

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “Meeting”) of Haier Electronics Group Co., Ltd. (the “Company”) will be held at Victoria Room I, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Monday, 22 May 2006 at 3:00 p.m. for the following purposes:

### **AS ORDINARY BUSINESS:**

1. To receive and consider the audited financial statements and the reports of the directors (the “Directors”) and auditors (the “Auditors”) of the Company for the year ended 31 December 2005.
2. To re-elect the retiring Directors and to authorise the board (the “Board”) of Directors to determine the remuneration of the Directors.
3. To re-appoint the Auditors and to authorise the Board to determine the remuneration of the Auditors.

**AS SPECIAL BUSINESS**, to consider and, if thought fit, to pass, with or without amendments, the following Resolution nos. 4, 5, 6 and 7 as Ordinary Resolutions of the Company and Resolution no. 8 as Special Resolution of the Company:

### **ORDINARY RESOLUTIONS**

4. **“THAT** subject to and conditional upon the listing committee (the “Listing Committee”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, the shares (the “Shares”) of HK\$0.10 each in the share capital of the Company to be issued pursuant to the exercise of share options which may be granted under the New Scheme Limit (as defined below), the refreshment of the existing limit in respect of the granting of share options under the Company’s share option scheme adopted on 28 February 2002, up to 10 per cent. of the number of the Shares in issue (the “New Scheme Limit”) as at the date of passing of this Resolution be and is hereby approved and the Directors be and are hereby authorized to do such acts and execute such documents to effect the New Scheme Limit and to exercise all powers of the Company to allot, issue and deal with the Shares to be issued pursuant to the exercise of such options.”
5. **“THAT:**
  - (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued Shares, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to repurchase the Shares at a price determined by the Directors;
  - (c) the aggregate nominal amount of the Shares which are authorised to be repurchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

- (d) For the purpose of this Resolution, "Relevant Period" means the period from the date of passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company (the "Bye-laws") or any applicable laws to be held; or
  - (iii) the date upon which the authority set out in this Resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting."

6. **"THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any option scheme or similar arrangement of the Company for the granting or issuance of Shares or rights to acquire Shares; or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued or to be issued by the Company or any securities which are convertible into Shares; or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

"Relevant Period" shall have the same meaning as that ascribed to it under the Resolution no. 5; and "Rights Issue" means an offer of shares open for a period fixed by the Directors to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong)."

**Notice of Annual General Meeting (cont'd)**

7. **“THAT** conditional upon the passing of the Resolutions nos. 5 and 6 above, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to the Resolution no. 6 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to the Resolution no. 5 as set out in the notice convening the Meeting, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution”

**SPECIAL RESOLUTION**

8. **“THAT** the existing Bye-laws be and are hereby amended in the following manner:

By replacing the word “Special” by “Ordinary” where it appears in the existing Bye-laws 97.A(vi) and 104 and related side-note(s).”

By Order of the Board of  
**HAIER ELECTRONICS GROUP CO., LTD.**  
**Yang Mian Mian**  
*Chairman*

Hong Kong, 26 April 2006

*Notes:*

1. The Register of Members of the Company will be closed from Thursday, 18 May 2006 to Monday, 22 May 2006 (both days inclusive) during which period no transfer of the Shares will be registered.
2. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
3. In case of the joint registered holders of any Shares, any one of such persons may vote at any meeting, either in person or by proxy; but if more than one of such joint holders be present at any meeting in person or by proxy, the said person whose name stands first on the Register of Members of the Company shall alone be entitled to vote in respect thereof.
4. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting.
5. With respect to the Resolution no. 2 as set out in this notice, Messrs. Chai Yong Sen, Cui Shao Hua, Lam Kin Kau, Mark and Fung Hoi Wing, Henry will retire upon the conclusion of the Meeting and, being eligible, will offer themselves for re-election. The profiles of the above Directors have been set out in the 2005 Annual Report of the Company.
6. A circular containing details of the Meeting and the accompanying proxy form have been sent to the shareholders of the Company together with the 2005 Annual Report of the Company.



**Haier** 海尔