, however, Mr. Gan will receive emoluments as the vice-president of the Company in the amount of RMB800,000 (before taxation) per year which was determined by the remuneration and appraisal committee of the board of directors after taking into consideration the scale of operation of the Company and the remuneration level of senior management members of other listed companies. Mr. Gan will stand for election as an executive director of the Company. If elected, Mr. Gan's term of office will commence from the date of his appointment at the general meeting until the expiry of the term of the eighth session of the board of directors (that is, 25 June 2015).

Save as disclosed above, Mr. Gan confirms that there is no other matter that needs to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matter that needs to be brought to the attention of the shareholders of the Company.

- (17) Mr. Xu Xiang Yi, aged 56, holds a Ph. D. in Law from Shandong University. He is a professor and Ph. D. supervisor in business management. He has been the Dean of the School of Management of Shandong University since January 2004. He was the independent director of Shandong Hi-speed Company Limited (listed on the Shanghai Stock Exchange) from December 2002 to April 2010, the independent director of Hisense Electric (listed on the Shanghai Stock Exchange) from June 2003 to May 2009, the independent director of Tongling Jingda Special Magnet Wire Co., Ltd. (listed on the Shanghai Stock Exchange) from December 2006 to January 2010, and the independent director of Shandong Demian Incorporated Company (listed on the Shenzhen Stock Exchange) from February 2010 to December 2011. He has been the independent director of Baolingbao Biology Co., Ltd. (listed on the Shenzhen Stock Exchange) since October 2007, and the independent director of Shandong Longji Machinery Co., Ltd. (listed on the Shenzhen Stock Exchange) since March 2008.

Save as disclosed above, Mr. Xu has not held any directorship in any other listed companies for the past three years nor holds interests in any shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Xu does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries. During his term of office as an independent non-executive director of the Company, Mr. Xu is entitled to an annual emolument of RMB90,000 (before taxation) from the Company as the independent non-executive director. Such emolument was determined by the remuneration and appraisal committee of the board of directors after taking into consideration of the scale of operation of the Company and the remuneration level of independent non-executive directors of other listed companies. Mr. Xu will stand for election as an independent non-executive director of the Company. If elected, Mr. Xu's term of office will commence from the date of his appointment at the general meeting until the expiry of the term of the eighth session of the board of directors (that is, 25 June 2015).

Save as disclosed above, Mr. Xu confirms that there is no other matter that needs to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matter that needs to be brought to the attention of the shareholders of the Company.

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- (18) Mr. Wang Xinyu, aged 41, graduated from the University of International Business and Economics with a bachelor degree in international finance and obtained a M.B.A from the University of Chicago Booth School of Business. He served as the director of MBK Partners from October 2005 to February 2010 and he has acted as the managing director of JP Capital Investment Limited since September 2010. He was a director of Luye Pharma Group Ltd. (listed on the Singapore Stock Exchange) from August 2008 to February 2010. He has acted as an independent non-executive director of the Company since September 2011. Mr. Wang is also a member of the audit committee, the remuneration and appraisal committee and the nomination committee under the seventh session of the board of directors of the Company.

Save as disclosed above, Mr. Wang has not held any directorship in any other listed companies for the past three years nor holds interests in any shares of the Company or any its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Wang does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries. During his term of office as an independent non-executive director of the Company, Mr. Wang is entitled to an annual emolument of RMB240,000 (before taxation) from the Company as the independent non-executive director. Such emolument was determined by the remuneration and appraisal committee of the board of directors after taking into consideration of the scale of operation of the Company and the remuneration level of independent non-executive directors of other listed companies. Mr. Wang will stand for election as an independent non-executive director of the Company. If elected, Mr. Wang's term of office will commence from the date of his appointment at the general meeting until the expiry of the term of the eighth session of the board of directors (that is, 25 June 2015).

Save as disclosed above, Mr. Wang confirms that there is no other matter that needs to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matter that needs to be brought to the attention of the shareholders of the Company.

- (19) Mr. Wang Ai Guo, aged 47, holds a master's degree in accountancy from Tianjin Institute of Finance & Economics (天津財經學院) and a doctoral degree from the School of Management of Tianjin University (天津大學管理學院), and is a postdoctoral fellow in accountancy in Tianjin University of Finance & Economics (天津財經大學). He was an associate professor at the Faculty of Accountancy of Shandong Economics College (山東經濟學院) between 1995 and 2000, and has been a professor at the Faculty of Accountancy of Shandong Economics College between 2000 and 2010. He is currently the dean and a professor of the School of Accountancy of Shandong University of Finance and Economics (山東財經大學), a council member of China Appraisal Society (中國資產評估協會), a council member of Accounting Society of China, and the vice-chairman and the secretary-general of Accounting Education Committee of Accounting Society of Shandong Province (山東省會計學會會計教育專業委員會). He was the independent director of Laiwu Steel Co., Ltd (萊蕪鋼鐵股份有限公司) (listed on the Shanghai Stock Exchange) from June 2008 to February 2012 and he has been the independent director of Shandong Chenming Paper Holdings Co. Ltd (山東晨鳴紙業集團股份有限公司) (listed on the Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited) since April 2010, the independent non-executive director of China Corn Oil Company Limited (中國玉米油股份有限公司) (listed on The Stock Exchange of Hong Kong Limited) since May 2010, and the independent director of Shandong Zhangqiu Blower Co., Ltd. (山東省章丘鼓風機股份有限公司) (listed on the Shenzhen Stock Exchange) since October 2010. He has served as an independent non-executive director of the Company since January 2011. He has also been the independent director of Shandong Iron and Steel Company Ltd (山東鋼鐵股份有限公司) (listed on the Shanghai Stock Exchange) since April 2012. Mr. Wang is also a member and the chairman of the audit committee and a member of the remuneration and appraisal committee and the nomination committee under the seventh session of the board of directors of the Company.

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Save as disclosed above, Mr. Wang has not held any directorship in any other listed companies for the past three years nor holds interests in any shares of the Company or any its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Wang does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries. During his term of office as an independent non-executive director of the Company, Mr. Wang is entitled to an annual emolument of RMB90,000 (before taxation) from the Company as the independent non-executive director. Such emolument was determined by the remuneration and appraisal committee of the board of directors after taking into consideration of the scale of operation of the Company and the remuneration level of independent non-executive directors of other listed companies. Mr. Wang will stand for election as an independent non-executive director of the Company. If elected, Mr. Wang's term of office will commence from the date of his appointment at the general meeting until the expiry of the term of the eighth session of the board of directors (that is, 25 June 2015).

Save as disclosed above, Mr. Wang confirms that there is no other matter that needs to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matter that needs to be brought to the attention of the shareholders of the Company.

- (20) Mr. Guo Qing Cun, aged 58, acted as a part-time lawyer in the legal advisory office in Shandong and Wenhan Law Firm (文翰律師事務所), a lecturer, associate professor and professor of Shandong University, and held various positions at the university, including the deputy president of the Institute of Science, an assistant to the head of School of Management and the chief officer of the Research Centre of Technology Law and Intellectual Property Rights from 1986 to 2002. Mr. Guo was a visiting scholar of the faculty of law at Peking University in 1995. In 1998, he was nominated as a Professional Technology Talent in Shandong Province. From April 2003 to January 2004, he served as an assistant to the president of Hisense Group. From January 2004 to February 2011, he served as vice-president of Hisense Group. Mr. Guo is currently the secretary of the discipline inspection commission and the chairman of the labour union of Hisense Group. He has served as a supervisor of the Company since December 2006.

Save as disclosed above, Mr. Guo has not held any directorship in any other listed companies for the past three years nor holds interests in any shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Mr. Guo does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries. During his term of office as the supervisor of the Company, Mr. Guo will not receive from the Company any remuneration as the supervisor of the Company. Mr. Guo is to stand for election as a shareholder representative supervisor of the Company at the AGM. If elected, Mr. Guo's term of office will commence from the date of his appointment at the general meeting until the expiry of the term of the eighth session of the supervisory committee (that is, 25 June 2015).

Save as disclosed above, Mr. Guo confirms that there is no other matter that needs to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matter that needs to be brought to the attention of the shareholders of the Company.

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- (21) Ms. Li Jun, aged 37, holds a Bachelor Degree in Accountancy. She was the head of financial analysis of the finance department of Hisense Group from June 2006 to June 2007, and the deputy department head of the audit department of Hisense Group from September 2007 to January 2009. She has been the deputy director of the finance and operation management centre of Hisense Group since January 2009.

Save as disclosed above, Ms. Li has not held any directorship in any other listed companies for the past three years nor holds interests in any shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Ms. Li does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries. During her term of office as the supervisor of the Company, Ms. Li will not receive from the Company any remuneration as the supervisor of the Company. Ms. Li is to stand for election as shareholder representative supervisor of the Company at the AGM. If elected, Ms. Li's term of office will commence from the date of her appointment at the general meeting until the expiry of the term of the eighth session of the supervisory committee (that is, 25 June 2015).

Save as disclosed above, Ms. Li confirms that there is no other matter that needs to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matter that needs to be brought to the attention of the shareholders of the Company.

- (22) Hisense Group and Hisense Air-Conditioning mentioned in this notice are controlling shareholders of the Company as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, whereas Hisense Electric, the shares of which are listed on the Shanghai Stock Exchange, is owned as to 41.25% by Hisense Group.
- (23) 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.