



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: 921)

**ANNOUNCEMENT OF THE RESOLUTIONS PASSED
AT THE BOARD MEETING**

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules.

The Board of Directors of the Company held a meeting on 20th August 2004, during which the resolutions set out in this announcement were considered and approved.

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

The Board of Directors (the "Board") of Guangdong Kelon Electrical Holdings Company Limited (the "Company") held a meeting at the Conference Room at the Company's head office in Shunde District, Foshan City, Guangdong, on 20th August 2004 at 10:00 a.m. All nine directors of the Company attended the meeting, amongst them, Mr. Gu Chu Jun, Mr. Fang Zhi Guo and Mr. Zhang Hong attended and voted by way of telephone conference. The meeting was duly constituted and held in accordance with the Company Law of the People's Republic of China and the Articles of Association of the Company. The meeting was chaired by vice chairman of the Board, Mr. Liu Cong Meng, and the resolutions below were considered and approved.

1. That the text of the interim report of the Company for the six months ended 30 June 2004 were considered and approved.
2. That the summary of the interim report of the Company for the six months ended 30 June 2004 were considered and approved.
3. That the profit distribution proposal of the Company for the six months ended 30 June 2004 be approved: The Board resolved not to distribute profit for the first half of 2004, not to pay any interim dividend nor make any distribution to shareholders of the Company. The Board also resolved not to make any transfer of capital reserve.

By the order of the Board of
Guangdong Kelon Electrical Holdings Company Limited
Gu Chu Jun
Chairman

Shunde District, Foshan City, Guangdong, the PRC, 20th August, 2004.

As at the date of this announcement, the Company's executive directors are Mr. Gu Chu Jun, Mr. Liu Cong Meng, Mr. Li Zhen Hua, Mr. Yan You Song, Mr. Zhang Hong and Mr. Fang Zhi Guo; and the independent non-executive directors are Mr. Chan Pei Cheong, Andy, Mr. Li Kung Man and Mr. Xu Xiao Lu.

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