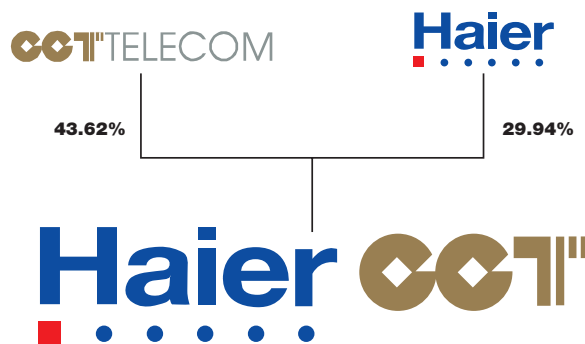


# Mission and Corporate Development

Since our transformation in 2002, our business remains the manufacturing of mobile handsets. Capitalising on the strength of Haier, one of our substantial shareholders, our mission is:-

**To become one of the leading brands for mobile communication products in China and around the world**

Current corporate shareholding structure



In March 2004, we entered into a conditional asset injection agreement with Haier under which Haier is to inject its washing machine business into the Group. We also intend to exercise a call option in respect of the acquisition of the remaining 35.5% in Pegasus Qingdao, the completion of which will be at the same time as the completion of the asset injection. Once completion of the asset injection agreement takes place, which we expect will be in June 2004, we will become a fully integrated consumer/household electrical and electronic goods company.

Corporate shareholding structure upon completion of the asset injection agreement and the exercise of the call option



**We are moving towards becoming a fully integrated consumer/household electrical and electronic goods company.**