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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 26 January 2015, the relevant subsidiaries of the Company received the execution judgments of (2009) Fo Zhong Fa Zhi Zi No. 236 and (2010) Fo Zhong Fa Zhi Zi No. 32 from the Intermediate People's Court of Foshan City, Guangdong Province (the "Foshan Intermediate Court"). Pursuant to the execution judgments, the execution procedure of the 2 above mentioned cases have been concluded in accordance with the law. Save and except the execution judgments received in respect of the above mentioned cases, there is 1 case ((2009) Fo Zhong Fa Zhi Zi No. 852 of the Foshan Intermediate Court) which the Company has not yet received execution judgment.

**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 judgments 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. In July 2014 and November 2014, the Company received from the Foshan Intermediate Court a sum of approximately RMB 3 million and RMB 9.007 million, being execution payment of the cases involving the Greencool Companies respectively.

### **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**

In accordance with the stipulated procedure, the book value of the receivables involved in the execution judgment received be audited and written off. The estimation of bad debt made in the previous period in respect of the cases involving Greencool Companies will not be affected and the profits and losses of the Company for the current period will not be affected.

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

Foshan City, Guangdong, the PRC, 28 January 2015

*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.*