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)

PROXY FORM FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD ON 5 DECEMBER 2006

The number of H shares to which this proxy form relates: *(Note 1)* ______________________________

I/We *(Note 2)* ______________________________

of ______________________________

being the registered holder(s) of ______________ H shares *(Note 3)* in Guangdong Kelon Electrical Holdings Company Limited (the "Company"), hereby appoint the chairman of the Annual General Meeting of the Company (the "AGM") or ______________________________

______________________________ *(Note 4)*

as my/our proxy or proxies to attend at, and vote for me/us and on my/our behalf at the AGM (or any adjournment thereof) to be held at the conference room of the Company's head office, No. 8, Ronggang Road, Ronggui, Shunde District, Foshan City, Guangdong Province, the People's Republic of China at 9:30 a.m. on 5 December 2006 to vote on the undermentioned resolutions as indicated. Failure to complete the boxes will entitle my/our proxy to vote at his/her discretion:

	ORDINARY RESOLUTIONS	FOR *(Note 5)*	AGAINST *(Note 5)*
1.	To consider and approve the report of the directors of the Company for the year ended 2005;		
2.	To consider and approve the report of the supervisory committee of the Company for the year ended 2005;		
3.	To consider and approve the annual report of the Company for the year ended 2005;		
4.	To consider and approve the profit distribution budget of the Company for the year ended 2005;		
5.	To reappoint Shenzhen Dahua Tiancheng Certified Public Accountants and BDO McCable Lo Limited as the local and foreign auditors respectively for the year 2006 and authorize the board of directors of the Company to fix their remuneration;		
6.	To consider and approve the proposal relating to the retrospective adjustment to the figures at the beginning of the year and provisions for impairment of inventories, fixed assets, construction in progress, intangible assets, impairment of long-term investment and provisions for bad debts;		
7.	Regarding the continuing connected transactions between the relevant subsidiaries of the Company and Huayi Compressor, Jiaxi Beila or Huayi Jingzhou, including (capitalised terms used in this resolution have the same meanings as those defined in the announcement of the Company dated 18 September 2006):		
	(i) To consider and approve Compressors Purchase and Supply Framework Agreement I dated 15 September 2006 entered into between Kelon Freezer and Huayi Compressor and the continuing connected transactions contemplated thereunder;	(i)	(i)
	(ii) To consider and approve Compressors Purchase and Supply Framework Agreement II dated 15 September 2006 entered into between Kelon Freezer and Jiaxi Beila and the continuing connected transactions contemplated thereunder;	(ii)	(ii)
	(iii) To consider and approve Compressors Purchase and Supply Framework Agreement III dated 15 September 2006 entered into between Kelon Freezer and Huayi Jingzhou and the continuing connected transactions contemplated thereunder;	(iii)	(iii)
	(iv) To consider and approve Compressors Purchase and Supply Framework Agreement IV dated 15 September 2006 entered into between Yingkou Kelon and Jiaxi Beila and the continuing connected transactions contemplated thereunder;	(iv)	(iv)
	(v) To consider and approve Compressors Purchase and Supply Framework Agreement V dated 15 September 2006 entered into between Jilin Kelon and Jiaxi Beila and the continuing connected transactions contemplated thereunder;	(v)	(v)
	(vi) To consider and approve Compressors Purchase and Supply Framework Agreement VI dated 15 September 2006 entered into between Hangzhou Kelon and Huayi Compressor and the continuing connected transactions contemplated thereunder;	(vi)	(vi)
	(vii) To consider and approve Compressors Purchase and Supply Framework Agreement VII dated 15 September 2006 entered into between Hangzhou Kelon and Jiaxi Beila and the continuing connected transactions contemplated thereunder;	(vii)	(vii)
	(viii) To consider and approve Compressors Purchase and Supply Framework Agreement VIII dated 15 September 2006 entered into between Chengdu Kelon and Jiaxi Beila and the continuing connected transactions contemplated thereunder;	(viii)	(viii)
	(ix) To consider and approve Compressors Purchase and Supply Framework Agreement IX dated 15 September 2006 entered into between Chengdu Kelon and Huayi Compressor and the continuing connected transactions contemplated thereunder;	(ix)	(ix)
	(x) To consider and approve Compressors Purchase and Supply Framework Agreement X dated 15 September 2006 entered into between Kelon Refrigerator and Huayi Compressor and the continuing connected transactions contemplated thereunder;	(x)	(x)
	(xi) To consider and approve Compressors Purchase and Supply Framework Agreement XI dated 15 September 2006 entered into between Jilin Kelon and Huayi Compressor and the continuing connected transactions contemplated thereunder;	(xi)	(xi)
	(xii) To consider and approve Compressors Purchase and Supply Framework Agreement XII dated 15 September 2006 entered into between Yingkou Kelon and Huayi Compressor and the continuing connected transactions contemplated thereunder;	(xii)	(xii)
	(xiii) To consider and ratify the continuing connected transactions in relation to the purchase of compressors entered into between the relevant subsidiaries of the Company and Huayi Compressor, Jiaxi Beila or Huayi Jingzhou since January 2005 up to the date of the annual general meeting (capitalised terms used in this resolution have the same meanings as those defined in the announcement of the Company dated 18 September 2006);	(xiii)	(xiii)

8.	Regarding the continuing connected transactions entered between the relevant subsidiaries of the Company and subsidiaries of Hisense Group, including (capitalised terms used in this resolution have the same meanings as those defined in the announcement of the Company dated 18 September 2006): (i) To consider and approve Mould Purchase Framework Agreement dated 15 September 2006 entered into between Kelon Mould and Hisense Air-Conditioning and the continuing connected transactions contemplated thereunder; (ii) To consider and approve Raw Materials Purchase and Supply Framework Agreement dated 15 September 2006 entered into between Kelon Air-Conditioner and Hisense Zhejiang and the continuing connected transactions contemplated thereunder; (iii) To consider and approve Air-Conditioners Production and Purchase Framework Agreement dated 15 September 2006 entered into between Kelon Air-Conditioner and Hisense Zhejiang and the continuing connected transactions contemplated thereunder; (iv) To consider and approve Air-Conditioners Production and Supply Framework Agreement dated 15 September 2006 entered into between Kelon Air-Conditioner and Hisense Marketing and the continuing connected transactions contemplated thereunder; (v) To consider and ratify the continuing connected transactions in relation to the purchase of electrical appliances, the purchase of compressors, the supply of moulds, the purchase and supply of air-conditioners and the supply of raw-materials entered into between the subsidiaries of the Company and the subsidiaries of Hisense Group since October 2005 up to the date of the annual general meeting (capitalised terms used in this resolution have the same meanings as those defined in the announcement of the Company dated 18 September 2006);	(i) (ii) (iii) (iv) (v)	(i) (ii) (iii) (iv) (v)
9.	To consider and approve the emoluments to be received by Mr. Tang Ye Guoas chairman of the Board;		
10.	To consider and approve the removal and appointment of supervisors representing the shareholders of the Company, including: (i) To consider and approve the removal of Mr. Zeng Jun Hong as the supervisor representing the shareholders of the Company; (ii) To consider and approve the appointment of Mr. Guo Qingcun as the supervisor representing the shareholders of the Company; (iii) To consider and approve the appointment of Mr. Zhou Zhaoli as the supervisor representing the shareholders of the Company;	(i) (ii) (iii)	(i) (ii) (iii)
11.	To consider and approve the proposed amendments to the "Rules of Procedures for the Meetings of the Supervisory Committee of the Company";		
12.	To consider and approve the proposed amendments to the "Rules of Procedures for the Meetings of the Board of Directors of the Company";		
13.	To consider and approve the proposed amendments to the "Rules of Procedures for the General Meetings of the Company";		
14.	To consider and approve the grant of guarantees in the total sum of RMB1.512 billion to the subsidiaries of the Company for the year 2006;		
	SPECIAL RESOLUTION		
15.	To consider and approve the proposed amendments to the articles of associations of the Company.		

Signed this ____________ day of ____________ Signature *(Note 6)*: ____________

Notes:

1. Please fill in the number of H shares relevant to this proxy form. Failure to fill in the aforesaid number of shares will result in this proxy form being deemed to relate to all shares registered in your name(s).

2. Please insert full name(s) and address(es) in **BLOCK CAPITALS** as shown in the register of members of the Company.

3. Please insert the number of all the H shares in the Company registered in your name(s) and delete if appropriate.

4. If any proxy other than the chairman is preferred, please strike out "chairman of the Annual General Meeting of the Company" herein inserted and insert the name and address of the proxy or proxies desired in the space provided. A shareholder is entitled to appoint any person(s) to be his/her proxy or proxies. The proxy or proxies does/do not need to be a shareholder of the Company. **Any alteration made to this form of proxy must be initialled by the person who signs it.**

5. **Important: If you wish to vote for any resolution, please place a "X" in the box marked "FOR" provided for such resolution. If you wish to vote against a resolution, please place an "X" in the box marked "AGAINST" provided for such resolution.** Failure to complete either of the abovementioned boxes will entitle your proxy to cast your vote(s) or abstain at his or her discretion.

6. This form of proxy must be signed by you or your attorney duly authorised in writing or, if the appointor is a corporation, must be executed under its common seal or under the hand of an officer or attorney of the corporation duly authorised in writing.

7. To be valid, this form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at 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** not less than 24 hours before the time appointed for holding of the AGM or any adjournment thereof (as the case may be).

8. Completion and delivery of this form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.