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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 ON

DEVELOPMENT OF SIGNIFICANT LITIGATION

This announcement is made by Hisense Kelon Electrical Holdings Company Limited (the "Company") pursuant to Part XIVA of the Securities and Futures Ordinance and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

I. Brief introduction of the basic particulars of the status of the material litigation or arbitration

On 29 July 2014, the Company received from the Intermediate People's Court of Foshan City, Guangdong Province (the "Foshan Intermediate Court") a sum of approximately RMB 3 million being execution payment of the cases involving the Greencool Companies.

II. Basic particulars of the cases of the Foshan Intermediate Court involving Greencool Companies

The civil judgments (2006) Fo Zhong Fa Min Er Chu Zi No. 11, 186, 181, 182, 185, 14, 154, 184, 180, 13, 93, 94, 10 and 12 of the Foshan Intermediate Court, and the civil rulings (2008) Yue Gao Fa Li Min Zhong Zi No. 206, 318, 319, 466, 439, 471, 441, 440, 190 and 191 of the Higher People's Court of Guangdong Province (the "Guangdong Higher Court"), and the civil rulings (2009) Yue Gao Fa Li Min Zhong Zi No. 238, 172, 116 and 171 of the Guangdong Higher Court have all ruled in favour of the Company and the relevant subsidiaries in which it holds a controlling equity interest. The amount subject to the litigation in the relevant cases amounted to RMB638 million. According to the notices of resumption of execution of (2008) Fo Zhong Fa Zhi Zi No. 853, (2009) Fo Zhong Fa Zhi Zi No. 113, 114, 115, 235, 236, 237, 238, 259, 502, 852, 995, 996 and (2010) Fo Zhong Fa Zhi Zi No. 32 from the Foshan Intermediate Court, the execution of the relevant cases has resumed. On 27 August 2013, the Company and the relevant subsidiaries received RMB310.6754 million for the execution of the cases from the Foshan Intermediate

Court. On 23 December 2013, the Company and the relevant subsidiaries received the execution judgment of (2008) Fo Zhong Fa Zhi Zi No. 853 and (2009) Fo Zhong Fa Zhi Zi No. 113, 114, 115, 237, 238, 259, 502, 995, 996 from the Foshan Intermediate Court; and on 24 June 2014, the Company received the execution judgment of (2009) Fo Zhong Fa Zhi Zi No. 235 from the Foshan Intermediate Court, which provide the conclusion of the execution procedure of the 11 above mentioned cases in accordance with the law.

III. Summary of other undisclosed litigations and arbitrations

As at the date of this announcement, the Company and the subsidiaries in which it holds a controlling equity interest are not involved in any other litigations or arbitrations which are discloseable but have not been disclosed.

IV. Possible effects of the litigation or arbitration disclosed in this announcement on the profits of the Company for the current or subsequent periods

For the execution payment received, the Company will make adjustment to the estimation of bad debt made in the previous period in respect of the cases involving the Greencool Companies. It is expected that the net profits of the Company for the relevant period will be increased by approximately RMB 3 million.

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

Foshan City, Guangdong, the PRC, 30 July 2014

As at the date of this announcement, the Company's directors are Mr. Tang Ye Guo, Ms. Yu Shu Min, Mr. Lin Lan, Mr. Xiao Jian Lin, Mr. Huang Xiao Jian and Mr. Tian Ye; and the Company's independent non-executive directors are Mr. Xu Xiang Yi, Mr. Wang Xin Yu and Mr. Wang Ai Guo.