



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)

NOTICE OF H SHAREHOLDERS EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting for holders of H shares of Guangdong Kelon Electrical Holdings Company Limited (the “Company”) will be held at the conference room of the Company’s head office, Shunde District, Foshan City, Guangdong Province on 15th January, 2005 at 10:30 a.m. for the purpose of considering, and, if thought fit, passing with or without amendment, the following resolution which will be proposed as a special resolution of the Company:

SPECIAL RESOLUTION

1. “THAT

- (i) subject to sub-paragraph (ii) and (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase overseas-listed foreign shares (“H shares”) in issue of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or any other stock exchange as amended from time to time, or of any other governmental or regulatory body be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the H Shares of the Company which the directors of the Company are authorised to repurchase pursuant to the approval in sub-paragraph (i) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the H Shares of the Company in issue on the date of this resolution; and
- (iii) the approval in sub-paragraph (i) above shall be conditional upon:
 - (a) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (iii)(a)) at (1) the extraordinary general meeting for all shareholders to be held on 15th January, 2005 (or on such adjourned date as may be applicable); and (2) the extraordinary general meeting for holders of domestic shares of the Company to be held on 15th January, 2005 (or on such adjourned date as may be applicable);
 - (b) the approvals of the regulatory authorities as required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
 - (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in Article 4.2 of the articles of association of the Company;

(iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of a period of twelve months following the passing of this special resolution; or
 - (c) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the shareholders of the Company in any general meeting; and
- (v) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorized to:
- (a) make such amendments to the articles of association accordingly as it thinks fit so as to reduce the registered share capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares of the Company as contemplated in paragraph (i) above; and
 - (b) file the amended articles of association of the Company with the relevant government authorities of the PRC.”

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

Foshan City, Guangdong, the PRC, 26th November, 2004

Notes:

1. The register of members of the Company will be closed from 16th December, 2004 to 15th January, 2005, both days inclusive, during which period no share transfers will be registered. To qualify for attendance at the extraordinary general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Branch Share Registrar in Hong Kong, Hong Kong Registrars Limited of Rooms 1712-1716, 17/F Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:00 p.m. on 15th December, 2004, for registration.
2. Shareholders intending to attend the H shareholders extraordinary general meeting shall give written notice of the same to the Company, which shall be lodged at the registered office of the Company on or before 4:00 p.m. on 24th December, 2004.
3. Shareholders entitled to attend and vote at the H shareholders extraordinary general meeting are entitled to appoint one or more persons (whether or not a shareholder of the Company) as their proxy to attend and vote on behalf of themselves.
4. In order to be valid, the form of proxy, together with a duly notarised power of attorney or other document of authority, if any, under which the form is signed must be deposited at the registered office of the Company not later than 24 hours before the time for holding the H shareholders extraordinary general meeting.

5. The registered address of the Company is: No. 8 Ronggang Road, Ronggui, Shunde District, Foshan City, Guangdong Province.

Postal code: 528303

Tel: (86) 757 28362570

Fax: (86) 757 28361055

Contact person: Li Lin, Yu Wan Li

As at the date of this notice, 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"