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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 EXTRAORDINARY GENERAL MEETING

Reference is made to the announcement on continuing connected transactions, the announcement on exempted financial assistance, the announcement on entrusted wealth management of idle self-owned funds and the announcement on proposed appointment of independent non-executive director of Hisense Kelon Electrical Holdings Company Limited (the “**Company**”) dated 17 November 2016.

NOTICE IS HEREBY GIVEN that the first 2017 extraordinary general meeting (the “**EGM**”) of 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 9 January 2017 (Monday) at 3:00 p.m. to consider and, if thought fit, pass the following resolution:

ORDINARY RESOLUTIONS

1. To approve the Business Co-operation Framework Agreement dated 17 November 2016 entered into between the Company, Hisense Company Limited (海信集團有限公司) and Hisense Electric Co., Ltd. (青島海信電器股份有限公司), the continuing connected transactions contemplated thereunder and the relevant annual caps;
2. To approve the Business Framework Agreement 1 dated 17 November 2016 entered into between the Company and Qingdao Hisense Hitachi Air-Conditioning Systems Co., Ltd. (青島海信日立空調系統有限公司), the continuing connected transactions contemplated thereunder and the relevant annual caps;
3. To approve the Purchase Financing Agency Framework Agreement dated 17 November 2016 entered into between the Company and Hisense (Hong Kong) Company Limited, the continuing connected transactions contemplated thereunder and the relevant annual cap⁽⁷⁾;
4. To approve the resolution on entrusted wealth management of idle self-owned funds of the Company; and
5. To consider and approve the election of Mr. Ma Jinqun⁽⁸⁾ as an independent non-executive director of the ninth session of the board of directors of the Company (the “**Board**”) and to fix the level of his remuneration.

A circular containing, inter alia, further information on the continuing connected transactions referred to in the ordinary resolutions numbered 1 to 3 above and the proposed appointment of independent non-executive director will be dispatched to the shareholders of the Company on or before 23 December 2016.

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

Foshan City, Guangdong, the PRC, 17 November 2016

As at the date of this notice, the Company's directors are Mr. Tang Ye Guo, Mr. Liu Hong Xin, Mr. Lin Lan, Mr. Dai Hui Zhong, Mr. Jia Shao Qian and Mr. Wang Yun Li; and the Company's independent non-executive directors are Mr. Xu Xiang Yi, Mr. Wang Xin Yu and Mr. Wang Ai Guo.

Notes:

- (1) Holders of H shares intending to attend the EGM shall return the accompanying reply slip in writing to the registered office of the Company on or before Monday, 19 December 2016. To qualify for attendance at the EGM, all H shares transfers 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, 9 December 2016 for registration.
- (2) Shareholders who are entitled to attend and vote at the EGM 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 domestic 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 9 December 2016 (Friday) (including holders of H Shares of the Company who have submitted verified transfer forms on or before Friday, 9 December 2016, 4:30 p.m.) will be entitled to attend the EGM. The register of members of the Company will be closed from 10 December 2016 (Saturday) to 9 January 2017 (Monday) (both days inclusive).
- (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 notarially 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 Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 24 hours before the time appointed for holding the EGM.
- (5) In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), any vote of shareholders at a general meeting must be taken by poll (except those which relate purely to a procedural or administrative matter). As such, the resolution set out in this notice will be voted on by way of poll. Voting results will be uploaded to the website of the Company at www.kelon.com and the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk after conclusion of the EGM.

- (6) The registered address of the Company is: No. 8 Ronggang Road, Ronggui Street, Shunde District, Foshan City, Guangdong Province, the PRC.

Postal code: 528303

Tel: (86) 757 2836 2570

Fax: (85) 757 2836 1055

Contact person: Ms. Li Lin

- (7) Information relating to the Purchase Financing Agency Framework Agreement as referred to in the ordinary resolution numbered 3 in the notice of the EGM is contained in the announcement on exempted financial assistance published by the Company on 17 November 2016. The Board is of the opinion that the ordinary resolution numbered 3 as set out in the notice of the EGM are in the best interests of the Company and its shareholders as a whole, and thus recommends the shareholders to vote in favor of such resolution.
- (8) Mr. Ma Jinqian, aged 73, graduated from Northwestern Polytechnical University (西北工業大學) and is a senior engineer. He was the executive deputy factory manager of Shanxi Color Picture Tube Plant* (陝西彩色顯像管總廠), the executive deputy general manager of IRICO Group Corporation* (彩虹集團公司), the factory manager of Huanghe Machinery Plant* (黃河機器製造廠), the chairman and general manager of Huanghe Mechanical and Electrical Joint Stock Company Limited* (黃河機電股份有限公司), and the director and general manager of IRICO Group Corporation* (彩虹集團公司). From November 2006 to June 2012, he was the external director of Panzhihua Iron & Steel (Group) Corporation* (攀枝華鋼鐵(集團)公司). From April 2008 to April 2014, he acted as the independent director of China XD Electric Co., Ltd.* (中國西電電氣股份有限公司) (listed on the Shanghai Stock Exchange). From May 2009 to May 2015, he acted as the independent director of Hisense Electric Co., Ltd.* (青島海信電器股份有限公司) (listed on the Shanghai Stock Exchange). From November 2013 to the present, he has been an independent director of Xi'an Future International Information Co., Ltd.* (西安未來國際信息股份有限公司) (listed on the New Third Board* (新三板)).

Save as disclosed above, Mr. Ma 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. Ma 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. Ma is entitled to an annual emolument of RMB140,000 (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. Ma will stand for election as an independent non-executive director of the Company. If elected, Mr. Ma's term of office will commence from the date of his appointment at the EGM until the expiry of the term of the ninth session of the board of directors (that is, 25 June 2018).

Save as disclosed above, Mr. Ma 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 Listing Rules nor any other matter that needs to be brought to the attention of the shareholders of the Company.

- (9) The English version of the proposed resolution 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.