

Evolution of Business



Our Current Major Business — Mobile Phone Operation

The mobile phone export and material sourcing operation under Haier-CCT recorded profit in its first year of operation amidst tough market conditions.



The major factor in these brilliant results is that Haier-CCT has the required access to the original design mobile phones available from renowned global mobile phone design houses such as UK's Sendo, and Denmark's Shima, plus an in-house R&D team. As such, it is one of the few domestic manufacturers in China that is equipped with sufficient product range and production technology to produce quality mobile items for export and domestic distribution.

With our expertise and commercial connections, we are able to deliver many different series of mobile phones continuously and in a way that captures the consumers' attention, all of which should translate into brand recognition and significant sales figures.

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The number of mobile phone users in China is growing rapidly, with a CAGR of 29% from 2000 to 2005. It is estimated that mobile phone demand in 2002 will exceed 70 million sets. This huge market provides ample opportunities for new players to develop and expand rapidly. Haier-CCT has been specially created to capitalize upon this market and is ready to seize the opportunities as they arise. The mobile phone operation is a major revenue pillar for Haier-CCT.

Future Business — Interrelated but Diversified Portfolio

Subsequent to the first stage of the mobile phone operation acquisition, we are now proceeding with the second step, that is, to acquire the PRC JV.

Upon completion of the second stage of the transaction, Haier will render its utmost support to its listed flagship in Hong Kong. Under such a favourable condition, Haier-CCT will expand its business through organic growth and enhance its value by acquiring more quality assets leveraging on the strengths and the networks of its major shareholders.

In the future, we expect to develop or acquire more new businesses which can help to build up a balanced yet diversified business portfolio for the Group.

