

## COMPANY PROFILE

Guangdong Kelon Electrical Holdings Company Limited ("Kelon" or "the Group") is one of the largest white domestic appliance manufacturers in China, dominating both the refrigerator and air-conditioner markets. Its refrigerator division has been the market leader for nine consecutive years while its air-conditioner business, with its acquisition of Guangdong Huabao Group at the end of 1998, is one of the largest manufacturers of air-conditioner in China.

Kelon is headquartered in Shunde City, Guangdong Province, China. The Group commenced its production of refrigerators in 1984, grew with China's economic reforms, and now becomes one of the country's most successful enterprises with over 10,000 staff. Kelon listed its H Shares in Hong Kong in 1996 and its A Shares in Shenzhen in 1999. It was elected as one of the Top 100 Emerging Market Companies by the World Economic Forum in 1999.

In 2000, Kelon brought in new professional management and executed various programs to re-engineer the Group's structure and business development, including an increased focus on exports. The parent company of the listed entity, Kelon Holding, also provided strong support to the Group. Its newly established small home appliances business venture and investment in an intelligence control research and development center enable Kelon Holding to implement its business diversification and hi-tech strategy. These also provide solid support to the listed entity for future development and thereby mapped out its blueprint for the new century.

