

Directors and Senior Management

The Directors of the Company and senior management of the Group as at 19 April 2006, the date of the Report of the Directors, are as follows:

EXECUTIVE DIRECTORS

Ms. YANG Mian Mian, aged 64, has served as the Chairman and an Executive Director of the Company since January 2005. She is responsible for determining corporate strategies and overall management of the Group. She graduated from Shandong Industrial Institute, which is now known as Shandong University, the People's Republic of China (the "PRC") in 1963. As one of the founders of the Haier Group, she has been in charge of the overall management of the white goods business since 1984. She is currently the President of Haier Group Corporation ("Haier Corp") and the Chairman of Qingdao Haier Co., Ltd. (a company listed on the Shanghai Stock Exchange (the "A Share Company")).

Mr. WU Ke Song, aged 55, has served as the Deputy Chairman and an Executive Director of the Company since December 2001 and is also a member of the remuneration committee of the Company. He is responsible for worldwide business development of the Group and liaison with relevant government officials. He graduated from Shandong Industrial Institute which is now known as Shandong University, the PRC in 1974 and joined the Haier Group in 1984. He is also a Vice Chairman of the Board of Directors of Haier Corp.

Mr. CHAI Yong Sen*, aged 43, has served as an Executive Director of the Company since December 2001. He has been the General Manager of the Group's mobile handset business since 2000. He graduated from Shanghai Mechanical Institute, the PRC in 1984 and has a Master's degree of Management. He joined the Haier Group in 1984 and has extensive experience in both washing machine business and mobile handset business, in particular in the sales and procurement functions. He is also a Vice President of Haier Corp.

The appointment of Mr. Chai will not be of a fixed term but he will be subject to retirement by rotation and re-election in accordance with the bye-laws ("Bye-laws") of the Company. Mr. Chai is not entitled to any fixed remuneration but is entitled to payment of discretionary bonus to be determined by the Board. As at 19 April 2006, being the latest practicable date ("Latest Practicable Date") prior to the printing of this annual report for the purpose of ascertaining certain information herein, Mr. Chai is holding 10,000,000 options to subscribe for 10,000,000 shares in the Company at an exercise price of HK\$0.150 per share. The options were granted on 19 November 2002 and are exercisable at any time between 19 November 2003 and 18 November 2007. Save as disclosed above, he does not have any other interests in the shares of the Company within Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). Mr. Chai does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company and has no information to be disclosed pursuant to (h) to (w) of Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and save as disclosed above, there are no other matters that need to be brought to the attention of shareholders.

Mr. Liang Hai Shan, aged 39, has served as an Executive Director of the Company since December 2001. He is mainly responsible for strategic procurement and overall quality control of products of the Group. He received a Bachelor's degree of Industry from the Xian Jiaotong University, the PRC and has 17 years of experience in the manufacture of household electrical appliances, in particular in raw material procurement function and white goods business. He is also a Vice President of Haier Corp.

Mr. CAO Chun Hua, aged 37, has served as an Executive Director of the Company since January 2005. He is currently the General Manager of the Group's washing machine business. He graduated from Hangzhou Electronic Industry College, the PRC with a Bachelor's degree in 1991. He joined the Haier Group in 1995 and has since held a number of senior positions in the washing machine business. He is also a Vice President of Haier Corp.

Directors and Senior Management (cont'd)**EXECUTIVE DIRECTORS (cont'd)**

Mr. CUI Shao Hua*, aged 48, has served as an Executive Director of the Company since November 2002 and is a member of the remuneration committee of the Company. He is responsible for the Group's corporate finance function. He graduated from Jilin Institute of Finance and Commerce, the PRC in 1982. He joined the Haier Group in 1993 and has over 20 years of experience in financial management and listed companies' operations. He is also a Deputy Chairman of the A Share Company.

The appointment of Mr. Cui will not be of a fixed term but he will be subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Cui is not entitled to any fixed remunerations but is entitled to payment of discretionary bonus to be determined by the Board. As at the Latest Practicable Date, Mr. Cui is holding 10,000,000 options to subscribe for 10,000,000 shares in the Company at an exercise price of HK\$0.150 per share. The options were granted on 19 November 2002 and are exercisable at any time between 19 November 2003 and 18 November 2007. Save as disclosed above, he does not have any other interests in the shares of the Company within Part XV of the SFO. Mr. Cui does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company and has no information to be disclosed pursuant to (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of shareholders.

Mr. SONG Chun Guang, aged 41, has served as an Executive Director of the Company since January 2005. He is now a Deputy General Manager and the Sales Director of the Group's mobile handset business. He obtained a Bachelor's degree of Engineering from Tianjin Industrial and Engineering College, the PRC in 1988. He joined the Haier Group in 1995 and has extensive experience in both washing machine business and mobile handset business.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kin Kau, Mark*, aged 51, has served as an Independent Non-executive Director of the Company since April 2000 and is a member of both the audit committee and the remuneration committee of the Company. He is a fellow of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Secretaries and Administrators. He has been a practising accountant for over 20 years and is a director of various private companies.

The appointment of Mr. Lam will not be of a fixed term but he will be subject to retirement by rotation and re-election in accordance with the Bye-laws. The emolument of Mr. Lam comprise a basic director's fee of HK\$20,000 per month and a discretionary bonus to be determined by the Board which is determined by taking into account the experience of Mr. Lam and by reference to market range of the directors' fee of independent non-executive directors for other listed companies of comparable size. As at the latest practicable date, Mr. Lam is holding 2,500,000 options to subscribe for 2,500,000 shares in the Company at an exercise price of HK\$0.156 per share. The options were granted on 16 August 2002 and are exercisable at any time between 16 August 2003 and 15 August 2007. Save as disclosed above, he does not have any other interests in the shares of the Company within Part XV of the SFO. Mr. Lam does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company and has no information to be disclosed pursuant to (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS (cont'd)

Mr. FUNG Hoi Wing, Henry*, aged 50, has served as an Independent Non-executive Director of the Company since April 2000 and is a member of both the audit committee and the remuneration committee of the Company. He is a Notary Public and Solicitor of Messrs. Fung, Wong, Ng & Lam, Solicitors and Notaries of Hong Kong. He graduated from the University of Hong Kong in 1976 with a Bachelor's degree in Social Sciences. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1981. In addition, he is a China-Appointed Attesting Officer and also admitted in England and Wales, the Australian Capital Territory and Singapore.

The appointment of Mr. Fung will not be of a fixed term but he will be subject to retirement by rotation and re-election in accordance with the Bye-laws. The emolument of Mr. Fung comprise a basic director's fee of HK\$20,000 per month and a discretionary bonus to be determined by the Board which is determined by taking into account the experience of Mr. Fung and by reference to market range of the directors' fee of independent non-executive directors for other listed companies of comparable size. As at the latest practicable date, Mr. Fung is holding 2,000,000 options to subscribe for 2,000,000 shares in the Company at an exercise price of HK\$0.156 per share. The options were granted on 16 August 2002 and are exercisable at any time between 16 August 2003 and 15 August 2007. Save as disclosed above, he does not have any other interests in the shares of the Company within Part XV of the SFO. Mr. Lam does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company and has no information to be disclosed pursuant to (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of shareholders.

Mr. LAU Ho Wai, Lucas, aged 44, has served as an Independent Non-executive Director of the Company since September 2004 and is a member of both the audit committee and the remuneration committee of the Company. He is a member of the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Surveyors. He is also a registered professional surveyor and a practising chartered surveyor in Hong Kong. He has a Bachelor's degree in Land Economy, a Master's degree in Urban Design, a Bachelor's degree in Laws and a Master's degree in Laws (International Business Law) and has over 15 years of professional experience in the real estate field.

Mr. WU Yinong, aged 43, has served as an Independent Non-executive Director of the Company since 28 January 2005 and is a member of both the audit committee and the remuneration committee of the Company. He graduated from Portland State University in the United States of America with a Master's degree in Business Administration in 1994. He has been in the investment banking industry for more than 10 years. Prior to pursuing his development in investment banking, he had held various positions in the United States and the PRC.

SENIOR MANAGEMENT

Mr. YIP Wai Ming, aged 41, joined the Company in 2004 as Chief Financial Officer. He is also the Company Secretary and Qualified Accountant of the Company. He has more than 18 years of experience in finance and accounting, and had held senior positions in an international accounting firm, a major European bank and listed companies in Hong Kong. He graduated from the University of Hong Kong with a Bachelor's degree in Social Sciences and from the University of London with a Bachelor's degree in Law. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a member of the Chinese Institute of Certified Public Accountants.

Washing machine business

Mr. CHEN Lu Cheng, aged 36, graduated from College of Constructive Material in Shandong, the PRC with a Bachelor's degree in Engineering in 1992. He joined the Haier Group in 1995 and has since held a number of senior positions in the washing machine business of the Haier Group. He is currently responsible for production management of the washing machine business of the Group.

Mr. LU Pei Shi, aged 42, graduated from Shandong Agricultural and Mechanical College, the PRC with a Bachelor's degree in 1987. He joined the Haier Group in 1995 and has since held a number of senior positions in the washing machine business of the Haier Group. He is currently responsible for the research and development function of the washing machine business of the Group. He is a member of the Washing Machine Sub-committee of the International Electrotechnical Commission.

Mobile Handset business

Mr. Lee Hoo Sau, aged 55, graduated from University of Singapore with a Bachelor's degree. He joined Pegasus Qingdao in 2003 and has previously held a number of senior positions in Motorola Group. He is currently the head of operation of Pegasus Qingdao.

Mr. Wang Zhan Zhong, aged 31, graduated from Inner Mongolia University of Technology, the PRC with a Bachelor's degree in 1995. He joined the Haier Group in 2001 and has previously held a number of senior positions in the mobile handset business. He is currently the Deputy General Manager of Pegasus Qingdao, responsible for production management of the mobile handset business of the Group.

* Directors proposed to be re-elected by the shareholders at the forthcoming annual general meeting of the Company.