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)

ANNOUNCEMENT ON THE PROGRESS OF SIGNIIFCANT ASSET RESTRUCTURING

This announcement is made pursuant to Rules 13.09(1) and 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Hisense Kelon Electrical Holdings Company Limited (the "Company") disclosed the "Proposal of Acquisition of Assets through Private Issue of Shares (A Shares) and Connected Transaction" on 11 May 2009 (Please refer to the announcement dated 11 May 2009 published by the Company on its designated website (www.cninfo.com.cn) and the overseas regulatory announcement of the Company dated 8 May 2009). The progress of this significant asset restructuring is as follows:

1. Currently, this significant asset restructuring is being conducted as planned. No reports have been issued in connection with the audit assessment and profit forecast under the restructuring as such works are currently in progress. Upon completion of the above-mentioned works, the Company will convene the second meeting of the board of directors to discuss the matters in relation to this restructuring, and issue a notice of the general meeting at which this significant asset restructuring will be considered.

2. Apart from the "Framework Agreement for Acquisition of the White Goods

Assets of Qingdao Hisense Air-conditioning Company Limited through Issue of New Shares (A Shares) by Hisense Kelon Electrical Holdings Company Limited" considered and passed at the meeting of the board of directors of the Company on 8 May 2009, the Company has neither signed any other new agreements with Qingdao Hisense Air-conditioning Company Limited, nor proposed any new resolutions.

3. Important notice

As at the date of this announcement, the Company is not aware of any issue that may give rise to the revocation, termination or substantial change of this restructuring proposal by the board of directors of the Company.

The completion of this transaction is subject to the fulfillment of various conditions (The attention of general investors is drawn to the risk reminder set out in the "Proposal of Acquisition of Assets through Private Issue of Shares (A Shares) and Connected Transaction", being the overseas regulatory announcement of the Company dated 8 May 2009, and published by the Company on its designated website (www.cninfo.com.cn) on 11 May 2009). Accordingly, the successful implementation of this significant asset restructuring is subject to uncertainty. General investors are reminded to consider the risks involved.

The Company will discharge its relevant obligations of information disclosure under the relevant laws and requirements on a timely basis based on the progress of this significant asset restructuring.

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

As at the date of this announcement, the Company's directors are Mr. Tang Ye Guo, Mr. Zhou Xiao Tian, Ms. Yu Shu Min, Mr. Lin Lan, Ms. Liu Chun Xin and Mr. Zhang Ming; and the Company's independent non-executive directors are Mr. Zhang Sheng Ping, Mr. Lu Qing and Mr. Cheung Yui Kai, Warren.

Foshan City, Guangdong, the PRC, 5 June 2009.