

KELON 科龙

GUANGDONG KELON ELECTRICAL HOLDINGS COMPANY LIMITED 廣東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)

RESOLUTIONS PASSED AT THE SECOND MEETING OF THE SIXTH BOARD OF DIRECTORS

The sixth board of directors (the "Board") of Guangdong Kelon Electrical Holdings Company Limited (the "Company") convened its second meeting (the "Meeting") on 10 July 2006 by means of written resolutions. All of the nine directors of the Company attended the Meeting. The convening of and voting at the Meeting were in compliance with the relevant provisions of the Company Law of the People's Republic of China (the "PRC") and the articles of association of the Company (the "Articles of Association"). The following resolutions were considered and passed at the Meeting.

As the company secretary responsible for the Hong Kong affairs of the Company (the "Company Secretary"), Mr. Li Chi Sing, Gary ("Mr. Li"), is subject to administrative sanctions imposed by the China Securities and Regulatory Commission, according to the Articles of Association and relevant documents of the Company, Mr. Li is no longer suitable to act as senior management of the Company. The Board approved the removal of Mr. Li as the Company Secretary with 9 affirmative votes, 0 objected votes and 0 abstained votes.

Meanwhile, at the request of Mr. Li, the Board approved the cessation of Mr. Li to act as the qualified accountant of the Company as at the date of this announcement. Further, Mr. Li ceased to be the chief financial officer of the Company as at 7 July 2006.

The Company will select a suitable person with the requisite qualifications to act as the Company Secretary and qualified accountant of the Company as soon as practicable, so as to comply with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Trading in the H shares of the Company

At the request of the Company, trading in the H shares of the Company was suspended with effect from 10:00 a.m. on 16 June 2005 pending the release of an announcement in relation to price sensitive information. Subject to the publication of the annual results for the year ended 31 December 2005 and further announcements in relation to, amongst others, the financial, production and trading position of the Group, and the satisfaction by the The Stock Exchange of Hong Kong Limited to the adequacy of the internal control measures of the Company, trading in the H shares of the Company will remain suspended until further notice.

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

As at the date of this announcement, the Company's executive directors are Mr. Tang Ye Guo, Ms. Yu Shu Min, Mr. Su Yu Tao, Mr. Xiao Jian Lin, Mr. Lin Lan 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, 10 July 2006

"Please also refer to the published version of this announcement in China Daily"