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Hisense 海信家電

HISENSE HOME APPLIANCES GROUP CO., LTD.

海信家電集團股份有限公司

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00921)*

NOTICE OF 2019 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2019 annual general meeting (the “AGM”) of Hisense Home Appliances Group Co., Ltd. (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 Tuesday, 23 June 2020 at 3:00 p.m. or any adjournment of such meeting for the purpose of considering and, if thought fit, passing the following resolutions, with or without modification, as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors of the Company (the “Board”) for the year ended 31 December 2019⁽⁸⁾.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2019⁽⁸⁾.
3. To consider and approve the 2019 annual report of the Company and its summary⁽⁸⁾.
4. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019⁽⁸⁾.
5. To consider and approve the profit distribution proposal of the Company for the year ended 31 December 2019⁽⁹⁾.
6. To consider and approve the re-appointment of ShineWing Certified Public Accountants LLP as the auditor of the Company for the ensuing year and to authorise the Board to fix its remuneration⁽¹¹⁾.
7. To consider and approve the resolution on entrusted wealth management of idle self-owned funds of the Company⁽¹²⁾.

8. To consider and approve the resolution to purchase liability insurance for the directors and the members of the senior management of the Company and to authorise the Board to handle the relevant matters⁽¹³⁾.

9. To consider and approve the appointment of Mr. Duan Yue Bin as an executive director of the tenth session of the Board and to authorise the Board to fix his remuneration⁽¹⁴⁾.

By order of the Board
Hisense Home Appliances Group Co., Ltd.
Tang Ye Guo
Chairman

Foshan City, Guangdong, the PRC, 15 May 2020

Notes:

- (1) Holders of the H shares of the Company intending to attend the AGM shall return the accompanying reply slip in writing to the registered office of the Company during hours between 8:30 a.m. and 11:00 a.m. or 1:30 p.m. and 4:30 p.m. on every business day on or before Wednesday, 3 June 2020. To qualify for attendance at the AGM, all transfers of the H shares of the Company together with the relevant share certificates must be lodged with the Company's branch share registrar and transfer office 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 Wednesday, 17 June 2020 for registration. The record date for such purposes is Wednesday, 17 June 2020.

- (2) Shareholders who are entitled to attend and vote at the AGM 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 the H shares of the Company whose names appear on the register of members of the Company as at the close of business on Wednesday, 17 June 2020 (including holders of the H Shares of the Company who have submitted verified transfer forms at or before 4:30 p.m. on Wednesday, 17 June 2020) will be entitled to attend the AGM. The register of members of the Company will be closed from Thursday, 18 June 2020 to Tuesday, 23 June 2020 (both days inclusive).

- (4) To be valid, the proxy form, 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 and transfer office in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 24 hours before the time appointed for holding the AGM or any adjournment of such meeting (as the case may be).

- (5) In order to determine the shareholders of the Company who are entitled to receive the dividend, the register of members of the H shares of the Company will be closed from Friday, 3 July 2020 to Friday, 10 July 2020 (both days inclusive). Holders of the H shares of the Company whose names appear on the register of members of the H shares of the Company on Friday, 10 July 2020 are entitled to receive the dividend. Holders of the H shares of the Company who wish to receive the dividend shall submit transfer forms together with the relevant share certificate(s) to the Company's branch share registrar and transfer office 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 Thursday, 2 July 2020. The record date for such purposes is Friday, 10 July 2020.

(6) In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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 resolutions 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 hxjd.hisense.cn and the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk after conclusion of the AGM.

(7) 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: (86) 757 2836 1055

Contact person: Ms. Wei Fang Yuan

(8) Please refer to the 2019 annual report of the Company for information relating to the reports as referred to in the ordinary resolutions numbered 1, 2, 3 and 4 in this notice.

(9) The profit distribution proposal of the Company for the year ended 31 December 2019 referred to in the ordinary resolution numbered 5 in this notice is as follows:

As audited by ShineWing Certified Public Accountants LLP, the net profit attributable to the shareholders of the Company (recognised in parent company) for the year ended 31 December 2019 is RMB759,629,604.23. Pursuant to the relevant requirements of the Articles of Association of the Company, RMB75,962,960.42 is allocated to the statutory common reserve fund; undistributed profits at the beginning of the year 2019 of RMB2,124,252,001.41 is added; and the distributed profits of RMB412,905,787.11 is deducted. The actual distributable profits is RMB2,395,012,858.11.

The profit distribution proposal of the Company for the year ended 31 December 2019 is as follows:

The payment of a cash dividend of RMB3.95 (tax inclusive) per 10 shares held by all shareholders on the basis of the total number of 1,362,725,370 shares of the Company as at 31 December 2019, without bonus issue and not to issue shares by way of conversion of capital reserve. The total amount of cash dividend to be distributed will be RMB538,276,521.15. The remaining undistributed profits will be retained for distribution in the following year.

If, during the period after the Board has approved the profit distribution plan until the implementation of the profit distribution plan, the Company's total share capital is changed, the distribution proportion will be re-ascertained based on the latest total share capital in accordance with the principle of "the total amount of cash dividend to be distributed remaining the same".

(10) Withholding and payment of dividend income tax

Pursuant to the provisions of the Corporate Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and the Implementing Regulations of the Corporate Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), with effect from 1 January 2008, any PRC domestic enterprise shall withhold the corporate income tax when distributing dividends payable to the shareholders being non-resident enterprises (i.e. legal persons) for accounting periods starting from 1 January 2008, and the payer of the dividends shall serve as the withholding agent. The Company will strictly abide by the law and identify all shareholders who are subject to the withholding and payment of corporate income tax based on the register of members of the H shares of the Company as at the record date in respect of the distribution of dividends and shall distribute the relevant dividends after deducting corporate income tax of 10% to non-resident enterprise shareholders (as defined under the Enterprise Income Tax Law (《企業所得稅法》), including HKSCC Nominees Limited, other corporate nominees or trustees, or other organisations or entities) whose names appear on the register of members of the H shares of the Company.

After receiving the dividends, a non-resident enterprise may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or through appointed agent or through a person who has obligation to withhold or pay dividend, and provide information to prove that it is an actual beneficiary conforming with the requirement(s) of taxation treaties (arrangement). After the relevant tax authorities have verified that there is no error, it shall refund tax with reference to the tax levied and the difference in the amount of tax payable calculated at the tax rate under the taxation treaties (arrangement).

Pursuant to the requirements of “Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (Cai Shui Zi [1994]020)” (財政部、國家稅務總局關於個人所得稅若干政策問題的通知(財稅字[1994]020號)), foreign individuals are exempted from individual income tax on dividends and bonus received from foreign-invested enterprises in the PRC. As the Company is a foreign-invested joint stock limited company, the individual shareholders who hold the H shares of the Company and whose names appear on the register of members of the H shares of the Company are not required to pay the individual income tax of the PRC.

Shareholders and investors should read the contents of this notice carefully. Shareholders are recommended to consult their tax advisers regarding PRC, Hong Kong and other tax implications arising from their holding and disposal of the H shares of the Company. The Company has no obligation and shall not be responsible for confirming the identities of the shareholders. The Company will withhold and pay the enterprise income tax in strict compliance with the relevant laws or requirements of the relevant government authorities and based strictly on the register of members of the H shares of the Company on the record date. The Company shall owe no liability whatsoever in respect of, and will not entertain any request arising from, any delay in ascertaining the identity of the shareholders, or the inaccurate determination of the identity of the shareholders, or any disputes over the mechanism of withholding and paying of the enterprise income tax.

- (11) In relation to the ordinary resolution numbered 6 in this notice, the Company intends to re-appoint ShineWing Certified Public Accountants LLP as the auditor of the Company for the ensuing year to audit the financial report and internal control of the Company.
- (12) Information relating to the resolution on entrusted wealth management of idle self-owned funds of the Company as referred to in the ordinary resolution numbered 7 in this notice is contained in the announcement on entrusted wealth management of idle self-owned funds published by the Company on 14 April 2020. The Board is of the opinion that the ordinary resolution numbered 7 as set out in this notice is 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.
- (13) In relation to the ordinary resolution numbered 8 in this notice, the Company intends to purchase “director and senior management liability insurance” for the directors and the members of the senior management of the Company, and it is agreed that the Company will enter into insurance contract of insurance premium not exceeding RMB100,000 for a term of one year.
- (14) Information referred to in ordinary resolution numbered 9 in this notice has been published in the announcement of the Company dated 5 March 2020 and is set out on pages 3 to 4 of the circular of the Company dated 15 May 2020.
- (15) References to time and dates in this notice are to Hong Kong time and dates.
- (16) The English version of the proposed resolutions 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.

As at the date of this notice, the Company's executive directors are Mr. Tang Ye Guo, Mr. Jia Shao Qian, Mr. Lin Lan, Mr. Dai Hui Zhong and Mr. Fei Li Cheng; and the Company's independent non-executive directors are Mr. Ma Jin Quan, Mr. Zhong Geng Shen and Mr. Cheung Sai Kit.

In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the AGM to protect attendees from the risk of infection:

- **compulsory body temperature checks**
- **recommended wearing of surgical face masks**
- **no distribution of corporate gift or refreshment**

Any person who does not comply with the precautionary measures or is subject to any quarantine prescribed by government authorities may be denied entry into the meeting venue. The Company reminds shareholders that they may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting as an alternative to attending the meeting in person.