

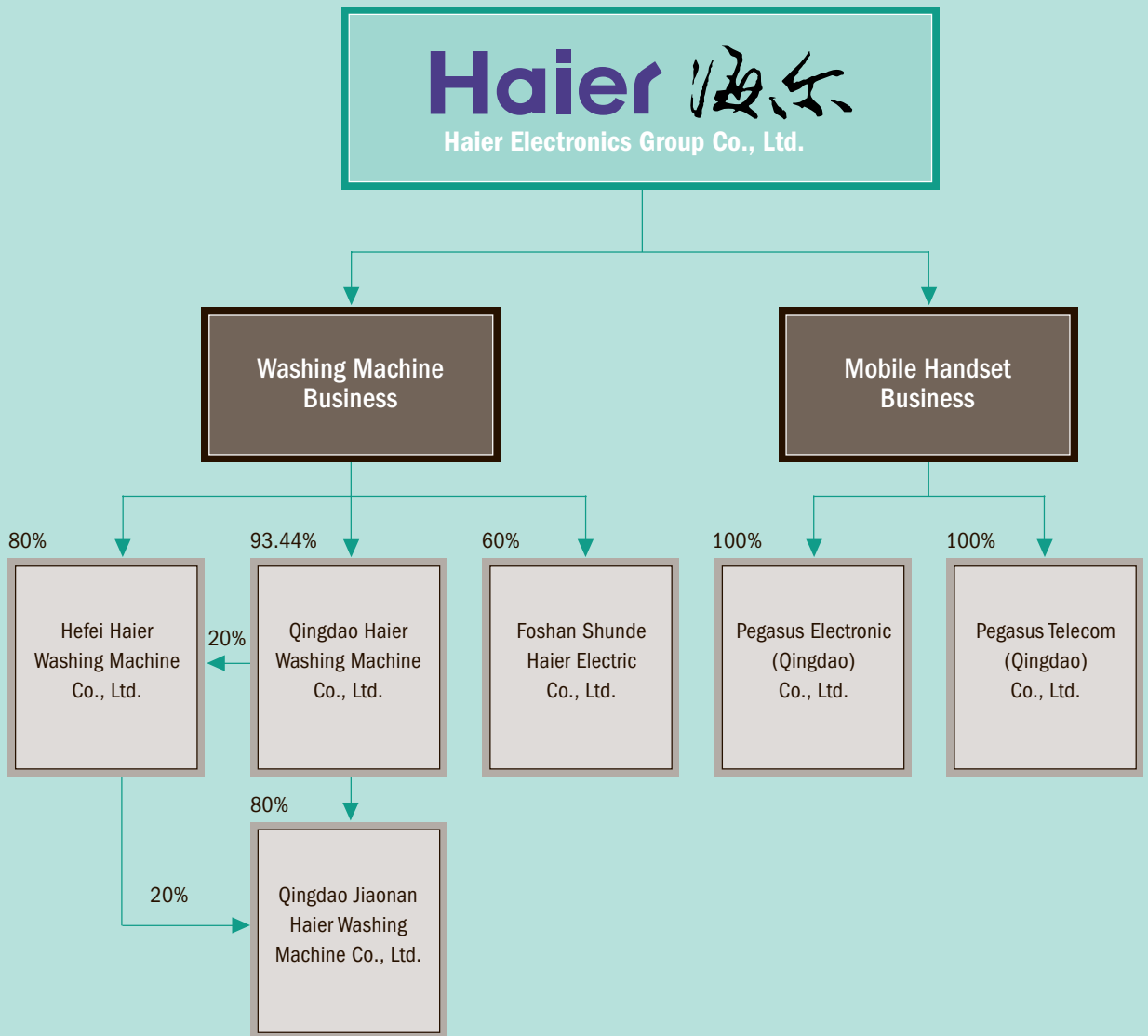
Mission and Corporate Development

MISSION

Haier Electronics aims to become the listed flagship of the white goods business of the Haier Group and to be a global top 3 white goods manufacturer.

CORPORATE STRUCTURE

After the injection of the top loading washing machine business and the remaining 35.5% interest in Pegasus Telecom (Qingdao) Co., Ltd. from the Haier Group in January 2005 ("Asset Injection") as well as the establishment of a new plant in Jiaonan, Qingdao, our simplified corporate structure is as follows:



The completion of the Asset Injection during the year has built up a solid foundation for us to proceed to the next stage of our transformation through both internal growth as well as potential further asset injection from the Haier Group.

We are confident that we will succeed in achieving our mission to become a global top 3 white goods manufacturer.