

Operations Review

Baby Care Products

This division recorded mild growth in turnover and profit in 2001, and remained one of the major revenue sources for the Group in 2001. Compared with the nine-month period in 2000, there was a 42% increase in turnover and a 116% increase in operating profit.

Currently there are about 200 product categories under the comprehensive baby care product line, and over 10 new product models are added to the product line on average every year.

As the baby care product business has been acquired by CCT Telecom, the major shareholder of Haier-CCT, in March 2002, efforts will be focused on the integration of this unit into the original design manufacturing business of CCT Telecom so as to create greater synergy within the CCT Telecom Group.

Multimedia Business

During the period under review, the Wellfit Group, which is the subsidiary engaging in multimedia production, focused on providing a wide range of one-stop multimedia production services to its clients. Some spectacular events were produced in 2001, such as “One2Free Christmas Free Party 2001” sponsored by Harbour City, One2Free and EEG, and “Hong Kong Lights Up” organized by the Hong Kong Tourism Board.

The multimedia business was transferred back to CCT Telecom at the end of 2001.

2001