

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 FIFTH MEETING OF THE SIXTH BOARD OF DIRECTORS

This announcement is made in accordance with Rules 13.09(2) and 13.51(5) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The sixth board of directors of Guangdong Kelon Electrical Holdings Company Limited (the "Company") convened its fifth meeting (the "Meeting") by way of written resolutions on 7 September 2006. The notice of the Meeting was despatched to all the directors of the Company in writing, by fax and mail on 27 August 2006. Seven of the nine directors attended the Meeting, while executive directors Ms. Yu Shu Min and Mr. Lin Lan were unable to attend the Meeting as they were on business trip, nor did they authorise other directors to attend the Meeting on their behalf. The convening of and the voting at the Meeting were in compliance with the Company Law of the People's Republic of China (the "PRC") and the articles of association of the Company. The following resolutions were considered and passed at the Meeting:

1. the appointment of Mr. Dai Zu Mian^{Note 1} as the company secretary of the Company in respect of Hong Kong affairs was approved with 7 affirmative votes, 0 objecting votes and 0 abstaining votes;
2. the appointment of Mr. Dai Zu Mian to act concurrently as the qualified accountant of the Company was approved with 7 affirmative votes, 0 objecting votes and 0 abstaining votes;
3. the resignation of Mr. Zhong Liang as the representative of the Company on securities affairs due to work arrangements was approved with 7 affirmative votes, 0 objecting votes and 0 abstaining votes; and
4. the appointment of Mr. Zhong Liang^{Note 2} as the secretary of the board of directors of the Company was approved with 7 affirmative votes, 0 objecting votes and 0 abstaining votes.

Mr. Tang Ye Guo, the chairman of the Company, ceased to act as the secretary of the board of directors of the Company as at the date of this announcement.

The term of office of each of the above personnel commences and is effective from the date of this announcement and terminates on the expiration of the term of the sixth board of directors of the Company.

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 announcements in relation to, amongst others, the financial, production and trading position of the Company, and the Stock Exchange's satisfaction with the adequacy of the Company's internal control measures, 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, 8 September 2006

Notes:

1. Mr. Dai Zu Mian, aged 29, holder of a bachelor degree in economics, is a member of the Association of Chartered Certified Accountants in the United Kingdom and is a certified public accountant in the PRC. He had held positions in internationally renowned accounting firms in the past including PricewaterhouseCoopers Zhongtian Certified Public Accountants.
2. Mr. Zhong Liang, aged 28, master postgraduate, has acted as the representative of the Company on securities affairs since he joined the Company in 2001. He had acted as the deputy manager and manager of the office of secretary of the board of directors and head of the securities department of the Company.

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