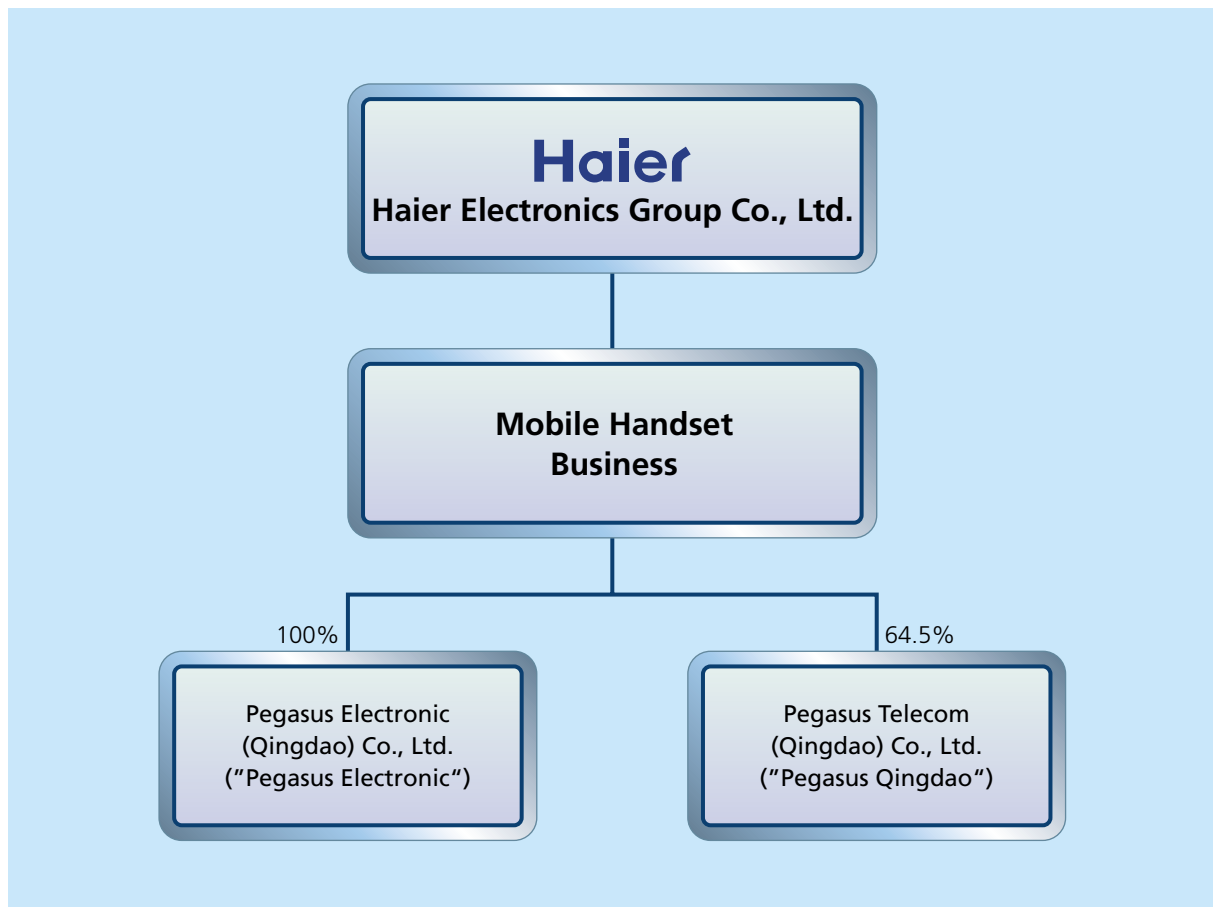




**Our corporate mission is to become a global electronics-white goods giant, including:**

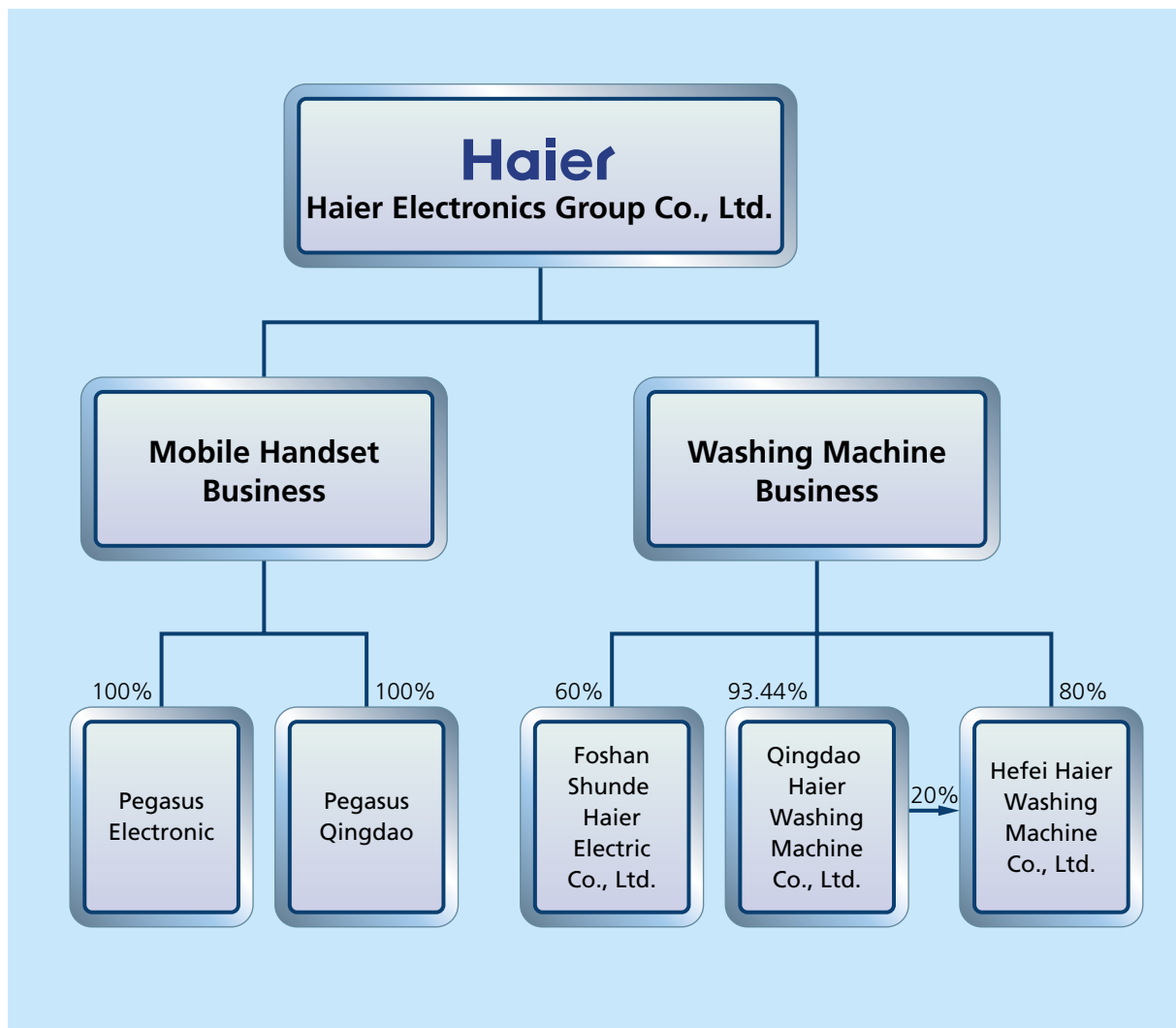
- **Becoming one of the leading brands of mobile handset products in China and around the world; and**
- **Becoming a global top 3 white goods giants**

The simplified corporate chart of the Group's principal operating subsidiaries as at 31 December 2004 was as follows:





After the injection of washing machine business and the remaining 35.5% interest in Pegasus Qingdao not already owned by the Group subsequent to the balance sheet date on 28 January 2005 (the "Asset Injection"), as detailed in the Chairman's Letter below, the simplified corporate chart of the Group's principal operating subsidiaries as at 22 April 2005, the date of the Report of Directors, is as follows:



We have now completed the first stage of our transformation into a global electronics-white goods giant, and as detailed in the Chairman's Letter below, we are exploring further asset injection opportunities from our parent company, the Haier Group.

**We are confident that we are on the right track towards attaining the goal of becoming a global electronics-white goods giant.**