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**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)**

**CONTINUING CONNECTED TRANSACTION**  
**DELAY IN DESPATCH OF CIRCULAR**

An application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14A.49 of the Listing Rules by extending the despatch date of the Circular to no later than 29 November 2005.

At the request of the Company, trading in 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 publication of a further announcement in relation to, amongst others, the financial, production and trading position of the Group, trading in H shares of the Company will remain suspended until further notice.

Reference is made to (i) the announcement of Guangdong Kelon Electrical Holdings Company Limited (the "Company") dated 26 September 2005 (the "Announcement") in relation to the continuing connected transaction; and (ii) the announcement of the Company dated 14 October 2005 in relation to delay in despatch of circular (the "Delay Announcement"). Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

As stated in the Delay Announcement, a circular (the "Circular") containing, amongst others, details of the Sales Agency Agreement and the transactions contemplated thereunder will be despatched to the Shareholders no later than 8 November 2005. As additional time is required for the Company to prepare and finalise the Circular, in particular, information relating to the caps of the continuing connected transactions, an application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14A.49 of the Listing Rules by extending the despatch date of the Circular to no later than 29 November 2005.

At the request of the Company, trading in 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 publication of a further announcement in relation to, amongst others, the financial, production and trading position of the Group, trading in H shares of the Company will remain suspended until further notice.

By order of the Board of  
**Guangdong Kelon Electrical Holdings Company Limited**  
**Liu Cong Meng**  
*Vice Chairman*

*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.*

*As disclosed in the Company's previous announcements, Mr. Gu, Mr. Yan and Mr. Zhang Hong had been formally arrested by the Foshan City Police. None of them can be contacted as at the date hereof. As such, Mr. Gu, Mr. Yan and Mr. Zhang Hong do not accept responsibility for the contents of this announcement.*

Foshan City, Guangdong, the PRC, 7th November, 2005

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