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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 PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the Chinese name of the Company from “海信科龍電器股份有限公司” to “海信家電集團股份有限公司” and the English name of the Company from “Hisense Kelon Electrical Holdings Company Limited” to “Hisense Home Appliances Group Co., Ltd.”.

Pursuant to a written request from Qingdao Hisense Air-Conditioning Company Limited, a substantial shareholder of the Company which holds 516,758,670 shares of the Company, representing approximately 37.92% of the issued shares of the Company as at the date of this announcement, to the Board on 29 August 2018 requesting that the resolutions in respect of the change of name of the Company and the corresponding amendments to the Articles of Association be proposed at the EGM for the Shareholders' consideration and approval, the Company has issued a revised notice of EGM to include the additional resolutions and despatched a circular containing details of the aforementioned resolutions to the Shareholders on 29 August 2018.

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details of the aforementioned resolutions to the Shareholders on 29 August 2018.

Reasons for the Proposed Change of Company Name

As the development of the Company flourished and grew, the asset position improved significantly, the scale of operating revenues expanded at a steady pace and profitability level enhanced significantly. The total assets increased significantly from RMB3.779 billion in 2008 to RMB21.474 billion in 2017; the net assets attributable to shareholders of listed company changed from negative to positive and increased significantly to RMB6.445 billion at the end of 2017; the operating revenues increased significantly from RMB8.635 billion in 2008 to RMB33.488 billion in 2017. The net profits attributable to shareholders of listed company changed from negative to positive, the net profits attributable to shareholders of listed company was RMB2 billion in 2017. Having started as a household appliance-manufacturing enterprise that solely manufactures refrigerators and residential air-conditioners, the Company has developed into a comprehensive electrical appliance-manufacturing enterprise that manufactures various products such as refrigerators, residential air-conditioners, central air-conditioners, washing machines, kitchen electrical appliances, environmental electrical appliances, commercial cold chain, etc.

In addition, Hisense Company Limited, the beneficial controller of the Company has been implementing the “internationalisation” strategy by developing sports marketing continuously. It sponsored Australian Open and F1 Infiniti Red Bull Racing, and successively became the premium sponsor of 2016 UEFA European Championship and the official sponsor of 2018 FIFA World Cup, which significantly enhanced the brand awareness for “Hisense” both locally and internationally.

In order to better reflect the actual and strategic position of the principal business of the Company, as well as to further utilize the synergy effects between the Company and its beneficial controller, to satisfy the Company’s brand management and development needs and hence increase the influence of the Company, the Company proposes to change its full name and the stock short name.

Conditions for the Proposed Change of Company Name

The Proposed Change of Company Name will be subject to the passing of an ordinary resolution by the Shareholders approving the Proposed Change of Company Name at the EGM.

The Company has obtained the Notice on Approval of Change of Company Name (《企業名稱變更核准通知書》) issued by the State Administration for Industry and Commerce in the PRC in relation to the Chinese new name of the Company. Subject to the passing of the relevant ordinary resolution at the EGM, the Company will apply to the State Administration for Industry and Commerce in the PRC for a change of business registration of the Company’s new Chinese name and the Proposed Change of Company Name will take effect from the date when the Company receives the new

business licence. The Company will then submit an application to the Companies Registry in Hong Kong to apply for a certificate of registration of change of corporate name of non-Hong Kong company. The Company will also comply with all necessary procedures for a change of stock short name in the Shenzhen Stock Exchange and the Hong Kong Stock Exchange.

Effects of the Proposed Change of Company Name

The Proposed Change of Company Name will not affect any of the rights of the existing Shareholders. All existing share certificates of the H Shares in issue bearing the current name of the Company shall, after the Proposed Change of Company Name becoming effective, continue to be the evidence of title to such H Shares and will continue to be valid for trading, settlement, registration and delivery purposes for the same number of H Shares in the new name of the Company. There will not be any arrangement for free exchange of the existing share certificates of H Shares for new share certificates bearing the new name of the Company. Upon the Proposed Change of Company Name becoming effective and from thereon, any new share certificates in respect of the H Shares will be issued only in the new name of the Company. In addition, subject to the approval of the Hong Kong Stock Exchange, the Chinese and English stock short names of the Company for dealings in the H Shares on the Hong Kong Stock Exchange will also be changed after the Proposed Change of Company Name becoming effective. The Company will make further announcement(s) relating to, among other things, the effective dates of the Proposed Change of Company Name and the new stock short names of the Company.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:-

“Articles of Association”	the Articles of Association of the Company;
“Board”	the board of directors of the Company;
“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 Hong Kong Stock Exchange and the main board of the Shenzhen Stock Exchange;
“EGM”	the 2018 third extraordinary 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 17 September 2018 at 3:00 p.m. for approval of (i) the Proposed Change of Company name; (ii) the proposed amendments to the Articles of Association; and (iii) the proposed amendments to the Rules of Procedures for the Meeting of the Board;

“H Shares”	overseas listed foreign shares of the Company with a nominal value of RMB1.00 each and are listed on the Hong Kong Stock Exchange;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“Proposed Change of Company Name”	the proposed change of the Chinese name of the Company from “海信科龍電器股份有限公司” to “海信家電集團股份有限公司” and the English name of the Company from “Hisense Kelon Electrical Holdings Company Limited” to “Hisense Home Appliances Group Co., Ltd.”;
“Shareholder(s)”	holder(s) of the share(s) of RMB1.00 each in the capital of the Company, comprising the A Shares and the H Shares; and
“%”	per cent.

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

Foshan City, Guangdong, the PRC, 29 August 2018

As at the date of this announcement, 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. Ma Jin Quan, Mr. Zhong Geng Shen and Mr. Cheung Sai Kit.