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 ANNUAL GENERAL MEETING HELD ON 5 DECEMBER 2006

The 2005 annual general meeting (the "AGM") of Guangdong Kelon Electrical Holdings Company Limited (the "Company") was held at the conference room of the Company's head office, Shunde District, Foshan City, Guangdong Province, the People's Republic of China (the "PRC") on Tuesday, 5 December 2006 at 9:30 a.m.. A poll was demanded by Mr. Tang Ye Guo, the chairman of the AGM for voting on all proposed resolutions as set out in the notice of the AGM dated 16 October 2006 and the further notice to the AGM dated 16 November 2006 (together, the "Notices of AGM"). The convening of the AGM was in accordance with the Company Law of the PRC and the articles of association of the Company (the "Articles of Association"). All resolutions were approved by the shareholders of the Company (the "Shareholders") by way of poll.

As at the date of the AGM, the issued share capital of the Company comprised 992,006,563 shares (the "Shares"), of which 337,915,755 are non-tradeable Shares (the "Non-Tradeable Shares") and 654,090,808 are tradeable Shares (the "Tradeable Shares"). The Tradeable Shares comprise 194,501,000 A Shares (the "A Shares") and 459,589,808 H Shares (the "H Shares").

Six Shareholders or their proxies holding 90,592,652 Shares with voting rights, representing 9.13% of the entire issued share capital of the Company, were present and constituted a quorum of the AGM in accordance with the Company Law of the PRC and the Articles of Association. One of the six Shareholders or their proxies were holders of 68,666,667 Non-Tradeable Shares, representing 20.32% of the total issued Non-Tradeable Shares, and the remaining five of the six Shareholders or their proxies were holders of 21,925,985 Tradeable Shares (the "Tradeable Shareholders"), representing 3.35% of the total issued Tradeable Shares. Three of the Tradeable Shareholders were holders of 1,073,185 A Shares, representing 0.55% of the total issued A Shares. The two Tradeable Shareholders were holders of 20,852,800 H Shares, representing 4.54% of the issued H Shares.

There were no restrictions on the Shareholders to cast vote on any of the resolutions at the AGM.

W.WONG & CO. was appointed as the scrutineer at the AGM for the purpose of vote-taking.

Terms used herein, unless otherwise defined, shall have the same meaning as provided in the Notices of AGM.

The resolutions set out below are in the same order and correspond to those set out in the Notices of AGM. Please refer to the Notices of AGM for the full wording thereof. The poll results in respect of the resolutions passed at the AGM were as follows:

		No. of Votes (%)		
		For	**Against**	**Abstain**
	Ordinary resolutions			
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 and its summary of the Company for the year ended 2005			
	(The poll results in respect of the above resolutions were the same)			
	(a) Non-Tradeable Shares	68,666,667 (100%)	0 (0%)	0 (0%)
	(b) Tradeable Shares	4,462,700 (20.35%)	17,463,285 (79.65%)	0 (0%)
	(i) A Shares	10,700 (1.00%)	1,062,485 (99%)	0 (0%)
	(ii) H Shares	4,452,000 (21.35%)	16,400,800 (78.65%)	0 (0%)
	Total Shares	73,129,367 (80.72%)	17,463,285 (19.28%)	0 (0%)
The above resolutions were duly passed as ordinary resolutions.				

4.	To consider and approve the profit distribution budget of the Company for the year ended 2005.			
	(a) Non-Tradeable Shares	68,666,667 (100%)	0 (0%)	0 (0%)
	(b) Tradeable Shares	20,863,500 (95.15%)	1,062,485 (4.85%)	0 (0%)
	(i) A Shares	10,700 (1.00%)	1,062,485 (99%)	0 (0%)
	(ii) H Shares	20,852,800 (100%)	0 (0%)	0 (0%)
	Total Shares	89,530,167 (98.83%)	1,062,485 (1.17%)	0 (0%)
The resolution was duly passed as an ordinary resolution.				
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.			
	(a) Non-Tradeable Shares	68,666,667 (100%)	0 (0%)	0 (0%)
	(b) Tradeable Shares	20,501,500 (93.50%)	1,062,485 (4.85%)	362,000 (1.65%)
	(i) A Shares	10,700 (1.00%)	1,062,485 (99%)	0 (0%)
	(ii) H Shares	20,490,800 (98.26%)	0 (0%)	362,000 (1.74%)
	Total Shares	89,168,167 (98.43%)	1,062,485 (1.17%)	362,000 (0.40%)
The resolution was duly passed as an ordinary resolution.				
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.			
	(a) Non-Tradeable Shares	68,666,667 (100%)	0 (0%)	0 (0%)
	(b) Tradeable Shares	4,100,700 (18.70%)	17,463,285 (79.65%)	362,000 (1.65%)
	(i) A Shares	10,700 (1.00%)	1,062,485 (99%)	0 (0%)
	(ii) H Shares	4,090,000 (19.61%)	16,400,800 (78.65%)	362,000 (1.74%)
	Total Shares	72,767,367 (80.32%)	17,463,285 (19.28%)	362,000 (0.4%)
The resolution was duly passed as an ordinary resolution.				

7.	(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. (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. (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. (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. (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. (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. (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. (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. (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. (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. (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. (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. (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. (The poll results in respect of the above resolutions were the same)			

	(a) Non-Tradeable Shares	68,666,667 (100%)	0 (0%)	0 (0%)
	(b) Tradeable Shares	17,501,500 (79.82%)	1,062,485 (4.85%)	3,362,000 (15.33%)
	(i) A Shares	10,700 (1.00%)	1,062,485 (99%)	0 (0%)
	(ii) H Shares	17,490,800 (83.88%)	0 (0%)	3,362,000 (16.12%)
	Total Shares	86,168,167 (95.12%)	1,062,485 (1.17%)	3,362,000 (3.71%)
The above resolutions were duly passed as ordinary resolutions.				
8.	(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. (The poll results in respect of the above resolutions were the same)			
	(a) Non-Tradeable Shares	68,666,667 (100%)	0 (0%)	0 (0%)
	(b) Tradeable Shares	17,501,500 (79.82%)	1,062,485 (4.85%)	3,362,000 (15.33%)
	(i) A Shares	10,700 (1.00%)	1,062,485 (99%)	0 (0%)
	(ii) H Shares	17,490,800 (83.88%)	0 (0%)	3,362,000 (16.12%)
	Total Shares	86,168,167 (95.12%)	1,062,485 (1.17%)	3,362,000 (3.71%)
The above resolutions were duly passed as ordinary resolutions.				

9.	To consider and approve the emoluments to be received by Mr. Tang Ye Guo as chairman of the Board			
	(a) Non-Tradeable Shares	68,666,667 (100%)	0 (0%)	0 (0%)
	(b) Tradeable Shares	17,863,500 (81.47%)	1,062,485 (4.85%)	3,000,000 (13.68%)
	(i) A Shares	10,700 (1.00%)	1,062,485 (99%)	0 (0%)
	(ii) H Shares	17,852,800 (85.61%)	0 (0%)	3,000,000 (14.39%)
	Total Shares	86,530,167 (95.52%)	1,062,485 (1.17%)	3,000,000 (3.31%)
The resolution was duly passed as an ordinary resolution.				
10.	(i) To consider and approve the removal of Mr. Zeng Jun Hung as the supervisor representing the shareholders of the Company. (ii) To consider and approve the appointment of Mr. Guo Qingcun *(Note 1)* as the supervisor representing the shareholders of the Company. (iii) To consider and approve the appointment of Mr. Zhou Zhaoli *(Note 2)* as the supervisor representing the shareholders of the Company. (The poll results in respect of the above resolutions were the same)			
	(a) Non-Tradeable Shares	68,666,667 (100%)	0 (0%)	0 (0%)
	(b) Tradeable Shares	17,863,500 (81.47%)	1,062,485 (4.85%)	3,000,000 (13.68%)
	(i) A Shares	10,700 (1.00%)	1,062,485 (99%)	0 (0%)
	(ii) H Shares	17,852,800 (85.61%)	0 (0%)	3,000,000 (14.39%)
	Total Shares	86,530,167 (95.52%)	1,062,485 (1.17%)	3,000,000 (3.31%)
The above resolutions were duly passed as ordinary resolutions.				
11. 12. 13. 14.	To consider and approve the proposed amendments to the "Rules of Procedures for the Meetings of the Supervisory Committee of the Company". To consider and approve the proposed amendments to the "Rules of Procedures for the Meetings of the Board of Directors of the Company". To consider and approve the proposed amendments to the "Rules of Procedures for the General Meetings of the Company". 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. (The poll results in respect of the above resolutions were the same)			

	(a) Non-Tradeable Shares	68,666,667 (100%)	0 (0%)	0 (0%)
	(b) Tradeable Shares	17,863,500 (81.47%)	1,062,485 (4.85%)	3,000,000 (13.68%)
	(i) A Shares	10,700 (1.00%)	1,062,485 (99%)	0 (0%)
	(ii) H Shares	17,852,800 (85.61%)	0 (0%)	3,000,000 (14.39%)
	Total Shares	86,530,167 (95.52%)	1,062,485 (1.17%)	3,000,000 (3.31%)
The resolutions were duly passed as ordinary resolutions.				
Special resolution				
15.	To consider and approve the proposed amendments to the articles of associations of the Company.			
	(a) Non-Tradeable Shares	68,666,667 (100%)	0 (0%)	0 (0%)
	(b) Tradeable Shares	20,863,500 (95.15%)	1,062,485 (4.85%)	0 (0%)
	(i) A Shares	10,700 (1.00%)	1,062,485 (99%)	0 (0%)
	(ii) H Shares	20,852,800 (100%)	0 (0%)	0 (0%)
	Total Shares	89,530,167 (98.83%)	1,062,485 (1.17%)	0 (0%)
The resolution was duly passed as a special resolution.				

Legal opinion of PRC lawyer

1. Name of law firm: TANG LAW GROUP

2. Name of lawyer: Zhang Li

3. Summarized Legal Opinion:

   The convening of the AGM and the procedures for holding the AGM are in compliance with the Company Law of the PRC, the Securities Law of the PRC, the Rules Governing the General Meetings of Listed Companies, the Articles of Association and the Rules Governing the Proceedings of General Meetings. The eligibility of the persons attending the AGM and the voting procedures at the AGM are in compliance with the requirements of the relevant laws and regulations of the PRC, the Articles of Association and the Rules of Procedures for the General Meetings of the Company and the voting results are legal and valid.

Documents available for inspection

1. Resolutions passed at the AGM which have been signed and confirmed by the directors of the Company present at the meeting;

2. Letter of legal opinion in relation to the AGM.

Suspension of 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 further announcements in relation to, amongst others, the financial, production and trading position of the Company, and the satisfaction by the Stock Exchange of 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. Xiao Jian Lin and Mr. Lin Lan; 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, 5 December 2006

Note 1:

Mr. Guo Qingcun, male, aged 49, university graduate. Mr. Guo was a lecturer, assistant professor and professor of Shandong University from 1987 to 2002. Mr. Guo was a visiting scholar of the faculty of law in Peking University in 1995. After attaining the qualification of practicing lawyer in the national examination in 1986, he acted as part-time lawyer in the legal advisory office in Shandon and Wenhan Law Firm (文翰律師事務所). From 2002 to 2006, he served as an assistant to the president and vice president at Hisense Group Company. Mr. Guo is connected with the substantial or controlling shareholder of the Company as he is one of the chief executives of Hisense Group Company. Save as disclosed above, Mr. Guo is not connected with any directors or senior management or substantial or controlling shareholder of the Company. Mr. Guo has not held any directorships in any public listed companies in the past three years. Mr. Guo will not be entitled to receive any remuneration from the Company acting as representative of the Shareholders. As at the date of this announcement, Mr. Guo does not hold any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Guo has never been subject to any disciplinary action a by the China Securities Regulatory Commission, other relevant authorities and stock exchanges. Mr. Guo confirmed that there is no other information which need to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no matters that need to be brought to the attention of the Shareholders.

Note 2:

Mr. Zhou Zhaoli, male, aged 37, graduated from Jinan University with a master's degree in business administration in June 2000. Mr. Zhou is an economist. He had been working in the Foshan Branch of China Construction Bank and the Foshan business department of Everbright Securities Company Limited. Mr. Zhou has been working in the Guangzhou office of China Finance Asset Management Company since March 2002. He currently serves as the manager of the business development department of the Guangzhou office of China Finance Asset Management Company, a director of Guangzhou Wenchong Shipyard Limited Liability Company, a supervisor of Guangzhou Weidagao Company Limited (廣州威達高有限責任公司) and a supervisor of Guangdong Shaoguan Foundry and Forging Group Co., Ltd (廣東韶鑄集團有限公司). Mr. Zhou is not connected with any directors, senior management or substantial or controlling shareholder of the Company. Mr. Zhou has not held any directorships in any public listed companies in the past three years. Mr. Zhou will not be entitled to receive any remuneration from the Company acting as representative of the Shareholders. As at the date of this announcement, Mr. Zhou does not hold any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Zhou has never been subject to any disciplinary action a by the China Securities Regulatory Commission, other relevant authorities and stock exchanges. Mr. Zhou confirmed that there is no other information which need to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no matters that need to be brought to the attention of the Shareholders.

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