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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(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

#### **(1) SUPPLEMENTAL AGREEMENT TO THE BUSINESS FRAMEWORK AGREEMENT WITH QINGDAO HISENSE HITACHI AIR-CONDITIONING SYSTEMS CO., LTD.;**

#### **(2) PROPOSED APPOINTMENT OF DIRECTORS; AND**

#### **(3) PROPOSED APPOINTMENT OF SUPERVISORS**

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A letter from the Board is set out on pages 4 to 11 of this circular.

A notice of the AGM, a proxy form for use at the AGM (the “**original proxy form**”) and a reply slip have been despatched by the Company on 8 May 2018 and are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.kelon.com>). A supplemental notice of the AGM and a revised proxy form (the “**revised proxy form**”) for use at the AGM in respect of all the resolutions to be proposed at the AGM are despatched on 25 May 2018 and are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.kelon.com>). A further revised proxy form for use at the AGM in respect of all the resolutions to be proposed at the AGM are despatched and are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.kelon.com>).

If you are not able to attend the meeting in person, you are requested to complete and return the further revised proxy form in accordance with the instructions printed thereon and to lodge the same 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 less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and delivery of the further revised proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) if you so wish. **Shareholders who have already lodged the original proxy form or the revised proxy form should note that the original proxy form and the revised proxy form will be invalid for use at the AGM. The further revised proxy form shall supersede the original proxy form and the revised proxy form.**

5 June 2018

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## DEFINITIONS

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

“A Shares”	domestic ordinary shares of the Company with a nominal value of RMB1.00 each and are listed on the Shenzhen Stock Exchange;
“AGM”	the 2017 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 2018 at 3:00 p.m. for, among other matters, approval of the Supplemental Agreement and the revised annual caps in relation to the continuing connected transactions contemplated thereunder and the proposed appointment of Directors and supervisors.
“Board”	the board of Directors;
“Company”	Hisense Kelon Electrical Holdings Company Limited, a company incorporated in the PRC with limited liability, whose shares are listed on the main board of the Stock Exchange and the Shenzhen Stock Exchange;
“Director”	the directors of the Company;
“H Shares”	overseas listed foreign shares of the Company with a nominal value of RMB1.00 each and are listed on the Stock Exchange;
“Hisense Air-conditioning”	Qingdao Hisense Air-conditioning Company Limited* (青島海信空調有限公司), a company incorporated in the PRC with limited liability and a subsidiary of Hisense Group;
“Hisense Electric”	Qingdao Hisense Electric Co., Ltd.* (青島海信電器股份有限公司), a company incorporated under the laws of the PRC with limited liability and listed on the Shanghai Stock Exchange;
“Hisense Group”	Hisense Company Limited* (海信集團有限公司), a company incorporated in the PRC with limited liability;
“Hisense Hitachi”	Qingdao Hisense Hitachi Air-Conditioning Systems Co., Ltd.* (青島海信日立空調系統有限公司), a company incorporated in the PRC with limited liability;

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## DEFINITIONS

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“Hitachi Business Framework Agreement”	the business framework agreement (業務框架協議) entered into between the Company and Hisense Hitachi dated 28 November 2017 in relation to the supply of moulds and sale and purchase of home electrical appliances, raw materials, parts and components and provision of products maintenance services;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Latest Practicable Date”	1 June 2018, being the latest practicable date prior to the printing of this circular for inclusion of certain information herein;
“PRC”	the People’s Republic of China;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Share(s)”	share(s) of RMB1.00 each in the capital of the Company, comprising the A Shares and the H Shares;
“Shareholder(s)”	holder(s) of the Shares;
“Shenzhen Listing Rules”	the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (深圳證券交易所上市規則);
“Shenzhen Stock Exchange”	The Shenzhen Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“Supplemental Agreement”	the supplemental agreement (業務框架協議之補充協議) to the Hitachi Business Framework Agreement dated 8 May 2018 entered into between the Company and Hisense Hitachi, which amends and supplements the Hitachi Business Framework Agreement;
“VAT”	value-added tax;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC;

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## DEFINITIONS

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“US\$” United States dollars, the lawful currency of the United States of America;

“%” per cent;

“\*” for identification purpose only.

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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)**

*Executive Directors:*

Mr. Tang Ye Guo  
Mr. Liu Hong Xin  
Mr. Lin Lan  
Mr. Dai Hui Zhong  
Mr. Jia Shao Qian  
Mr. Wang Yun Li

*Registered Office:*

No. 8 Ronggang Road  
Ronggui  
Shunde  
Foshan  
Guangdong Province  
The PRC

*Independent non-executive Directors:*

Mr. Ma Jin Quan  
Mr. Xu Xiang Yi  
Mr. Liu Xiao Feng

*Principal place of business  
in Hong Kong:*

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

5 June 2018

*To the Shareholders*

Dear Sir or Madam,

**(1) SUPPLEMENTAL AGREEMENT TO THE BUSINESS  
FRAMEWORK AGREEMENT WITH QINGDAO  
HISENSE HITACHI AIR-CONDITIONING SYSTEMS CO., LTD.;**  
**(2) PROPOSED APPOINTMENT OF DIRECTORS; AND**  
**(3) PROPOSED APPOINTMENT OF SUPERVISORS**

**BACKGROUND**

The Company received a written request from Qingdao Hisense Air-Conditioning Company Limited\* (Hisense Air-Conditioning), the controlling shareholder of the Company which holds 516,758,670 shares of the Company, representing approximately 37.92% of the issued shares of the Company on 25 May 2018, pursuant to which, Hisense Air-Conditioning requested that resolutions in respect of the proposed election of directors and supervisors be proposed at the forthcoming AGM of the Company to be held on 26 June 2018 for the Shareholders' consideration and approval.

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## LETTER FROM THE BOARD

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The purpose of this circular is to:–

- (a) provide you with further information on the Supplemental Agreement and the revised annual caps in relation to the continuing connected transactions contemplated thereunder; and
- (b) provide you with information regarding the ordinary resolutions in relation to the election of Directors and supervisors at the AGM.

Reference is made to the notice of the AGM dated 8 May 2018, the supplemental notice of the AGM dated 25 May 2018 and the announcement of the Company dated 5 June 2018.

### **I. SUPPLEMENTAL AGREEMENT TO THE HITACHI BUSINESS FRAMEWORK AGREEMENT**

Reference is made to the circular of the Company dated 3 January 2018 in relation to, inter alia, the Hitachi Business Framework Agreement. On 8 May 2018, the Company has entered into the Supplemental Agreement with Hisense Hitachi to revise the existing annual caps of two categories of the transactions under the Hitachi Business Framework Agreement, namely (i) sale of raw materials, parts and components; and (ii) purchase of home electrical appliances, due to business development needs. The transactions contemplated under the Supplemental Agreement constitute ordinary connected transactions under the Shenzhen Listing Rules and are subject to the approval at the AGM.

#### **The Supplemental Agreement**

**Date:** 8 May 2018

**Parties:** The Company; and  
Hisense Hitachi

#### **Revision of annual caps**

##### *Sale of raw materials, parts and components*

Pursuant to the Hitachi Business Framework Agreement, the Company, among others, sells raw materials, parts and components to Hisense Hitachi.

The existing annual caps of the total transaction amount of sale of raw materials, parts and components is RMB4.83 million (exclusive of VAT) during the term of the Hitachi Business Framework Agreement from 18 January 2018 to 31 December 2018.

Pursuant to the Supplemental Agreement and upon the approval by the independent Shareholders, the annual caps of the total transaction amount of sale of raw materials, parts and components shall be revised to RMB24.83 million (exclusive of VAT).

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## LETTER FROM THE BOARD

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During the period from 18 January 2018 to 31 March 2018, the total unaudited transaction amount of sale of raw materials, parts and components was RMB0.66 million (exclusive of VAT).

*Purchase of home electrical appliances*

Pursuant to the Hitachi Business Framework Agreement, the Company, among others, purchases home electrical appliances from Hisense Hitachi.

The existing annual caps of the total transaction amount of purchase of home electrical appliances is RMB0.13 million (exclusive of VAT) during the term of the Hitachi Business Framework Agreement from 18 January 2018 to 31 December 2018.

Pursuant to the Supplemental Agreement and upon the approval by the independent Shareholders, the annual caps of the total transaction amount of purchase of home electrical appliances shall be revised to RMB25.13 million (exclusive of VAT).

During the period from 18 January 2018 to 31 March 2018, the total unaudited transaction amount of purchase of home electrical appliances was RMB0.03 million (exclusive of VAT).

Save and except for the revision of the annual caps as set out above, all other terms and conditions of the Hitachi Business Framework Agreement and the annual caps for other transactions under the Hitachi Business Framework Agreement shall remain unchanged.

**Condition**

The Supplemental Agreement is conditional upon approval of the same (which stipulates the revised annual caps as set out above) by the independent Shareholders.



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## LETTER FROM THE BOARD

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### Historical transaction amounts under the Hitachi Business Framework Agreement

As at 31 March 2018, the historical amounts of the transactions conducted by the Company under the Hitachi Business Framework Agreement are as follows:–

*Unit: RMB ('0000) (exclusive of VAT)*

<b>Types of transactions</b>	<b>Annual caps of the transaction amount to be paid/received during the term of the Hitachi Business Framework Agreement</b>	<b>Amount paid/received in respect of such type of transactions from January to March 2018 (unaudited)</b>
Sale of home electrical appliances	74,000	8,162.58
Sale of raw materials, parts and components	483	65.91
Sale of moulds	4,000	440.94
Purchase of home electrical appliances	13	3.22
Provision of product maintenance services	40	0
Purchase of raw materials, parts and components	1,950	132.03

### Reasons for revising the annual caps and impact on the Company

#### *Sale of raw materials, parts and components*

This increase of annual cap for the Company to sell raw materials, parts and components to Hisense Hitachi can guarantee supply of customized products.

#### *Purchase of home electrical appliances*

This increase of annual cap for the Company to purchase home electrical appliances from Hisense Hitachi can satisfy the requirements of business.

The connected transactions between the Company and Hisense Hitachi follow the principles of fairness and reasonableness without prejudicing the interests of the Company, and will not adversely affect the financial positions and operating results of the Company during this period and in the future. The principal business activities of the Company will not rely significantly on connected persons as a result of the above connected transactions and the independence of the Company will not be affected.

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## LETTER FROM THE BOARD

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### **Information of Hisense Hitachi**

Hisense Hitachi was established on 8 January 2003, registered address: 218 Qian Wan Gang Road, Qingdao Economic and Technological Development Zone, legal representative: FRANZ WOLFGANG CERWINKA, registered capital: US\$46 million, scope of business: research and development of commercial air-conditioning system, manufacture and sale of self-produced products and provision of after-sale services. As at the date of this circular, the Company held 49% equity interest of Hisense Hitachi and the remaining 51% equity interest of Hisense Hitachi was held by independent third parties.

As of 31 December 2017, the total asset of Hisense Hitachi amounted to RMB9,635.32 million and its shareholders' equity amounted to RMB4,490.42 million. During the year of 2017, Hisense Hitachi achieved operating revenue of RMB9,401.77 million and net profit of RMB1,567.18 million.

In view of the above, and based on the business credit and ability of commercial operation of Hisense Hitachi as known by the Company, the Board considers that Hisense Hitachi can honour its obligations, and effect payments to the Company in respect of the connected transactions conducted in the same period in a timely manner.

### **Implications under the Shenzhen Listing Rules**

As Mr. Tang Ye Guo being the Chairman, is also a director of Hisense Hitachi, the transactions contemplated under the Supplemental Agreement will constitute ordinary connected transactions under the Shenzhen Listing Rules.

The independent non-executive Directors considered that such transactions would be conducted on normal commercial terms and based on the terms of the Supplemental Agreement, and the terms of the transactions as agreed in the Supplemental Agreement were fair and reasonable and were in the interests of the Company and its Shareholders as a whole. They also considered that the terms of the Supplemental Agreement and the revised annual caps in relation to the continued connected transactions contemplated thereunder were fair and reasonable so far as the independent Shareholders were concerned. Therefore, the independent non-executive Directors recommend the Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the AGM to approve the same.

Mr. Tang Ye Guo, being the Chairman, is also a director of Hisense Hitachi and has abstained from voting on the relevant board resolution for approving the Supplemental Agreement and the transactions contemplated thereunder.

### **Implications under the Hong Kong Listing Rules**

As the remaining 51% equity interest of Hisense Hitachi was held by independent third parties, the transactions contemplated under the Supplemental Agreement is not regarded as a connected transaction under the Hong Kong Listing Rules.

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## LETTER FROM THE BOARD

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### II. PROPOSED APPOINTMENT OF DIRECTORS

The ninth session of the Board currently consists of nine directors, namely Mr. Tang Ye Guo, Mr. Liu Hong Xin, Mr. Lin Lan, Mr. Dai Hui Zhong, Mr. Jia Shao Qian, Mr. Wang Yun Li, Mr. Ma Jin Quan, Mr. Xu Xiang Yi and Mr. Liu Xiao Feng.

The term of the current directors will expire in due course. Mr. Tang Ye Guo, Mr. Liu Hong Xin, Mr. Lin Lan, Mr. Dai Hui Zhong, Mr. Jia Shao Qian, Mr. Wang Yun Li, Mr. Ma Jin Quan and Mr. Zhong Gengshen have been nominated for election as directors of the tenth session of the Board.

Before the directors of the tenth session of the Board assume their offices, the Directors of the ninth 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.

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 tenth session of the Board meet the relevant requirements under Rule 3.13 of the Listing Rules and considers them to be independent.

### III. PROPOSED APPOINTMENT OF SUPERVISORS

The ninth session of the supervisory committee currently consists of two shareholder representative supervisors, namely Mr. Liu Zhen Shun and Mr. Yang Qing and one employee representative supervisor, Ms. Fan Wei. The term of the current supervisors will expire in due course. Mr. Liu Zhen Shun and Mr. Yang Qing shall stand for election as shareholder representative supervisors of the tenth session of the supervisory committee.

### AGM

The AGM will be held at the conference room of the Company's head office, Shunde District, Foshan City, Guangdong Province, the PRC at 3:00 p.m. on 26 June 2018, Tuesday at which ordinary resolutions will be proposed to approve, inter alia, the Supplemental Agreement and the revised annual caps in relation to the continuing connected transactions contemplated thereunder and the proposed appointment of Directors and supervisors by poll.

A notice of the AGM (the "**original notice of AGM**"), a proxy form for use at the AGM (the "**original proxy form**") and a reply slip have been despatched by the Company on 8 May 2018 and are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.kelon.com>). A supplemental notice of the AGM and a revised proxy form (the "**revised proxy form**") for use at the AGM in respect of all the resolutions to be proposed at the AGM are despatched on 25 May 2018 and are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and

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## LETTER FROM THE BOARD

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the Company (<http://www.kelon.com>). A further revised proxy form for use at the AGM in respect of all the resolutions to be proposed at the AGM are despatched and are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.kelon.com>).

If you are not able to attend the meeting in person, you are requested to complete and return the further revised proxy form in accordance with the instructions printed thereon and to lodge the same 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 less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and delivery of the further revised proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) if you so wish.

**Shareholders who have already lodged the original proxy form or the revised proxy form should note that the original proxy form and the revised proxy form will be invalid for use at the AGM. The further revised proxy form shall supersede the original proxy form and the revised proxy form.**

Holders of H Shares intending to attend the AGM shall return the signed and completed reply slip (which was sent to the Shareholders together with the original notice of the AGM) to the registered office of the Company on or before Wednesday, 6 June 2018.

In accordance with article 8.27 of the articles of association of the Company, 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 in person or by proxy entitled to vote at the general meeting; or
- (c) one or more Shareholder(s) present in person or by proxy and individually or in aggregate representing 10% or more of all Shares carrying the voting rights at the general meeting.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all votes casted at the AGM must 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 the results of the poll will be announced in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

The register of members of H Shares of the Company has been closed from 27 May 2018 (Sunday) to 26 June 2018 (Tuesday) (both days inclusive), during which time no share transfers of H Shares will be effected. Holders of domestic shares and H shares of the Company whose names appeared on the register of members of the Company as at the close of business on 25 May 2018 (Friday) (including holders of H Shares of the Company who

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## LETTER FROM THE BOARD

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have submitted verified transfer forms on or before Friday, 25 May 2018, 4:30 p.m.) are entitled to attend the AGM and to vote in respect of all resolutions to be proposed at the AGM.

### RECOMMENDATION

The Directors consider that the Supplemental Agreement and the continuing connected transactions contemplated thereunder and the revised annual caps in relation thereto are in the interests of the Company and the Shareholders as a whole and are fair and reasonable. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the AGM to approve the same.

The Board is of the opinion that the ordinary resolutions to be proposed at the AGM in respect of the proposed appointment of Directors and supervisors of the tenth session of the Board is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the AGM to approve the same.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement contained herein or this circular misleading.

### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's principal place of business in Hong Kong at Room 3101-05, Singa Commercial Centre, No. 148 Connaught Road West, Hong Kong during normal business hours from the date of this circular up to and including 26 June 2018:

- (a) the Supplemental Agreement;
- (b) the resolutions passed by the tenth session of the Board during the first extraordinary Board meeting in 2018; and
- (c) the independent opinion of the independent non-executive Directors in respect of matters relating to the first extraordinary Board meeting in 2018.

Yours faithfully,  
By Order of the Board of  
**Hisense Kelon Electrical Holdings Company Limited**  
**Tang Ye Guo**  
*Chairman*

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## APPENDIX I      BIOGRAPHICAL DETAILS OF DIRECTOR CANDIDATES

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The biographical details of the director candidates proposed to be appointed at the AGM are set out as follows:–

**(1) Mr. Tang Ye Guo**

Mr. Tang Ye Guo, aged 55, has been appointed as the Chairman of the Company since June 2006. Mr. Tang holds a doctorate degree in management and has successively held the positions of the chief accountant, the deputy general manager, the general manager and director of Hisense Electric. From August 2003 to September 2005, he served as an assistant to the president and the vice president of Hisense Group, and the general manager and chairman of the board of directors of Hisense Air-Conditioning. Mr. Tang was 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 and chairman of the board of directors of Hisense Air-Conditioning and the chairman of the board of directors of the Company from June 2006 to April 2010. He has been the vice president and a director of Hisense Group and chairman of the board of directors of Hisense Air-Conditioning and the chairman of the board of directors of the Company since April 2010.

As at the Latest Practicable Date, Mr. Tang was interested in 831,600 A shares of the Company (representing approximately 0.061% of the total issued share capital of the Company and approximately 0.092% of the total issued A shares of the Company as at the Latest Practicable Date).

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 SFO.

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 basic salary as the chairman of the Company in the amount of RMB1,400,000 (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 AGM until the expiry of the term of the tenth session of the board of directors (that is, 25 June 2021).

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 Hong Kong Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders.

**(2) Mr. Liu Hong Xin**

Mr. Liu Hong Xin, aged 51, has been appointed as an executive Director of the Company since June 2015. Mr. Liu holds a bachelor degree in management and has successively served as the general manager of the Xi'an branch and the general manager of the Zheng Zhou branch of Hisense Electric, the general manager of 貴陽海信電子有限公司 (Guiyang Hisense Electronics Company Limited), the deputy general manager of Hisense Electric and the general manager of 營銷公司 (Marketing Company). He served as the general manager of Hisense Electric from January 2006 to June 2006 and a director and general manager of Hisense Electric from June 2006 to April 2010. He has been a director of Hisense Group and a director and general manager of Hisense Electric from April 2010 to November 2014. He has been a director of Hisense Group and a director of Hisense Electric from November 2014 to June 2015. He has been a director of Hisense Group, the chairman of the board of directors of Hisense Electric and a director of the Company from June 2015 to October 2015. He has been a director and president of Hisense Group, the chairman of the board of directors of Hisense Electric and a director of the Company since October 2015.

Save as disclosed above, Mr. Liu 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 SFO.

Save as disclosed above, Mr. Liu 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. Liu will not receive any director's remuneration from the Company.

Mr. Liu will stand for election as an executive director of the Company. If elected, Mr. Liu's term of office will commence from the date of his appointment at the AGM until the expiry of the term of the tenth session of the board of directors (that is, 25 June 2021).

Save as disclosed above, Mr. Liu 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 Hong Kong Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders.

**(3) Mr. Lin Lan**

Mr. Lin Lan, aged 60, has been appointed as an executive Director of the Company since June 2006. Mr. Lin is a holder of a doctorate degree in mechanical engineering and has worked 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 of GE 動力系統公司 (GE Power Systems). Mr. Lin acted as the vice president of the Company from September 2002 to June 2006. He served as a director of the Company from June 2006 to July 2006 and he has served as the vice president of Hisense Group and a director of the Company from July 2006 to May 2007. He has been the vice-president of Hisense Group, a director of Hisense Electric and a director of the



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## APPENDIX I      BIOGRAPHICAL DETAILS OF DIRECTOR CANDIDATES

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Company from May 2007 to December 2009. He has been a director and vice-president of Hisense Group, a director of Hisense Electric and a director of the Company since December 2009.

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 SFO.

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 AGM until the expiry of the term of the tenth session of the board of directors (that is, 25 June 2021).

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 Hong Kong Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders.

### **(4) Mr. Dai Hui Zhong**

Mr. Dai Hui Zhong, aged 52, has been appointed as an executive Director of the Company since June 2016. Mr. Dai holds a bachelor degree in machinery manufacturing technology and equipment and has served successively as the general manager of the plastic products and metal department, assistant to the general manager and general manager of the module department and general manager of purchase centre of Hisense Electric. From April 2013 to November 2014, he has served as the deputy general manager of Hisense Electric. From November 2014 to June 2015, he has served as the general manager of Hisense Electric. He has served as a director and general manager of Hisense Electric from June 2015 to October 2015 and he has served as a director of Hisense Group and a director and general manager of Hisense Electric from October 2015 to January 2016. He has served as a director of Hisense Group, a director of Hisense Electric and the president of the Company from January 2016 to June 2016. He has served as a director of Hisense Group, a director of Hisense Electric and a director and president of the Company from June 2016 to February 2017. He has been a director of Hisense Group, Hisense Electric and the Company since March 2017.

Save as disclosed above, Mr. Dai 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 SFO.

Save as disclosed above, Mr. Dai does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company or its subsidiaries.



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## APPENDIX I      BIOGRAPHICAL DETAILS OF DIRECTOR CANDIDATES

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During the term of his directorship, Mr. Dai will not receive any director's remuneration from the Company.

Mr. Dai will stand for election as an executive director of the Company. If elected, Mr. Dai's term of office will commence from the date of his appointment at the AGM until the expiry of the term of the tenth session of the Board (that is, 25 June 2021).

Save as disclosed above, Mr. Dai 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 Hong Kong Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders.

### **(5) Mr. Jia Shao Qian**

Mr. Jia Shao Qian, aged 45, has been appointed as an executive Director of the Company since June 2015. Mr. Jia holds a master degree in management and has served as a legal adviser in the corporate legal department, a supervisor of public relations in the president office, deputy manager of the president office, manager of the president office of Hisense Group and the chief supervisor of Hisense Electric. He has served as the vice president of the Company from January 2007 to June 2015 and he has served as a director and vice president of the Company from June 2015 to February 2017. He has been a director and president of the Company since March 2017.

As at the Latest Practicable Date, Mr. Jia was interested in 539,060 A shares of the Company (representing approximately 0.040% of the total issued share capital of the Company and approximately 0.060% of the total issued A shares of the Company as at the Latest Practicable Date)

Save as disclosed above, Mr. Jia 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 SFO.

Save as disclosed above, Mr. Jia 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. Jia will not receive any director's remuneration from the Company, however, Mr. Jia will receive basic salary as the president of the Company in the amount of RMB1,400,000 (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. Jia will stand for election as an executive director of the Company. If elected, Mr. Jia's term of office will commence from the date of his appointment at the AGM until the expiry of the term of the tenth session of the board of directors (that is, 25 June 2021).

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## APPENDIX I      BIOGRAPHICAL DETAILS OF DIRECTOR CANDIDATES

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Save as disclosed above, Mr. Jia 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 Hong Kong Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders.

### **(6) Mr. Wang Yun Li**

Mr. Wang Yun Li, aged 45, has been appointed as an executive Director of the Company since June 2016. Mr. Wang holds a bachelor degree in English for science and technology, was the deputy sales general manager of Hisense Electric and the deputy general manager of the PRC marketing company of the Company. He was the vice president of the Company and the general manager of the PRC marketing company of the Company from December 2010 to January 2012. From February 2012 to March 2014, he was the vice president of the Company and the deputy general manager of Hisense Ronshen (Guangdong) Refrigerator Co., Ltd.. From March 2014 to July 2015, he was the deputy general manager of Hisense Ronshen (Guangdong) Refrigerator Co., Ltd.. From July 2015 to December 2015, he was the deputy head of the marketing and management department of Hisense Group. He has served as the general manager of Hisense (Shandong) Air Conditioning Co., Ltd. from January 2016 to May 2016. He has served as the vice president of the Company from May 2016 to June 2016. He has been a director and vice president of the Company since June 2016.

As at the Latest Practicable Date, Mr. Wang was interested in 52,120 A shares of the Company (representing approximately 0.004% of the total issued share capital of the Company and approximately 0.006% of the total issued A shares of the Company as at the Latest Practicable Date).

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 of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Wang 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. Wang will not receive any director's remuneration from the Company, however, Mr. Wang will receive basic salary as the vice president of the Company in the amount of RMB1,400,000 (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. Wang will stand for election as an executive director of the Company. If elected, Mr. Wang's term of office will commence from the date of his appointment at the AGM until the expiry of the term of the tenth session of the Board (that is, 25 June 2021).

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 Hong Kong Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders.

**(7) Mr. Ma Jin Quan**

Mr. Ma Jinquan, aged 75, has been appointed as an independent non-executive Director of the Company since January 2017. Mr. Ma 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. 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 SFO.

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 will be 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 AGM until the expiry of the term of the tenth session of the board of directors (that is, 25 June 2021).

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 Hong Kong Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders.

**(8) Mr. Zhong Gengshen**

Mr. Zhong Gengshen, aged 57, holds a doctorate degree in management of Nankai University, served as an associate professor at the School of Economics and the School of Management of Shandong University. He engaged in postdoctoral work at Inspur Group from March 2003 to July 2005. He currently serves as a professor at the School of Management and the department head of Business Administration of Shandong University,

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## APPENDIX I                      BIOGRAPHICAL DETAILS OF DIRECTOR CANDIDATES

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an executive director of Chinese Enterprise Management Research Association, a member of Shandong enterprises credit rating experts committee of the People's Bank of China (“中國人民銀行山東企業資信評級專家委員會”) and secretary general of Shandong Provincial Comparative Management Research Association (“山東省比較管理研究會”).

Save as disclosed above, Mr. Zhong 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 SFO.

Mr. Zhong 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. Zhong will be 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. Zhong will stand for election as an independent non-executive director of the Company. If elected, Mr. Zhong's term of office will commence from the date of his appointment at the AGM until the expiry of the term of the tenth session of the board of directors (that is, 25 June 2021).

Save as disclosed above, Mr. Zhong 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 Hong Kong Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders.

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## APPENDIX II BIOGRAPHICAL DETAILS OF SUPERVISOR CANDIDATES

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The biographical details of the supervisor candidates proposed to be appointed at the AGM are set out as follows:–

### (1) Mr. Liu Zhen Shun

Mr. Liu Zhen Shun, aged 48, has been appointed as a supervisor of the Company since January 2014. Mr. Liu holds a bachelor degree in law. He has served as the head of the legal department and the legal director of Hisense Group. He was the deputy head of the legal affairs department, the deputy secretary of the discipline inspection committee of Hisense Group from March 2005 to June 2012. He has been the head of the legal affairs department, the deputy secretary of the discipline inspection committee of Hisense Group since July 2012. He has served as the chairman of the Supervisory Committee of the Company since January 2014.

Save as disclosed above, Mr. Liu 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 SFO.

Save as disclosed above, Mr. Liu 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. Liu will not receive from the Company any remuneration as the supervisor of the Company.

Mr. Liu is to stand for election as a shareholder representative supervisor of the Company at the AGM. If elected, Mr. Liu's term of office will commence from the date of his appointment at the AGM until the expiry of the term of the tenth session of the supervisory committee (that is, 25 June 2021).

Save as disclosed above, Mr. Liu 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.

### (2) Mr. Yang Qing

Mr. Yang Qing, aged 44, has been appointed as a supervisor of the Company since December 2015. Mr. Yang holds a bachelor degree in accounting and has successively served as the finance manager of Hisense Air-Conditioning, the finance manager of Qingdao Hisense Marketing Co., Ltd. and the assistant of the general manager of the marketing company of the Company. He has served as the head of the audit department of Hisense Group from June 2013 to May 2014 and the chief accountant of 青島海信網絡科技股份有限公司 (Qingdao Hisense Cyber Technology Company Limited) from June 2014 to January 2017. He served as the deputy head of the financial management department of Hisense Group from January 2017 to February 2018. He has served as the head of the financial management department of Hisense Group since February 2018.

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## **APPENDIX II      BIOGRAPHICAL DETAILS OF SUPERVISOR CANDIDATES**

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Save as disclosed above, Mr. Yang 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 SFO.

Save as disclosed above, Mr. Yang 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. Yang will not receive from the Company any remuneration as the supervisor of the Company.

Mr. Yang is to stand for election as shareholder representative supervisor of the Company at the AGM. If elected, Mr. Yang's term of office will commence from the date of his appointment at the AGM until the expiry of the term of the tenth session of the supervisory committee (that is, 25 June 2021).

Save as disclosed above, Mr. Yang 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.