

2006 Major Events Calendar

MAY

The Sales Agency Agreement and its Supplemental Agreement entered between the Company and Hisense Agent have been basically completed. The implementation of such agreements provided the Company with the immediate funds necessary for its production and marketing activities, rebuilt the market image of Kelon and laid a sound foundation for Kelon's future development.

At the "Appliance World Expo Beijing 2006" held in Beijing, Kelon's KFR-35GW/S3F and KFR-27GW/S3F air-conditioners and Kelon's BCD-209S/E and BCD-215YMB refrigerators won the "Super Energy-saving Award", as well as Ronshen's BCD-568WYM refrigerator won the "Industrial Design Excellence Award".

Kelon launched BCD-179S/D refrigerator under the brand of Ronshen nation-wide. The power consumption of such model is as low as 0.28 kwh per day which sets a new record in refrigerator's energy saving standard. It outperforms the international Class 1 Energy Efficiency Standard, and 30% superior than European A++ Class Energy Efficiency Standard, which is the highest standard in the world.

JUNE

The sixth Board of Directors of the Company was elected and a new management was formed in the first session of the 2006 extraordinary general meeting of the Company.

Ronshen's BCD-215YMB refrigerator was awarded the "2006 Best Selling Freshness Preservation Refrigerator".

JULY

Hisense and the Company jointly launched a large-scale promotion campaign entitled "Join hands in marketing and share future fruits", which was the largest integrated marketing activity in the domestic household electrical appliances industry so far, which was well received by the industry.

SEPTEMBER

A new logo was adopted by Kelon. Largely based on the original style and design, the Company's new logo uses the diamond in orange to replace the red stroke on the first letter "K" of the word "Kelon".

DECEMBER

All registrations and procedures relating to the acquisition of Kelon's 26.43% equity interest by Hisense Air-Conditioner from Guangdong Greencool were completed. Hisense Air-Conditioner became the single largest shareholder of Kelon, and thus, the largest corporate acquisition and merger so far in the PRC's household electrical appliances industry was completed.

At the Award Ceremony jointly organized by the United Nations Development Programme, the Global Environmental Facility and the State Administration of Environmental Protection, Ronshen was presented the "Energy Saving Grand Prix" for its outstanding contribution in the production and sales of Ronshen's "Energy Saving Grand Prix" refrigerators.