

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)

ANNOUNCEMENT ON RESOLUTIONS PASSED AT 2007 EIGHTH MEETING OF THE SIXTH BOARD OF DIRECTORS AND RESIGNATION OF DIRECTOR

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

The sixth board of directors (the “Board”) of Guangdong Kelon Electrical Holdings Company Limited (the “Company”) convened its 2007 eighth meeting (the “Meeting”) by way of written resolutions on 21 June 2007. All of the nine directors attended the Meeting. 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 “Articles of Association”). The following resolutions were considered and passed at the Meeting:

1. The resignation of Mr. Xiao Jian Lin as a director of the Company due to personal reasons was approved with 9 affirmative votes, 0 dissenting votes and 0 abstaining votes.

The Board would like to take this opportunity to express its gratitude for the services provided by Mr. Xiao during his term of office.

2. The nomination of Ms. Liu Chun Xin as candidate for director of the Company was approved and to be proposed to the shareholders' general meeting for approval, with 9 affirmative votes, 0 dissenting votes and 0 abstaining votes (see please refer to Note 1 for the biography of Ms. Liu).

The independent non-executive directors of the Company have given their independent opinion and consider that the procedures for the nomination of the candidate as director have complied with the relevant regulations and that the candidate possess the relevant qualifications to act as director (please refer to Note 2 for the opinion of the independent non-executive directors).

3. The proposal for the convening of the 2007 third extraordinary general meeting of the Company was approved with 9 affirmative votes, 0 dissenting votes and 0 abstaining votes. The Company has decided to hold its 2007 third extraordinary general meeting on 8 August 2007 at the conference room on the Company's head office, Shunde District, Foshan City, Guangdong Province. Further information on the general meeting will be provided in the notice of the extraordinary general meeting dated 21 June 2007.

RESIGNATION OF DIRECTOR

The Board announces that Mr. Xiao Jian Lin has resigned to act as a director of the Company with effect from 21 June 2007. Mr. Xiao confirmed that there was no disagreement between him and the Board and he was not aware of any other matters in relation to his resignation that need to be brought to the attention of the shareholders of the Board.

SUSPENSION OF TRADING IN THE H SHARES

At the request of the Company, trading in the H shares was suspended with effect from 10:00 a.m. on 16 June 2005 until further notice.

By Order of the Board of
Guangdong Kelon Electrical Holdings Company Limited
Tang Ye Guo
Chairman

Foshan City, Guangdong, the PRC, 21 June 2007

As at the date of this announcement, the Company's directors are Mr. Tang Ye Guo, Mr. Yang Yun Duo, Mr. Wang Shi Lei, Ms. Yu Shu Min 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.

Note 1:

Biography of Ms. Liu Chun Xin

Ms. Liu Chun Xin, 38 years old, Master, a China certified public accountant, a registered tax advisor and an economist. She served as project manager of Haikou Certified Public Accountants from January 1999 to November 2000, department manager of Shenzhen Tongren Certified Public Accountants from December 2000 to December 2002, department manager of Shenzhen Dahua Tiancheng Certified Public Accountants from January 2003 to August 2006. She has been a vice chairman of the Company since November 2006.

Save as disclosed above, Ms. Liu has not held any directorship in public listed companies in the past three years and is not connected with any directors, senior management, substantial or controlling shareholder or effective controller of the Company. Ms. Liu does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance and has never been subject to any disciplinary action by the China Securities Regulatory Commission, other relevant authorities or stock exchanges. Ms. Liu confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules of the Stock Exchange of Hong Kong Limited and there are no matters that need to be brought to the attention of the shareholders of the Company.

Ms. Liu is to stand for election as a director of the Company for a term commencing from the date of her appointment at the general meeting and terminating on the expiration of the sixth Board of the Company. If elected, Ms. Liu will not be entitled to any remuneration or emoluments as the director of the Company.

Note 2:

The Opinion of Independent Non-executive Directors Regarding the Director Candidate Nominated by the Board

The board of directors (the "Board") of Guangdong Kelon Electrical Holdings Company Limited (the "Company") considered the resolutions relating to the nomination of Ms. Liu Chun Xin as candidate for director of the sixth board of directors of the Company. The Board has provided us with the relevant information and we have reviewed the relevant documents and have made queries to the relevant departments and personnel of the Company with respect to relevant matters. In accordance with the articles of association of the Company and the relevant regulations of the independent director system, we agree to the nomination of Ms. Liu Chun Xin as a candidate for director of the sixth Board. We confirm that the procedures used to nominate the above candidate are in compliance with the relevant regulations. The above candidate has the requisite qualifications to serve as executive director of a listed company and is in compliance with the requirements of the Company Law of the People's Republic of China and other relevant laws and regulations.

The independent non-executive directors
Zhang Sheng Ping, Lu Qing, Cheung Yui Kai, Warren.

21 June 2007

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