

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Haier Electronics Group Co., Ltd.** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Haier 海尔
HAIER ELECTRONICS GROUP CO., LTD.
海爾電器集團有限公司*
(incorporated in the Bermuda with limited liability)
(Stock Code: 1169)

- (1) FINAL DIVIDEND**
(2) GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES
(3) SPECIFIC MANDATE TO ISSUE NEW SHARES PURSUANT TO THE
RESTRICTED SHARE AWARD SCHEME
(4) RE-ELECTION OF DIRECTORS AND
(5) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (the “AGM”) of the Company to be held at Harbour View Ballroom I — Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Tuesday, 30 June 2015 at 10:00 a.m. is set out on pages 16 to 19 of this circular.

A form of proxy for use at the AGM is also enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjourned meeting thereof should you so wish.

* *for identification purpose only*

CONTENTS

	<i>Page</i>
Responsibility Statement	ii
Definitions	1
Letter from the Board	4
Appendix I — Explanatory Statement on the Repurchase Mandate	10
Appendix II — Biographical Details of the Retiring Directors Proposed for Re-election	13
Notice of AGM	16

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, 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 facts the omission of which would make any statement contained herein or this circular misleading.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Harbour View Ballroom I — Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Tuesday, 30 June 2015 at 10:00 a.m.
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Companies Ordinance”	the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended and supplemented from time to time
“Company”	Haier Electronics Group Co., Ltd., an exempted company incorporated in Bermuda with limited liability, and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Directors’ Trust”	the trust under the Scheme under which the Trustee hold Scheme Shares for Proposed Beneficiaries who are directors and/or chief executives of the Group
“Eligible Participants”	eligible employees to be determined by the Remuneration Committee from time to time as having contributed or may contribute to the development and growth of the Group
“Employees’ Trust”	the trust under the Scheme under which the Trustee hold Scheme Shares for Proposed Beneficiaries who are employees (other than directors) of the Group
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution in relation thereof
“Latest Practicable Date”	21 May 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Proposed Beneficiary(ies)”	employee(s) of the Group selected by the Remuneration Committee for participation in the Scheme from time to time
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to repurchase the fully paid-up Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution in relation thereof
“Restricted Shares”	in respect of a Proposed Beneficiary, such number of Scheme Shares as determined or confirmed by the Remuneration Committee and awarded to each of the Proposed Beneficiary in accordance with the terms of the Scheme
“Scheme”	the restricted share award scheme of the Company which has been approved and adopted by the Board on 15 April 2014, in its present form or as amended from time to time in accordance with the Scheme Rules, comprising the Directors’ Trust and Employees’ Trust
“Scheme Rules”	the rules relating to the Scheme, as amended, modified or supplemented from time to time

DEFINITIONS

“Scheme Shares”	a maximum of 50,000,000 Shares which may from time to time be purchased or otherwise acquired and/or issued and allotted to the Trustee to hold on trust for Proposed Beneficiaries pursuant to the Scheme
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time, and which may be with corresponding adjustments to the Limit)
“Shareholder(s)”	the holder(s) of the Share(s)
“Specific Mandate”	the specific mandate proposed to be sought at the AGM, and as may be enlarged at any subsequent general meeting, to authorise the Directors to allot and issue Scheme Shares to the Trustee to hold on trust for employees (not directors) of the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a subsidiary within the meaning of the Companies Ordinance for the time being of the Company whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“Trust Deed”	the trust deed (as restated, supplemented and amended from time to time) entered into between the Company and the Trustee in respect of, inter alia, the constitution of the Directors’ Trust and the Employees’ Trust pursuant to the Scheme and the appointment of the Trustee for the administration of the Scheme
“Trustee”	Bank of Communications Trustee Limited, a professional trustee who is an independent third party not associated or connected with the Company or its connected persons appointed by the Company for the administration of the Scheme pursuant to the Trust Deed
“%”	per cent.

Haier 海尔
HAIER ELECTRONICS GROUP CO., LTD.
海爾電器集團有限公司*
(incorporated in the Bermuda with limited liability)
(Stock Code: 1169)

Executive Directors:

Mr. Zhou Yun Jie (*Chairman*)

Non-executive Directors:

Mr. Liang Hai Shan

Ms. Tan Li Xia

Ms. Janine Junyuan Feng

Dr. Wang Han Hua

Mr. Zhang Yong

Independent non-executive Directors:

Mr. Yu Hon To, David

Mrs. Eva Cheng Li Kam Fun

Ms. Tsou Kai-Lien, Rose

Alternate Director:

Mr. Gui Zhaoyu

(alternate to Ms. Janine Junyuan Feng)

Mr. Li Hua Gang

(alternate to Mr. Liang Hai Shan)

Registered office:

Clarendon House 2

Church Street

Hamilton HM 11

Bermuda

*Head office and principal place of
business in Hong Kong*

Unit 3513, 35th Floor

The Center

99 Queen's Road Central

Hong Kong

26 May 2015

To the Shareholders

Dear Sir or Madam,

- (1) FINAL DIVIDEND**
**(2) GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES**
**(3) SPECIFIC MANDATE TO ISSUE NEW SHARES PURSUANT TO THE
RESTRICTED SHARE AWARD SCHEME**
(4) RE-ELECTION OF DIRECTORS AND
(5) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

At the AGM, ordinary resolutions will be proposed to the Shareholders for approval of (1) payment of final dividend; (2) the grant of the Issue Mandate; (3) the grant of the Repurchase Mandate; (4) the extension of the Issue Mandate by the addition of the number of Shares

* *for identification purpose only*

LETTER FROM THE BOARD

repurchased pursuant to the Repurchase Mandate; (5) the grant of specific mandate to issue new Shares pursuant to the Restricted Share Award Scheme; and (6) the re-election of the retiring Directors.

The purpose of this circular is to give you notice of the AGM and to provide you with information regarding the said resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

FINAL DIVIDEND

The Board has resolved to recommend the payment of the final dividend of HK11 cents per Share in cash for the year ended 31 December 2014 (2013: HK10 cents) subject to the Shareholders' approval at the AGM (the "2014 Final Dividend"). For further details on the final dividend, please refer to the Company's announcement dated 26 March 2015.

The register of the members of the Company will be closed from Tuesday, 7 July 2015 to Thursday, 9 July 2015, both dates inclusive, during which period no transfer of the Shares will be effected. In order to be entitled for the proposed 2014 Final Dividend, all transfers of the Shares accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Monday, 6 July 2015.

REPURCHASE MANDATE

At the last annual general meeting of the Company held on 6 June 2014, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. An ordinary resolution will be proposed at the AGM to grant the Repurchase Mandate to the Directors. An explanatory statement as required under the Listing Rules to provide the requisite information of the Repurchase Mandate is set out in Appendix I to this circular.

ISSUE MANDATE AND EXTENSION OF ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed that the Directors be given the Issue Mandate to allot, issue, grant, distribute and deal with securities of the Company and to make or grant rights (including rights of exchange or conversion), offers, agreements and options (including bonds, warrants and debentures convertible into securities of the Company). The Directors believe that the general mandate will give the Company some flexibility as and when needed and therefore, it is appropriate for Shareholders to empower Directors with a general authority particularly in consideration of the growth potential of the integrated channel service business. The Directors commit that they will use the mandate sparingly and with consideration for the interests of the Company and all Shareholders as a whole. Subject to the passing of the proposed ordinary resolution approving the Issue Mandate and on the basis that no further Shares, rights (including rights of exchange or conversion), offers, agreements or options (including bonds, warrants and debentures convertible into securities of the Company) will be issued or allotted by the Company prior to the AGM, the exercise of the Issue Mandate in full would result in up to a maximum of 558,683,368 Shares, rights (including rights of exchange

LETTER FROM THE BOARD

or conversion), offers, agreements or options (including bonds, warrants and debentures convertible into securities of the Company), representing 20% of the total number of Shares in issue and a share capital of HK\$55,868,336, being issued by the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which the Issue Mandate is revoked or varied by an ordinary resolution passed by the Shareholders at a general meeting of the Company. In addition, an ordinary resolution will also be proposed to extend the Issue Mandate by adding to it the number of such Shares repurchased under the Repurchase Mandate.

SPECIFIC MANDATE TO ISSUE NEW SHARES PURSUANT TO THE RESTRICTED SHARE AWARD SCHEME

As disclosed in the Company's announcement dated 15 April 2014 and the Company's circular dated 7 May 2014, the Company has on the 15 April 2014 ("**Adoption Date**") adopted the Scheme, comprising the Employees' Trust and the Directors' Trust, pursuant to which, existing Shares shall be purchased by the Trustee, and/or new Scheme Shares may be issued and allotted to the Trustee pursuant to the Specific Mandate, to hold on trust for the relevant Proposed Beneficiaries until such Scheme Shares are vested in accordance with the Scheme Rules.

The purpose of the Scheme is to optimise the remuneration structure of the Group's management through using Scheme Shares, to recognise the contributions of, and to incentivise, the Eligible Participants and to promote the retention of existing personnel for the continued operation and development of the Group, and to attract capable talents for the future business development and expansion of the Group. The Board adopted the Scheme as part of a long term incentive plan for such persons. With its advantage such as flexibility in execution, the Scheme is a complementary measure to the existing share option scheme.

The Scheme is not subject to the provisions of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

The Company will seek a Specific Mandate at the AGM for the grant of up to 6,000,000 new Shares under the Employees' Trust pursuant to the Scheme during the second year of the Trust Period (as defined below).

Trust period

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Scheme shall be valid and effective for a period of 5 years commencing on the Adoption Date and ending on the 5th anniversary of the Adoption Date ("**Trust Period**").

Maximum number of Shares to be purchased or issued

The total number of existing Shares which may be purchased by the Trustee under the Scheme shall not in aggregate exceed 20,000,000 existing Shares throughout the entire Trust Period (the "**Purchase Limit**"). The total number of new Shares which may issue and allot to the Trustee pursuant to the Specific Mandate under the Scheme in each of the years of the

LETTER FROM THE BOARD

Trust Period shall not exceed 6,000,000 Shares, representing approximately 0.22% of the issued Shares as at the Adoption Date (the “**Issue Limit**”, and together with the Purchase Limit, the “**Limit**”), subject to an overall maximum of 30,000,000 new Shares throughout the entire Trust Period. Any Restricted Shares lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating the Limit.

Granting and Vesting

Restricted Shares would be granted pursuant the Scheme to (i) any employees (excluding any directors and chief executives) of the Group under the Employees’ Trust; and (ii) any directors and chief executives of the Group under the Directors’ Trust. The Company will notify each relevant Proposed Beneficiary of the entitlement to Restricted Shares by way of a notice (a “**Notice of Grant**”). Upon the receipt by the Company of a duly completed acknowledgement form from a Proposed Beneficiary, such Proposed Beneficiary who so returns such acknowledgement form will agree to the terms and conditions of the Notice of Grant and the Scheme and become a beneficiary (a “**Beneficiary**” and together the “**Beneficiaries**”).

The Scheme Shares shall be held on trust for the Proposed Beneficiaries until such Scheme Shares are vested in accordance with the Scheme Rules.

The Trustee may grant Restricted Shares to any employee of the Group under the Employees’ Trust out of new Scheme Shares to be allotted and issued by the Board using the Specific Mandate every year of the Trust Period.

As announced by the Company on 15 April 2014, the Company, on 15 April 2014, granted 4,110,000 Restricted Shares to selected Eligible Participants for the first year of the Trust Period. Out of this total, 343,600 Restricted Shares are expected to be allotted and issued to the Trustee using the Specific Mandate (for the first year of the Trust period) and to be held by the Trustee under the Employees’ Trust for Eligible Participants who are employees (excluding any directors and chief executives) of the Group and have met the vesting conditions.

The Company intends to seek a specific mandate at a general meeting for the grant of up to 6,000,000 new Restricted Shares under the Employees’ Trust every year during the Trust Period. Upon the grant of any Restricted Shares to any employee of the Group under the Employees’ Trust, the Company will decide whether such grant is by way of the issue of new Shares under the specific mandate for that year or by way of the award of existing Shares to be purchased by the Trustee, and the Company will inform the Trustee accordingly.

Subject to the approval of the Specific Mandate at the AGM, an application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, any Scheme Shares issued and allotted pursuant to the Specific Mandate which may fall to be issued by the Company under the Scheme.

The Directors consider that the Scheme and the Specific Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to the Bye-laws, Mr. Yu Hon To, David, Ms. Janine Junyuan Feng, Mr. Gui Zhaoyu (alternate to Ms. Janine Junyuan Feng) and Mrs. Eva Cheng Li Kam Fun are subject to retirement by rotation at the AGM, and Mr. Li Hua Gang (alternate to Mr. Liang Hai Shan) will hold office until the AGM. All these Directors are eligible for re-election at the AGM. Ms. Janine Junyuan Feng and Mr. Gui Zhaoyu have tendered notice to the Company that they will retire as a non-executive Director and an alternate Director, respectively, with effect from the conclusion of the AGM and decided not to offer themselves for re-election. The biographical details of Mr. Yu Hon To, David, Mrs. Eva Cheng Li Kam Fun and Mr. Li Hua Gang (alternate to Mr. Liang Hai Shan) are set out in Appendix II to this circular.

AGM

The AGM will be held at Harbour View Ballroom I — Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong, on Tuesday, 30 June 2015 at 10:00 a.m. A notice of the AGM is set out on pages 16 to 19 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjourned meeting thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll. An announcement on the poll results will be published by the Company on the date of the AGM in the manner as prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that (1) payment of the final dividend; (2) the grant of the Issue Mandate; (3) the grant of the Repurchase Mandate; (4) the extension of the Issue Mandate by the addition of the number of Shares repurchased pursuant to the Repurchase Mandate; (5) the grant of specific mandate to issue new Shares pursuant to the Restricted Share Award Scheme; and (6) the re-election of the retiring Directors are in the interests of the Group and the Shareholders as a whole and accordingly recommend all the Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of
Haier Electronics Group Co., Ltd.
Zhou Yun Jie
Chairman

This Appendix serves as an explanatory statement as required under the Listing Rules, to provide the requisition information to you for consideration of the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the Company had 2,793,416,843 Shares in issue or an issued share capital of HK\$279,341,684. As at the Latest Practicable Date, there were 26,300,000 outstanding share options under the employee share options scheme, and 69,174,595 issuable Shares from the convertible and exchangeable bonds.

Subject to the passing of the proposed ordinary resolution approving the Repurchase Mandate and on the basis that no outstanding share options, and convertible and exchangeable bonds are exercised and no further Shares are issued, allotted or repurchased by the Company prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to a maximum of 279,341,684 Shares, rights (including rights of exchange or conversion), offers, agreements or options (including bonds, warrants and debentures convertible into securities of the Company), representing approximately 10% of the total number of Shares in issue and a share capital of HK\$27,934,168, being repurchased by the Company during the period ending on the earlier of the conclusion of (1) the next annual general meeting of the Company; or (2) the date by which the next annual general meeting of the Company is required to be held by law; or (3) the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention of exercising the Repurchase Mandate, they believe that the flexibility offered by the Repurchase Mandate would be beneficial to the Company and the Shareholders as a whole. At any time in the future when the Shares are trading at a discount to their underlying value, the ability of the Company to repurchase the Shares will be beneficial to the Shareholders who retain their investment in the Company as their proportionate interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company from time to time and thereby resulting in an increase in net asset and/or earnings per Share. Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

FUNDING OF SHARE REPURCHASE

The Directors propose that the repurchase of Shares under the Repurchase Mandate would be financed by the Company's internal resources.

In repurchasing the Shares, the Company may only apply funds legally available for such purposes in accordance with the Bye-laws and the applicable laws of Bermuda. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the funds of the company that would otherwise be available for distribution by way of dividend or distribution or the proceeds of a new issue of the shares made for the purpose of the redemption. It is

envisaged that the funds required for any repurchase of the Shares would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company.

The exercise of the Repurchase Mandate in full will not have a material adverse impact on the working capital or the gearing level of the Company (as compared with the position disclosed in its latest published audited accounts as at 31 December 2014).

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Price per Share (Note)	
	Highest HK\$	Lowest HK\$
2014		
May	19.30	16.20
June	20.55	18.14
July	22.80	20.20
August	23.45	21.35
September	22.90	19.72
October	21.00	19.58
November	22.10	19.42
December	22.30	18.26
2015		
January	21.30	18.46
February	21.30	19.88
March	20.65	18.90
April	25.90	20.25
May (and up to the Latest Practicable Date)	23.50	20.55

UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

To the best of their knowledge having made all reasonable enquiries, none of the Directors or any of their respective associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No connected persons of the Company have notified the Company that they have a present intention to sell any Shares to the Company nor have undertaken not to sell any of the Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If, as a result of shares repurchase made by the Company, a Shareholder 's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, the Shareholder, or a group of the Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase of the Shareholders' interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the substantial Shareholders, together with their respective associates, were interested in an aggregate of 1,568,909,592 Shares, representing approximately 56.16% of the issued share capital of the Company (and 62.41% of the issued share capital of the Company if the Repurchase Mandate is exercised in full). To the best of their knowledge and belief, the Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

Assuming that there is no further issue of the Shares between the Latest Practicable Date and the date of repurchase of the Shares made by the Company, the exercise of the Repurchase Mandate in full will not result in the number of the Shares held by the public falling below 25% as required by Rule 8.08 of the Listing Rules. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding falling below such prescribed percentage.

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date by exercising the Repurchase Mandate.

The biographical details of the Directors proposed to be re-elected at the AGM are as follows:

Mr. YU Hon To, David, aged 67, was appointed as an Independent Non-executive Director of the Company on 21 June 2007. Mr. Yu is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. He was formerly a partner of an international accounting firm with extensive experience in corporate finance. Mr. Yu is the Chairman of MCL Financial Group Ltd, a Hong Kong based financial advisory and investment firm. He serves as an independent non-executive director of several other companies listed on the Stock Exchange, namely Great China Holdings Limited, China Renewable Energy Investment Limited, Media Chinese International Limited, One Media Group Limited, Playmates Holdings Limited, Sateri Holdings Limited, Synergis Holdings Limited, China Resources Gas Group Limited, Keck Seng Investments (Hong Kong) Limited, and New Century Asset Management Limited (the manager of New Century Real Estate Investment Trust). During the last three years, Mr. Yu has also been an independent non-executive director of other companies listed on the Stock Exchange, namely VXL Capital Limited, TeleEye Holdings Limited, and China Datang Corporation renewable Power Company Limited.

Mr. Yu has not entered into any service agreement with the Company but has entered into an appointment letter with the Company pursuant to the latest Listing Rules, the terms of which, among others, include a term which continues until terminated by either party by serving to the other party not less than three months' notice but subject to retirement by rotation at the general meetings of the Company in accordance with the Bye-laws of the Company. Mr. Yu's annual fixed remuneration will be approximately HK\$331,200 with other allowances subject to the adjustment by the Board and the Shareholders' approval. The remuneration of Mr. Yu was determined with reference to the prevailing market conditions and his duties and responsibilities with the Company. As at the Latest Practicable Date, Mr. Yu was a holder of 360,000 Shares. Save as disclosed above, Mr. Yu did not have any interests in any shares or underlying shares of the Company within the meaning of Part XV of the SFO nor have any relationship with any Director, senior management, substantial or controlling shareholders of the Company. Except for his appointment as an Independent Non-executive Director, Mr. Yu does not hold and has not held any other position with the Company or other members of the Group.

Mrs. Eva CHENG LI Kam Fun, aged 62, was appointed as an Independent Non-executive Director of the Company on 1 June 2013. Mrs. Cheng graduated from the University of Hong Kong with Bachelor of Arts (Hons) and Master of Business Administration degrees. Mrs. Cheng began her career with Amway Hong Kong in 1977. In 2011, she retired from her positions as executive vice president of Amway Corporation and executive chairman of Amway China Co. Ltd. During her 34 years with Amway, Mrs. Cheng's area of responsibilities covered markets in the Greater China and Southeast Asia regions.

Mrs. Cheng's leadership was well recognized in the business community. She was twice named the "World's 100 Most Powerful Women" by Forbes Magazine in 2008 and 2009. CNBC awarded Mrs. Cheng with the "China Talent Management Award" in its 2007 China Business Leaders Awards. Mrs. Cheng is currently an independent non-executive director of Trinity Limited, a company listed on the Main Board of the Stock Exchange, and Amcor Limited, a company listed on the Australian Securities Exchange. Mrs. Cheng is also a director of Nestle S.A. which is listed on the SIX Swiss Exchange. During the last three years, Mrs. Cheng has also been an independent non-executive director of other companies listed on the Stock Exchange, namely Esprit Holdings Limited, The Link Management Limited (the manager of The Link REIT which is listed on the Stock Exchange), and of Amway (Malaysia) Holdings Berhad (a company publicly listed on Bursa Malaysia Securities Berhad). In the areas of public and community service, Mrs. Cheng is the founding/honorary chairman of the Amway Charity Foundation. In Mainland China, Mrs. Cheng is a member of the executive committee of the All-China Women's Federation, Director of China Children and Teenagers' Foundation and member of the Chinese People's Political Consultative Conference — Guangdong Commission. In Hong Kong, Mrs. Cheng is Executive Director of Our Hong Kong Foundation, vice president of the All-China Women's Federation Hong Kong Delegates Association, honorary president of the Hong Kong Federation of Women, and permanent honorary committee member of The Chinese General Chamber of Commerce.

Mrs. Cheng has not entered into any service agreement with the Company but has entered into an appointment letter with the Company pursuant to the latest Listing Rules, the terms of which, among others, include a term which continues until terminated by either party by serving to the other party not less than three months' notice but subject to retirement by rotation at the general meetings of the Company in accordance with the Bye-laws of the Company. Mrs. Cheng's annual fixed remuneration will be approximately HK\$331,200 with other allowances subject to the adjustment by the Board and the Shareholders' approval. The remuneration of Mrs. Cheng was determined with reference to the prevailing market conditions and her duties and responsibilities with the Company. As at the Latest Practicable Date, Mrs. Cheng was a holder of 500,000 share options to subscribe for 500,000 Shares. Save as disclosed above, Mrs. Cheng did not have any interests in any shares or underlying shares of the Company within the meaning of Part XV of the SFO nor have any relationship with any Director, senior management, substantial or controlling shareholders of the Company. Except for her appointment as an Independent Non-executive Director, Mrs. Cheng does not hold and has not held any other position with the Company or other members of the Group.

Mr. LI Hua Gang, aged 45, has been appointed as the alternate Director to Mr. Liang Hai Shan since 7 June 2014. Mr. Li has served as a Chief Operation Officer of the Company since 12 November 2009, and has served as an Executive Director since 19 April 2010. Mr. Li has resigned as an executive director and relinquished the senior management role of the Company with effect from 26 March 2014. Mr. Li, graduated from the Huazhong University of Science and Technology, the PRC in 1991 with a Bachelor's degree in Economics. He joined the Haier Group in 1991 and has since held a number of senior positions in the sales and marketing functions with his expertise in the sales management in the 3rd and 4th tier markets of the PRC.

Mr. Li is also a director of the following Group's subsidiaries: Chengdu Haixin Goodaymart Electric Appliance Co., Ltd., Chongqing Hairi Logistics Co., Ltd., Chongqing New Goodaymart Electronics Sales Co., Ltd., Fujian Goodaymart Electric Appliance Co., Ltd., Goodaymart (Shanghai) Investment Co., Ltd., Haier Electronics Sales (Hefei) Co., Ltd., Haier Electronics Sales (HK) Co., Ltd., Hefei Goodaymart Logistics Co., Ltd., Hunan Goodaymart Electric Appliance Co., Ltd., Qingdao Goodaymart Logistics Co., Ltd., Shandong Goodaymart Electric Appliance Co., Ltd., Xuchang Goodaymart Electric Appliance Co., Ltd., Yantai Goodaymart Electric Appliance Co., Ltd., Hefei Goodaymart Electric Appliance Co., Ltd., Suzhou Goodaymart Electric Appliance Co., Ltd., Liaoning Goodaymart Trading Co., Ltd., Jiangsu Subei Goodaymart Electric Appliance Co., Ltd., Tangshan Goodaymart Electric Appliance Co., Ltd., Wuhan Goodaymart Electric Appliance Co., Ltd., Shanxi Goodaymart Electric Appliance Co., Ltd., Wenzhou Goodaymart Electric Appliance Co., Ltd., Qingdao Yatai Goodaymart Electric Appliance Co., Ltd., Changshu Suchang Electric Appliance Sales Co., Ltd., HH Retail Limited, Foreland Agents Limited, Coreland Limited, Impressive Holdings Limited, Haier Washing Machines Holdings (BVI) Limited, 365 Goodaymart (CM) Limited and 365 Goodaymart (HK) Limited.

Mr. Li has not entered into any service agreement with the Company but has entered into an appointment letter with the Company pursuant to the latest Listing Rules, the terms of which, among others, include a term which continues until terminated by either party by serving to the other party not less than three months' notice but subject to retirement by rotation at the general meetings of the Company in accordance with the Bye-laws of the Company. Mr. Li shall not be entitled to receive any remuneration from the Company in respect of his appointment as the alternate Director. As at the Latest Practicable Date, he was a holder of 230,000 Shares, and 170,000 share options to subscribe for 170,000 Shares. He is also the grantee of 110,000 restricted shares in accordance with the Company's restricted share award scheme. Save as disclosed above, Mr. Li did not have any interests in any shares or underlying shares of the Company within the meaning of Part XV of the SFO nor have any relationship with any Director, senior management, substantial or controlling shareholders of the Company.

Save as disclosed, as at the Latest Practicable Date, the above Directors had not held any other directorships in the last three years in listed public companies, nor did they have any other major appointment and professional qualifications.

As at the Latest Practicable Date, save as disclosed above, there was no information relating to the re-election of the above Directors that needed to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules and there was no matter that need to be brought to the attention of the Shareholders.

Based on the information contained in the confirmation on independence provided by Mr. Yu Hon To, David and Mrs. Eva Cheng LI Kam Fun to the Company pursuant to Rule 3.13 of the Listing Rules, the Board has reviewed and evaluated the independence of Mr. Yu and Mrs. Cheng and is satisfied that they have met the criteria of independence expected of an independent non-executive director under the Listing Rules. The Board is of the view that Mr. Yu Hon To, David and Mrs. Eva Cheng LI Kam Fun are considered independent, and have the character, integrity, independence and experience required to fulfil and discharge the role and duties of an independent non-executive Director in the event that they are elected at the 2015 AGM.

Haier 海尔
HAIER ELECTRONICS GROUP CO., LTD.
海爾電器集團有限公司*
(incorporated in the Bermuda with limited liability)
(Stock Code: 1169)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of Haier Electronics Group Co., Ltd. (the “**Company**”) will be held at Harbour View Ballroom I — Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Tuesday, 30 June 2015 at 10:00 a.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 2014.
2. To re-elect the retiring Directors; and to authorise the board of the Directors (the “**Board**”) 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.
4. To declare the final dividend of HK11 cents per share of the Company in cash for the year ended 31 December 2014.

AS SPECIAL BUSINESS, to consider and, if thought fit, to pass, with or without amendments, the following Resolution nos. 5, 6, 7 and 8 as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

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 on the Stock Exchange (the “**Listing Rules**”) 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;

* for identification purpose only

NOTICE OF AGM

- (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, grant, distribute and deal with securities of the Company and to make, issue or grant rights (including rights of exchange or conversion), offers, agreements and options (including bonds, warrants and debentures convertible into Shares) 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, issue or grant rights (including rights of exchange or conversion), offers, agreements and options (including bonds, warrants and debentures convertible into Shares) 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, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, a conversion 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 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

NOTICE OF AGM

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 same meaning as that ascribed to it under the Resolution no. 5 above; and “**Right Issue**” means an offer of Shares open for a period fixed by the Directors to the holders of Shares 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).”

7. “**THAT** conditional upon the passing of the Resolutions nos. 5 and 6 above, the general mandate granted to the Directors to allot, issue, grant, distribute and deal with additional securities of the Company pursuant to the Resolution no. 6 above be and is hereby extended by the addition thereof 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 above, 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.”
8. “**THAT** the Directors of the Company be and are hereby authorised to exercise the powers of the Company to allot and issue up to 6,000,000 Shares for granting Restricted Shares in the second year of the Trust Period for the Trustee to hold on trust for employees (not directors or chief executives) of the Group pursuant to the Scheme Rules under the restricted share award scheme adopted by the Company on 15 April 2014 (such capitalized terms are as defined in the circular of the Company dated 26 May 2015) and such new Shares shall rank pari passu in all respects among themselves and with the existing ordinary shares of the Company in issue at the date of the allotment of the new Shares.”

By Order of the Board of
HAIER ELECTRONICS GROUP CO., LTD.
Zhou Yun Jie
Chairman

Hong Kong, 26 May 2015

NOTICE OF AGM

Notes:

1. In order to ascertain the entitlements of the shareholders to attend the Meeting, the register of members of the Company will be closed from Monday, 29 June 2015 to Tuesday, 30 June 2015 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 26 June 2015.

In order to ascertain the entitlements of the shareholders to receive the proposed final dividend, the register of the members of the Company will be closed from Tuesday, 7 July 2015 to Thursday, 9 July 2015, both dates inclusive, during which period no transfer of the Shares will be effected. In order to be entitled for the proposed final dividend, all transfers documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Monday, 6 July 2015.

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, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 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, Mr. Yu Hon To, David, Ms. Janine Junyuan Feng, Mr. Gui Zhaoyu (alternate to Ms. Janine Junyuan Feng) and Mrs. Eva Cheng Li Kam Fun are subject to retirement by rotation at the Meeting, and Mr. Li Hua Gang (alternate to Mr. Liang Hai Shan) will hold office until the conclusion of the Meeting. All these Directors, being eligible, will offer themselves for re-election at the Meeting. Ms. Janine Junyuan Feng and Mr. Gui Zhaoyu have tendered notice to the Company that they will retire as a non-executive Director and an alternate Director, respectively, with effect from the conclusion of the AGM and decided not to offer themselves for re-election. The profiles of Mr. Yu Hon To, David, Mrs. Eva Cheng Li Kam Fun and Mr. Li Hua Gang have been set out in a circular (the "**Circular**") of the Company dated 26 May 2015 containing details of the Meeting.
6. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the Meeting shall be voted by poll.

As at the date of this notice, the executive director is Mr. Zhou Yun Jie (Chairman); the non-executive directors are Mr. Liang Hai Shan, Ms Tan Li Xia, Ms. Janine Junyuan Feng, Dr. Wang Han Hua and Mr. Zhang Yong; the independent non-executive directors are Mr. Yu Hon To, David, and Mrs. Eva Cheng Li Kam Fun and Ms. Tsou Kai-Lien, Rose; the alternate Directors are Mr. Gui Zhaoyu (alternate to Ms. Janine Junyuan Feng) and Mr. Li Hua Gang (alternate to Mr. Liang Hai Shan).