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**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**

**CONTINUING CONNECTED TRANSACTIONS – SUPPLEMENTAL AGREEMENT TO  
FINANCIAL SERVICES AGREEMENT**

Reference is made to the announcement of Hisense Kelon Electrical Holdings Company Limited (the “**Company**”) dated 29 November 2011 and the circular of the Company dated 28 December 2011 (the “**Circular**”) relating to, inter alia, the agreement (金融服務協議) (the “**Financial Services Agreement**”) entered into between the Company and Hisense Finance Co., Ltd. (海信集團財務有限公司) (“**Hisense Finance**”) in relation to the provision of financial services by Hisense Finance to the Company and/or its subsidiaries (collectively, the “**Group**”) for the period up to 31 December 2013. Unless otherwise defined, capitalized terms herein shall have the same meanings as those defined in the Circular.

Pursuant to the terms of the Financial Services Agreement, the Group will engage Hisense Finance to provide a range of financial services, including without limitation, loan and electronic bank acceptance bill (電子銀行承兌匯票) and the maximum balance of loan and electronic bank acceptance bills provided by Hisense Finance for the Group during the term of the Financial Services Agreement shall not exceed the Cap of RMB1.5 billion (inclusive of interest and service fees).

Under the Financial Services Agreement, it has been provided that Hisense Finance may require the Group to provide guarantee, security or pledge in respect of the loan services rendered, depending on the then circumstances and business needs. In view of actual business needs, on 6 December 2012, a supplemental agreement to the Financial Services Agreement (the “**Supplemental Agreement**”) has been entered into between the Company and Hisense Finance pursuant to which Hisense Finance may also require the Group to provide guarantee, security or pledge in respect of the electronic bank acceptance bill services rendered, depending on the then circumstances and business needs.

Save for the amendment as disclosed above, all other terms of the Financial Services Agreement and the Caps in relation thereto remain unchanged.

As disclosed in the announcement of the Company dated 29 November 2011 and the Circular, the transactions contemplated under the Financial Services Agreement constitute continuing connected

transactions of the Company under the Hong Kong Listing Rules and the Financial Services Agreement, the continuing connected transactions contemplated thereunder and the Caps in relation thereto have been approved at the EGM held on 16 January 2012. As (a) the Company considers that the Supplemental Agreement only involves constitutes an amendment to certain terms of the Financial Services Agreement and does not constitute a new connected transaction under Chapter 14A of the Hong Kong Listing Rules and (b) the Directors (including the independent non-executive Directors) consider that the amendment made to the Financial Services Agreement as contained in the Supplemental Agreement does not constitute material variation to the Financial Services Agreement, the Company is not required to re-comply with the announcement, reporting and independent shareholders' approval requirements under Rule 14A.36 of the Hong Kong Listing Rules. However, according to the Shenzhen Listing Rules, the Supplemental Agreement shall still be subject to approval by the independent shareholders of the Company at the shareholders' general meeting of the Company.

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

*As at the date of this announcement, 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. Xu Xiang Yi, Mr. Wang Xin Yu and Mr. Wang Ai Guo.*

Foshan City, Guangdong, the PRC, 6 December 2012