



THOUGHTFUL
TECHNOLOGY

貼心的科技



Chairman's Letter

OVERVIEW

Significant steps have been taken in 2006 in transforming Haier Electronics Group Co., Ltd. (the "Company") and its subsidiaries (collectively the "Group") into a major white goods player. Apart from completing the disposal of the mobile handset business to its parent company, the Haier Group, for a total consideration of approximately HK\$420 million in June 2006, the Company has also acquired from the Haier Group the front loading washing machine and water heater businesses (the "Injected Businesses"), which are the leading players in their respective markets in the PRC, for a consideration of HK\$900 million in December 2006 (the "Asset Injection"), thereby exiting from non-white goods business and concentrating on broadening the revenue base of the sale of white goods. The Group has endeavoured to implement a series of measures to rationalize the cost structure and fine-tune its business model in order to continuously enhance the operational efficiency of this sizeable business platform.

GROUP RESULTS

Given the Injected Businesses continue to be controlled by the Haier Group before and after the Asset Injection (through its majority shareholding in the Company), the combined financial statements of the Group for the year have been prepared using merger accounting under a basis as if the Asset Injection has been completed at the earliest date presented. Accordingly, the contribution from the Injected Businesses for the full year of 2006 has been reflected in the Group's combined financial statements for the year and all comparative figures have been restated to incorporate the financial results of the Injected Businesses. The analysis that follows is therefore based on the combined results of the existing top loading washing machine business and the Injected Businesses for the full year of 2006 and comparative figures restated on such basis.

主席 函件

概覽

海爾電器集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)於二零零六年在邁向成為主要白色家電公司的路上，踏出了重大一步。除於二零零六年六月完成以總代價約420,000,000港元向其母公司海爾集團出售移動手機業務外，本公司亦於二零零六年十二月以代價900,000,000港元向海爾集團購入滾筒式洗衣機及熱水器業務(「注入資產」)(兩項業務均為於中國相關市場之領導者)(「注入業務」)，遂剝離非白色家電業務及集中擴闊銷售白色家電之收益基礎。本集團致力實行一連串措施以精簡成本架構及調整其經營模式，務求持續提高此具規模業務平台之營運效率。

集團業績

鑑於注入業務於進行注入資產前後一直由海爾集團(透過其於本公司之主要股權)控制，故本集團於本年度之合併財務報表乃採用合併會計法，按猶如注入資產已於所呈列之最早日期完成之基準編製。因此，注入業務於二零零六年全年之貢獻已於本集團於本年度之合併財務報表中反映，而所有比較數字已經重列，以計入注入業務之財務業績。因此，以下分析乃以現有波輪式洗衣機與注入業務於二零零六年全年之合併業績為基準，而比較數字已按該項基準重列。

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The Group achieved impressive results in 2006, boosted by improvement in operational efficiency and margins and the success in its sales and marketing strategies. Turnover from continuing operations in 2006 amounted to HK\$6,902 million, representing an increase of approximately 24.6% from HK\$5,541 million in 2005. The Group continues to maintain leading positions in the washing machine and water heater markets in the PRC, with respective market share of approximately 31.3% and 20.4% in 2006 according to China Market Monitor (a market research company based in the PRC). Gross profit margin improved from 22.7% in 2005 to 26.7% in 2006 as a result of our launch of innovative high value added products, the stabilization of raw material costs after a period of rapid cost increase in 2004 and 2005, the ability of the Group to regain pricing power in the market and improvement in operational efficiency. After deducting non-recurring restructuring expenses of approximately HK\$25 million in 2006 (which was included in administrative expenses in the combined income statement below) in connection with the Asset Injection, EBITDA and operating profit increased by a more modest 11.7% and 16.4%, reaching HK\$298 million and HK\$218 million in 2006, respectively. Profit from continuing operations (i.e. the washing machine and water heater businesses) amounted to HK\$184 million in 2006, representing a 21.2% increase from the previous year. Taking further into account the net profit from the discontinued mobile handset operation of HK\$103 million (which mainly arose from the gain on disposal of this business), profit attributable to shareholders amounted to HK\$262 million in 2006, against a loss of HK\$364 million in 2005 (which loss was mainly due to the loss from the discontinued mobile handset operation of HK\$479 million).

於二零零六年，由於營運效益及邊際利潤均有所改善，加上銷售及市場推廣策略得宜，令本集團取得驕人業績。二零零六年來自持續經營業務之營業額達6,902,000,000港元，較二零零五年之5,541,000,000港元增加約24.6%。本集團繼續在中國洗衣機及熱水器市場中保持龍頭地位，根據中怡康時代市場研究（一間以中國為基地之市場調查公司），本集團於二零零六年在上述市場之市場佔有率分別為31.3%及20.4%。本集團推出了創新高增值產品，加上原料成本在二零零四年及二零零五年間飆升後回穩，而本集團亦能在市場上重奪定價權及改善營運效益，令毛利率由二零零五年之22.7%改善至二零零六年之26.7%。於扣除在二零零六年就注入資產而產生非經常性重組開支約25,000,000港元（計入合併收益表之行政費用內）後，未計利息、稅項、折舊及攤銷前盈利及經營溢利於二零零六年分別溫和上升11.7%及16.4%至298,000,000港元及218,000,000港元。二零零六年，持續經營業務溢利（即洗衣機及熱水器業務）達184,000,000港元，較去年增加21.2%。經計入已終止經營之移動手機業務所得純利103,000,000港元（主要因出售該業務之收益而產生）後，於二零零六年，股東應佔溢利達262,000,000港元，相較二零零五年則為虧損364,000,000港元（該筆虧損主要因已終止經營之移動手機業務所得虧損479,000,000港元所致）。

Chairman's Letter

OUTLOOK

With the continuous support of the Haier Group and capitalising on its branding power, the Group will strive to enhance the performance of its existing businesses. In addition, since the completion of the Asset Injection, the Group has made very effort to ensure a smooth integration of all its businesses in order to maximize operational efficiency and achieve organic growth. The board (the "Board") of the directors (the "Directors") of the Company is confident that the Group's businesses will fully realize synergies in the near future, thereby strengthening our leading position in the market place.

Looking forward, in order to create value to our shareholders and accomplish the globalisation strategy of the Haier Group, the Group is also actively exploring new growth opportunities in overseas markets so as to globalise our business platform and open up another area of growth for the Group. In addition, the Group will continue to explore further asset injection opportunities from the Haier Group to broaden the scope of its white goods businesses and will inform our shareholders if and when such opportunities materialize.

APPRECIATION

I would like to take this opportunity to thank all my fellow directors and staff for their dedicated services and contributions, as well as our shareholders for their continuing support during the year.

By Order of the Board of
Haier Electronics Group Co., Ltd.
Yang Mian Mian
Chairman

Hong Kong, 23 April 2007

主席 函件

前景

憑藉海爾集團之不斷支持及借助其品牌效應，本集團將致力提升其現有業務表現。此外，自完成注入資產以來，本集團一直盡全力確保其各項業務得以順利整合，以提高營運效益及達致自然增長。本公司董事（「董事」）會（「董事會」）有信心本集團業務可在不久將來全面實現協同效益，從而鞏固其在市場上之領導地位。

展望未來，本集團亦會積極在海外市場發掘新發展商機，力求將本集團業務平台推向全球，開創另一個可取得增長之全新範疇，為本集團股東增添價值之餘，兼可實現海爾集團之全球化策略。此外，本集團將繼續物色海爾集團再注入資產之機會，以拓闊其白色家電業務範疇，並將於落實有關機會時知會股東。

致謝

最後，本人謹藉此機會感謝全體董事及員工於年內之竭誠服務、貢獻及股東之不斷支持。

承董事會命
海爾電器集團有限公司
主席
楊綿綿

香港，二零零七年四月二十三日