

KELON 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: 0921)

ANNOUNCEMENT OF ESTIMATED PROFIT INCREASE

This announcement is made in accordance with Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

I. Estimated results for the reporting period

1. Results covering the reporting period from 1 January 2007 to 31 December 2007
2. Estimate of results: According to preliminary estimate, the net profit of the Company for the year ended 2007 will increase by approximately 300% as compared to the corresponding period of last year.
3. The estimated results have not been audited by certified public accountants.

II. Results of the same period of last year (before making adjustment according to the new accounting standards)

1. Net profit: RMB24,120,753.48 .
2. Earnings per share: RMB0.0243 (diluted).

III. Reasons for the change in results

Since the Company had disposed of some of its idle assets and with the continuous improvement in the operations and management of the Company during the reporting period, the Company expects to realize annual profit for this year. However, the Company is currently not in a position to recognize the respective contributions from its operating and non-operating profits and losses for this year.

IV. Other relevant explanations

This announcement of estimated results is made on the basis of the Company's actual status in the first three quarters and under normal operating environment in the fourth quarter, without taking into account the unpredictable factors such as the disposal of relevant assets and the impairment of assets, which will have an impact on the accuracy of this estimated results. In the event of any material deviations between the Company's annual results for the year ended 2007 and this announcement of estimated results, the Company will make relevant disclosure of the revised results by way of an announcement according to the relevant requirements as soon as possible. The detailed financial information for 2007 will be disclosed in the 2007 annual report. Investors are advised to be cautious when making investments in the Company.

SUSPENSION OF TRADING IN THE H SHARES

At the request of the Company, trading in H Shares of the Company was suspended with effect from 10:00 a.m. on 16 June 2005 until further notice.

By order of the Board
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. Yang Yun Duo, Mr. Wang Shi Lei, Ms. Yu Shu Min, Mr. Lin Lan and Ms. Liu Chun Xin; 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, 24 October 2007