



華凌集團有限公司

Hualing Holdings Limited

(Stock Code: 0382)

2006

Interim Report 中期報告

CORPORATE INFORMATION

Executive Directors

Mr. FANG Hongbo (*Chairman*)
Mr. ZHANG Quan
Mr. LI Jianwei
Mr. LI Dong Lai
(appointed with effect from 16 August 2006)
Mr. WANG Wei
(resigned with effect from 16 August 2006)

Non-executive Directors

Ms. YUAN Liquan
Mr. ZHANG Xin Hua
Mr. CHEN Yu Hang

Independent non-executive Directors

Mr. CHAN Wai Dune
Mr. LAM Ming Yung
Ms. CHEN Chunhua

QUALIFIED ACCOUNTANT & COMPANY SECRETARY

Ms. TANG Wai Ying, Tracy CPA FCCA

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

LEGAL ADVISERS

Simmons & Simmons
35th Floor, Cheung Kong Center,
2 Queen's Road Central,
Hong Kong

集團資料

執行董事

方洪波先生 (董事長)
張權先生
栗建偉先生
李東來先生
(委任由二零零六年八月十六日起生效)
王偉先生
(辭任由二零零六年八月十六日起生效)

非執行董事

袁利群女士
張新華先生
陳宇航先生

獨立非執行董事

陳維端先生
林明勇先生
陳春花女士

合資格會計師及公司秘書

鄧惠英女士 CPA FCCA

核數師

羅兵咸永道會計師事務所
香港執業會計師

法律顧問

西盟斯律師行
香港
皇后大道中2號
長江集團中心35樓

REGISTERED OFFICE

Suite 3904, 39/F, Tower 6,
The Gateway, Harbour City,
9 Canton Road, Tsim Sha Tsui,
Kowloon

SHARE REGISTRARS

Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai,
Hong Kong

STOCK CODE

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PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of China
Industrial and Commercial Bank of China
China Construction Bank

WEBSITE

<http://www.hualing.com>

註冊辦事處

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廣東道9號
海港城港威大廈
第6座39樓3904室

股份過戶登記處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心46樓

股份代號

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主要銀行

中國銀行(香港)有限公司
中國銀行
中國工商銀行
中國建設銀行

網站

<http://www.hualing.com>

INTERIM RESULTS

The directors (the "Directors") of Hualing Holdings Limited (the "Company") hereby announce the unaudited consolidated results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 June 2006 (the "Period"), together with the comparative figures for 2005. This condensed consolidated interim financial information have not been audited, but have been reviewed by the Company's audit committee and its external auditors (the "Auditors").

CHAIRMAN'S STATEMENT

In the first half of year 2006, the Group continued the on-going reforms adopted in year 2005 and adhered to the operation approach of "Focusing on profitability, adjusting the operation mode, specializing in refrigerators and air-conditioners, controlling costs and enhancing efficiency and achieving break-even" under the unfavorable environment in the industry and intense competition. More efforts were made in stripping off non-core businesses, streamlining our main operational workflows, strengthening operation and management as well as developing new products and markets. As a result, the Company has significantly improved the operational efficiency, ability and quality for its main operations. The Company's resources are further optimized and focused, while the operational indicators improved greatly as compared with the same period of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Market Environment

With the changes in global distribution of industries, trading activities within the home appliances industry and so does the proportion of export from traditional areas, China has become a prominent manufacturing base for the home appliances industry. Supply of key and core upstream resources and availability of complimentary industries are becoming tight and coupled with the increasing impact of global trade and technical barriers and competition among countries, resulted in increased costs. In terms of development trend, products are focused on more high-ended, user-friendly, artificially intelligent and sophisticated. Therefore, the current competition in the home appliance industry is in terms of the entire operational process from research, production, sales to management. Since such competition relating to the product, technology and brand name has become increasingly severe, the Company encounters higher challenges and demands in the level of its comprehensive and systematic operating capability.

中期業績

華凌集團有限公司(「本公司」)之董事(「董事」)謹此宣佈本公司及其附屬公司(統稱「本集團」)截至二零零六年六月三十日止六個月(「本期間」)之未經審核綜合業績，連同二零零五年之比較數字。本簡明綜合中期財務資料未經審核，但已由本公司之審核委員會及其外部核數師(「核數師」)審閱。

主席報告書

2006年上半年，本集團以2005年以來的持續改革為基礎，在行業環境和競爭環境等不利條件下，始終堅持「以盈利為核心，調整經營模式，專營冰箱空調，狠抓成本、速度，實現盈虧平衡」的經營理念，大力推進以剝離非核心資產、公司主營業務流程梳理、經營管理能力強化以及產品和市場開拓等為主線的各項工作重點，本公司主營業務經營效率、能力與質量有了明顯提高，本公司資源進一步優化和集中，各項經營指標同比均大幅提高和改善。

管理層討論及分析

總體市場環境

隨著全球產業布局的變化，整個家電產品的貿易流動發生變化，傳統的出口地區比重發生變化，中國家電製造基地地位進一步突現，上游關鍵、核心資源和產業配套趨緊，同時日益受到全球貿易、技術壁壘和爭端的影響，成本趨於上升；產品趨勢方面，進一步走向高端化、便捷化、智能化、精美化；所以，當今家電業的競爭是研產銷管全線的競爭，基於產品、技術和品牌的競爭日益激烈，對本公司的綜合、系統經營能力提出了更高的挑戰和要求。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Refrigerator Industry Environment

For the past ten odd years, the domestic refrigerator market has sustained a slight growth in sales volume of approximately 5%. In 2005, the total sales volume reached approximately 12 million units. While export sales had been growing at good speed, the growth rate decline significantly this year. It is expected that both the domestic and overseas markets will enter into a period of steady growth in the future. The overall refrigerator market share condition remains relatively stable with the top ten brands accounted for approximately 83.1% of the total retail market share.

Air-conditioner Industry Environment

Selling price in the industry has increased marginally since 2006. Such increase was due to increase in product cost arising from surging prices of raw materials and resources that ultimately resulted in the moderate upward adjustment of the selling price of the products. Such upward adjustment, however, was unable to eliminate the effect brought about by the continuous rise in upstream material cost. Top brands from China and Japan which enjoyed either the advantages of economic of scale or technology advancement have dominated the global household air-conditioner market. Top four brands in the global market accounted for over 50% of the market share, reflecting the degree of concentration of the industry has further enhanced in 2006 and competition in the industry has becoming more and more intense. In terms of domestic sales, the possession rate of urban residents was approximately 80%. The overall growth rate in urban areas has shown a slowing trend. Facing short supply in fuel, slowing down of the reforming process of the nation's electricity grid system and limited growth of disposable income of rural residents, rural market did not show any sign of significant growth. In terms of export sales, the industry showed a sign of significant drop in rate of increase in export. Intensifying competition in the market has led to limited increase in export price and hence further suppressed profitability. On the other hand, the continuous appreciation in Renminbi and more and more anti-dumping measures adopted against products from the People's Republic of China ("the PRC"). All these have brought about operation risk to the industry.

管理層討論及分析(續)

冰箱行業環境

國內冰箱市場銷量近10多年來維持著約5%的增長，二零零五年增長至約1,200萬台；出口歷年呈高速增長的情況，但今年增幅明顯下滑。未來國內、海外市場將雙雙步入平穩增長期。冰箱市場總體競爭格局穩定，十大品牌依然主導市場，佔據了整體市場約83.1%的零售量市場份額。

空調行業環境

二零零六年以來，行業價格略有回升，顯示了原材料、資源價格上漲造成的產品成本增加，促動了產品銷售價格的微幅上漲，但仍不足以消化上游原材料的持續上漲。全球家用空調以中日兩國品牌為主導，主要為規模或技術優勢，世界前四名品牌合計市場佔有率超過50%，行業集中度在二零零六年度進一步提高，同業競爭更趨激烈。內銷方面，城鎮居民保有量率約80%，城鎮市場整體增長趨緩，而農村市場受國內能源緊張、電網改造趨緩及農民可支配收入增長有限影響，未有明顯啟動跡象。出口方面，行業出口增幅大幅回落，同業競爭激烈，行業出口價格無明顯提升，盈利能力進一步壓縮，同時人民幣持續升值和針對中華人民共和國(「中國」)製造的反傾銷日趨頻繁，都為行業經營帶來一定的風險。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Performance

Analysis of refrigerator business

The Group's sales revenue from refrigerators accounted for approximately 44% of its total turnover during the Period.

The Group's sales revenue from refrigerators in the first half of 2006 amounted to approximately HK\$583,183,000, representing an increase of approximately 21% from that of the corresponding period of last year. Sales volume was approximately 707,000 units, representing an increase of approximately 1% from that of the corresponding period of last year. In the first half of 2006, export sales revenue from the Group's refrigerator business amounted to approximately HK\$324,614,000, up by approximately 13% from that of the corresponding period of last year, representing approximately 56% of the total revenue of the refrigerator business. During the Period, the Group's export sales volume was approximately 498,000 units, representing an increase of approximately 1% from that of the corresponding period of last year. During the Period, domestic sales revenue from the refrigerator business amounted to approximately HK\$258,569,000, representing an increase of approximately 34% from that of the corresponding period of last year. Domestic sales volume was approximately 209,000 units, the same as that of the corresponding period of last year. Increase in the Group's sales revenue from refrigerators mainly attributable to the changes in sales mix which focus on selling of upmarket series refrigerators, resulting in increase in sales revenue of refrigerators.

The all-round planning management system composed of management accountability mechanism, annual planning, monthly working schedule and individual working schedule, etc. was further consummated for the refrigerator business. It was also planned to realize self-management and system-monitoring in the Product Data Management (PDM) System. We intend to enhance our fundamental management through implementation in each management line and establish initially a platform for fundamental management which is technology, quality and production oriented. Within the framework underlay by various special research and investigation works, the main problems encountered in the operation process were effectively monitored and analyzed and in turn provided support to operational decision-making.

管理層討論及分析 (續)

業務表現

冰箱業務分析

本集團冰箱銷售額佔本集團本期間整體營業額約44%。

本集團於二零零六年上半年之冰箱銷售額約為港幣583,183,000元，較去年同期上升約21%；銷售量約達707,000台，較去年同期上升約1%。本集團於二零零六年上半年冰箱出口銷售收入約為港幣324,614,000元，較去年同期上升約13%，佔冰箱總收入約56%。本期間本集團出口銷售量約為498,000台，比去年同期上升約1%。於本期間，國內冰箱銷售收入約為港幣258,569,000元，較去年同期上升約34%；國內銷售量約為209,000台，與去年同期持平，本集團冰箱銷售收入上升主要由於銷售結構調整，主力銷售高檔機型冰箱，以致冰箱銷售收入上升。

冰箱業務進一步完善由經營責任制、年度規劃、月度工作計劃、個人工作計劃等組成全方位的計劃管理體系，並計劃成功在產品數據管理系統(PDM)中實現自我管理和系統監控；深化基礎管理的內涵，將基礎管理工作延伸到各個管理體系，初步建立以技術、品質及生產為導向的基礎管理平台；以各種專題調研為工作思路，對經營過程中存在的主要問題進行有效監控和分析，對經營決策起有效的支撐作用。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Analysis of Air-conditioner Business

The Group's sales revenue from air-conditioners accounted for approximately 56% of its total turnover during the Period.

The Group's sales revenue from air-conditioners in the first half of 2006 amounted to approximately HK\$746,289,000, representing an increase of approximately 34% from that of the corresponding period of last year. Sales volume of air-conditioners was approximately 626,000 units, representing an increase of approximately 63% from that of the corresponding period of last year. In the first half of 2006, the export sales revenue from the Group's air-conditioner business amounted to approximately HK\$447,564,000, up by approximately 241% from that of the corresponding period of last year, and represented approximately 60% of the total revenue of the air-conditioner business. During the Period, the Group's export sales volume was approximately 434,000 units, representing an increase of approximately 219% from that of the corresponding period of last year. In the domestic market, sales revenue from the Group's air-conditioner business amounted to approximately HK\$298,725,000, representing a decrease of approximately 30% from that of the corresponding period of last year. During the Period, the domestic sales volume of the Group's air-conditioner business was approximately 192,000 units, representing a decrease of approximately 23% from that of the corresponding period of last year. During the Period, the Group changed the sales mix and focused on the export market. There is a sharp increase in the export sales volume from that of the corresponding period of last year, however, as price of export sales was lower than domestic market, which led to greater increase in sales volume than that of sales revenue of air-conditioners during the Period.

In the first half of 2006, the Company's air-conditioner factory streamlined its organizational structure, manage the operation by dividing the Company's structure into small group and abolished the department and division levels in its management structure. Excessive employees were dismissed to improve efficiency. Production strictly adhered to the plan and planning management has been effectively implemented. The establishment of the production accountability mechanism, together with the effectively implementation of the emphasis on quality control and on-the-spot management and the design-based cost reduction has effectively passed on the working pressure. All aspects of work were rapidly enhanced following the implementation of internal optimization and management improvement.

管理層討論及分析(續)

空調業務分析

本集團空調銷售額佔本集團本期間整體營業額約56%。

本集團於二零零六年上半年之空調銷售額約達港幣746,289,000元，較去年同期上升約34%；空調銷售量約達626,000台，較去年同期上升約63%。本集團空調產品於二零零六年上半年出口銷售約為港幣447,564,000元，較去年同期上升約241%，出口銷售佔空調總收入約60%。於本期間，本集團出口銷售量約為434,000台，比去年同期上升約219%。於國內市場方面，本集團國內空調銷售收入約為港幣298,725,000元，比去年同期下降約30%；本期間本集團空調產品國內銷售量約為192,000台，比去年同期下降約23%。本集團於本期間改變銷售結構及專注於出口市場。出口銷售量相比去年同期大幅增加，然而，出口售價低於國內市場，從而導致本期間空調產品銷量增幅大於銷售額之增幅。

二零零六年上半年，本公司的空調工廠緊縮組織架構，內部採用模塊化運作，取消部、科二級架構；精簡人員，提高效率；生產依從計劃，推行剛性計劃管理，建立生產責任追究機制、強調實物質量控制和現場管理、以設計為源頭大力推進降成本等工作開展有效實現工作壓力傳遞；經過內部優化、管理提升，各項工作取得了長足的進步。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Overall Operating Performance

Accelerating Adjustment of Operation Mode to Achieve Success by Stage

In accordance with our principle of stripping off non-core businesses, we have completed the transfer of Guangzhou Hualing Property Management Co., Ltd. to independent third parties and commenced liquidation and deregistration procedures of Guangzhou Office, Beijing Office, Chengdu Hualing Electrical Household Appliance Co., Ltd. and Guangzhou Hualing Refrigeration Co., Ltd.. We have disposed part of our non-core and non-operating assets through auctions according to market practice and recovered part of the funds which effectively enhanced our major business operation.

Pursuing Internal Resources Consolidation to Enhance Operating Efficiency

We have consolidated the domestic and overseas sales channels and capital deployment platform of Hefei Hualing Co., Ltd. with our financing platform at the Group's level, and implemented organization restructuring and streamlining of manpower. 15 domestic sales centers and 7 warehouses were closed so as to consolidate our resources for boosting the sales in Guangdong, Jiangsu, Zhejiang and Sichuan regions, which we already have a strong presence.

Better Budget Control and Cost Management System

We have improved the cost control of our factories by implementing the ERP System. At the end of June 2006, inventory of work-in-progress at our factories was approximately HK\$25,730,000, down by approximately 27% when compared to the level at the beginning of this year. We have negotiated the pricing of our external purchase of raw materials with reference to the pricing of the Midea Group Co., Ltd (the "Midea Group"); we focused on cost saving through technology advancement, universal applicability and standardization of products. From January to June 2006, we have implemented 224 cost-saving technology advancement projects and reduced our cost by approximately HK\$13,620,000. It is expected to achieve approximately HK\$32,720,000 saving in cost for the year. We strictly controlled our selling price and established an approval and filing system for price reduction activities that below our bottom line.

管理層討論及分析(續)

整體營運表現

加快實施經營模式調整，取得階段性成果

按照剝離非核心業務和資產的原則，進一步將廣州市華凌實業有限公司對外轉讓，對廣州辦、北京辦、成都華凌家電有限公司、廣州華凌雪櫃有限公司等公司開展清算註銷工作，對部分非核心、非經營性資產根據市場原則進行了拍賣剝離，回收了部分資金，有力的促進了公司主營業務的運作。

推進內部資源整合，提升經營效率

整合合肥華凌股份有限公司內外銷平台，資金運作平台，由集團統一融資平台，組織重組，削減人員。削減內銷產品中心15個，倉庫7個，集中資源強化傳統強勢區域如廣東、江浙、四川的銷售。

完善預算和成本管理體系

通過ERP系統實施，推進車間成本控制體系，二零零六年六月末車間在製品庫存約港幣25,730,000元，較年初下降約27%；重新梳理外購件工藝定額，定價參考美的集團有限公司(「美的集團」)價格，大力開展技術降成本，產品通用化、標準化工作，二零零六年一月至六月份技術降成本立項224個，產生效益約港幣13,620,000元，預計全年產生效益約港幣32,720,000元。嚴格控制銷售價格，對突破銷售底價的業務建立審批、備案制度。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Overall Operating Performance (Continued)

Readjustment of Marketing Strategy in a Timely Manner

Our refrigerator business has been firmly adhered to the product strategy of “adjustment of product mix to increase profit margins” and our air-conditioner business has been firmly adhered to the product strategy of “focus on overseas market to achieve reasonable profit”. We have exited the mass-produced series market which has been suffering from vicious price competition, on the other hand, we have increased our investment in refrigerator business and more efforts were put in market development.

Strengthening of Human Resources to Support Our Business Development

Under the direction of “Tightening headcounts for management function with expansion of key positions”, we have undergone a series of optimization, contraction and rationalization to our management team, and at the same time added several key Research and Development (R&D) and marketing positions. Following such restructuring and as at 30 June 2006, the numbers of our management staff is 778, a 37% decrease when compared with 1,244 in 2005. Under our workforce plan, in 2006 there will be 427 management staff (which accounted for 55% of the total), 118 R&D staff (which accounted for 15% of the total), and 233 marketing staff (which accounted for 30% of the total). We will run a system for both professional and technological development in order to mobilize the initiative and creativity of technology R&D staff, with an aim to strengthening the development of our technical staff team.

管理層討論及分析(續)

整體營運表現(續)

適時調整營銷策略

冰箱堅持「調整產品結構增加邊際利潤」，空調堅持「著重出口市場的份額達到合理利潤」的產品策略。空調退出惡性價格競爭的工程機市場，同時加大了冰箱的資源投入及市場開拓。

強化人力資源建設，支撐公司業務發展

遵循「管理編製緊縮，關鍵崗位補充」的方針，對管理類崗位進行優化、壓縮、精簡，對包括研發、營銷在內的關鍵崗位予以補充。經過調整，於二零零六年六月三十日，確定最終管理編製人員定編為778人，較二零零五年1,244人下降37%。其中2006年管理類人員定編427人，佔全部定編的55%；研發類118人，佔定編的15%；營銷類233人，佔定編的30%。建設專業技術雙軌制發展通道。充分調動技術開發人員的積極性、創造性，促進公司技術隊伍的發展壯大。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Overall Operating Performance (Continued)

Facilitating the Establishment and Enhancement of Corporate Culture to Strengthen Corporate Organization and Morale

We aim at creating a sense of belonging and cultivate a common corporate value through different activities such as sharing of market experience, production competition, sports games and speech contest to help the organisation and our staff in overcoming challenges in the course of operation and management.

Financial Review

Liquidity, Financial Resources and Capital Structure

During the first half of 2006, the Group adhered to the business direction of "Focusing on profitability, adjusting the operation mode, specializing in refrigerators and air-conditioners businesses, controlling costs and enhancing efficiency and achieving break-even". Our operating results improved significantly when compared to the corresponding period of 2005.

As at 30 June 2006, the Group's bank borrowings decreased to approximately HK\$372,816,000 (31 December 2005: HK\$450,978,000), all of which were short term fixed rate bank loans. The decrease in borrowings is mainly due to the net repayment of approximately HK\$78,162,000 during the Period. Bank balances and cash amounted to approximately HK\$301,309,000 (31 December 2005: HK\$307,454,000). There is no contingent liabilities for the Group as at 30 June 2006.

As at 30 June 2006, the Group had net deficit of approximately HK\$291,932,000. As at 30 June 2006, the debt to equity ratio, calculated by dividing the short-term loans with shareholders' equity, was -1.28. As at 30 June 2006, property, plant and equipment and leasehold land and land use rights with net book value of approximately HK\$94,969,000 (31 December 2005: HK\$98,076,000) were pledged as security for the Group's short-term bank loans. As at 30 June 2006, approximately HK\$27,184,000 (31 December 2005: HK\$100,903,000) of the Group's loans were guaranteed by the Midea Group.

管理層討論及分析 (續)

整體營運表現 (續)

推動企業文化建設與提升，加強公司組織與文化氛圍

通過市場體驗、生產競賽、體育活動、演講比賽等多種活動，提升員工凝聚力，培養共同價值觀，促進組織與員工應對經營和管理壓力的挑戰。

財務回顧

流動資金、財政資源及資本結構

於二零零六年上半年，本集團堅持「以盈利為核心，調整經營模式，專營冰箱空調，狠抓成本、速度，實現盈虧平衡」的經營理念，經營成果較於二零零五年同期有較大提升。

於二零零六年六月三十日，本集團之銀行貸款下降至約港幣372,816,000元(二零零五年十二月三十一日：港幣450,978,000元)，全部為短期定息銀行貸款，貸款之下降主要歸因於期內償付淨額約港幣78,162,000元。銀行結餘及現金則為約港幣301,309,000元(二零零五年十二月三十一日：港幣307,454,000元)。於二零零六年六月三十日，本集團概無任何或然負債。

於二零零六年六月三十日，本集團之虧絀淨額約為港幣291,932,000元。於二零零六年六月三十日，將短期貸款除以股東權益後，借貸比率約為-1.28。於二零零六年六月三十日，短期銀行貸款乃由本集團賬面淨值約港幣94,969,000元(於二零零五年十二月三十一日：港幣98,076,000元)之若干物業、廠房及設備及租賃土地及土地使用權等資產作抵押。於二零零六年六月三十日，本集團約港幣27,184,000元(於二零零五年十二月三十一日：港幣100,903,000元)貸款乃由美的集團作出擔保。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Exposure to Fluctuations in Exchange Rate

Since most of the Group's loans and transactions are denominated in Renminbi, Hong Kong Dollar and United States Dollar, the risk borne by the Group with respect to currency fluctuation is relatively low. During the Period, the Group mainly used its income in Renminbi to settle the expenses from its PRC operations, and had not used any financial instrument to hedge its bank borrowings denominated in Renminbi, which was mainly used to meet the working capital requirements of its PRC operations.

Human Resources

We have been striving to adjust our organizational structure and cut our management staff to the fullest extent. This effectively helped to resolve the problem of redundancy. As at 30 June 2006, the Group employed approximately 3,984 full time staff in Hong Kong and the PRC. The Group has considered research report on remuneration prepared by professional consultants in the PRC in determining employees' remuneration based on their respective performance, experience and industry practice. The Company has also adopted a share options scheme and has provided free housing to certain staff in the PRC.

Future Development

The Company will continue optimizing resources allocation and enhancing operation efficiency. It will also leverage on the development of products and markets, to carry out its work actively and to put more efforts on improving its operation ability and operating results continuously and effectively.

管理層討論及分析(續)

財務回顧(續)

匯率波動風險

由於本集團大部份借貸及交易主要以人民幣、港元及美元為單位，本集團所承受之匯率波動風險相對較低。整體而言，年內本集團主要以所賺得之人民幣收入支付中國業務之資金支出，並無使用任何金融工具對沖人民幣銀行借貸，至於該等借貸主要用於中國業務之人民幣資金需求。

人力資源

通過組織架構調整及人員精簡，有效解決冗員嚴重現象。於二零零六年六月三十日，本集團於香港及國內共聘用約3,984名全職僱員。本集團已考慮中國專業顧問所編製之薪酬研究報告，按僱員各自之表現、經驗及業內慣例釐定僱員薪酬。本公司已採納購股權計劃及為國內若干員工提供免費宿舍。

未來發展

本公司將繼續優化資源配置，提高運作效率，以產品、市場為突破口，積極開展各項工作，持續、有效的推動公司經營能力和經營業績的改善。

DIRECTORS' AND CHIEF EXECUTIVE INTERESTS IN EQUITY AND DEBT SECURITIES

As at 30 June 2006, the interests and short positions of each Director and chief executive of the Company in office as at 30 June 2006 in the shares, underlying shares and/or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), Chapter 571 of the laws of Hong Kong), as recorded in the register maintained by the Company under Section 352 of the SFO or which have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they are taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by the Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(a) Interest in shares of the Company

Name of Director 董事姓名		Number of shares held 持有股份數目	Nature of interest 權益性質	Approximate shareholding percentage in the total issued capital of the Company 佔本公司全部已發行股本之概約持股百分比
Mr. Chan Wai Dune 陳維端先生	Long positions 權益	2,500,000	Beneficial owner 實益擁有人	0.06%

董事及高級行政人員於股本證券及債務證券之權益

於二零零六年六月三十日，於二零零六年六月三十日在任之本公司董事及高級行政人員於本公司及其相關法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）之證券、相關股份及債券中，擁有根據證券及期貨條例第352條須登記於該條所述登記冊之權益及淡倉及根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例彼等被當作或視為擁有之權益及淡倉）；或根據聯交所證券上市規則（「上市規則」）中上市公司董事進行證券交易之標準守則須知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司股份之權益

DIRECTORS' AND CHIEF EXECUTIVE INTERESTS
IN EQUITY AND DEBT SECURITIES (Continued)董事及高級行政人員於股本
證券及債務證券之權益 (續)

(b) Interests in share options of the Company

(b) 於本公司購股權之權益

Grantee 承授人	Date of grant 授出日期	Exercisable period 可行使期間	Exercise price 每股行 使價	No. of share options 購股權數量			
				Outstanding as at 1 January 2006 截至 二零零六年 一月一日 尚未行使	Granted during the period 期內 已授出	Exercised during the period 期內 已行使	Outstanding as at 30 June 2006 截至 二零零六年 六月三十日 尚未行使
Directors							
董事							
Mr. Fang Hongbo	23-1-2006	23-1-2006 to 22-1-2016	HK\$0.1206	–	25,000,000	–	25,000,000
方洪波先生	二零零六年 一月二十三日	二零零六年 一月二十三日 至二零零六年 一月二十二日	港幣0.1206元				
Mr. Zhang Quan	23-1-2006	23-1-2006 to 22-1-2016	HK\$0.1206	–	25,000,000	–	25,000,000
張權先生	二零零六年 一月二十三日	二零零六年 一月二十三日至 二零零六年 一月二十二日	港幣0.1206元				
Mr. Li Jianwei	23-1-2006	23-1-2006 to 22-1-2016	HK\$0.1206	–	5,000,000	–	5,000,000
栗建偉先生	二零零六年 一月二十三日	二零零六年 一月二十三日至 二零零六年 一月二十二日	港幣0.1206元				
Ms. Yuan Liqun	23-1-2006	23-1-2006 to 22-1-2016	HK\$0.1206	–	3,900,000	–	3,900,000
袁利群女士	二零零六年 一月二十三日	二零零六年 一月二十三日至 二零零六年 一月二十二日	港幣0.1206元				

**DIRECTORS' AND CHIEF EXECUTIVE INTERESTS
IN EQUITY AND DEBT SECURITIES (Continued)**

**董事及高級行政人員於股本
證券及債務證券之權益(續)**

**(b) Interests in share options of the Company
(Continued)**

(b) 於本公司購股權之權益(續)

Grantee 承授人	Date of grant 授出日期	Exercisable period 可行使期間	Exercise price 每股行 使價	No. of share options 購股權數量			Outstanding as at 30 June 2006 截至 二零零六年 六月三十日 尚未行使
				Outstanding as at 1 January 2006 截至 二零零六年 一月一日 尚未行使	Granted during the period 期內 已授出	Exercised during the period 期內 已行使	
Directors (continued) 董事(續)							
Mr. Chen Yu Hang 陳宇航先生	23-1-2006 二零零六年 一月二十三日	23-1-2006 to 22-1-2016 二零零六年 一月二十三日至 二零一六年 一月二十二日	HK\$0.1206 港幣0.1206元	-	3,000,000	-	3,000,000
Mr. Zhang Xin Hua 張新華先生	23-1-2006 二零零六年 一月二十三日	23-1-2006 to 22-1-2016 二零零六年 一月二十三日至 二零一六年 一月二十二日	HK\$0.1206 港幣0.1206元	-	3,000,000	-	3,000,000
Mr. Wang Wei (resigned with effect from 16 August 2006) 王偉先生 (辭任由 二零零六年 八月十六日起 生效)	23-1-2006 二零零六年 一月二十三日	23-1-2006 to 22-1-2016 二零零六年 一月二十三日至 二零一六年 一月二十二日	HK\$0.1206 港幣0.1206元	-	25,000,000	-	25,000,000
Employees 僱員							
In aggregate	23-1-2006	23-1-2006 to 22-1-2016	HK\$0.1206	-	26,000,000	-	26,000,000
合計	二零零六年 一月二十三日	二零零六年 一月二十三日至 二零一六年 一月二十二日	港幣0.1206元				
					115,900,000		115,900,000

Share options are granted to Directors and employees of the Company under the 2003 Share Option Scheme. Details of share options schemes are disclosed in Note 9(b) to the condensed consolidated interim financial information.

購股權乃根據二零零三年購股權計劃而授予本公司董事及僱員。購股權計劃之詳情於簡明綜合中期財務資料附註9(b)內披露。

Other than those interests disclosed above, as at 30 June 2006, no Directors and chief executives of the Company (including their spouse and children under 18 years of age) had any interests in, or had been granted, or exercised, any rights to subscribe for the shares of the Company and its associated corporations (within the meaning of the SFO).

除上文披露者外，於二零零六年六月三十日，各董事及高級行政人員（包括彼等之配偶及十八歲以下子女）並無擁有、獲授予或行使任何可認購本公司及其相關法團（按證券及期貨條例之定義）之股份之權利。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as the Directors are aware, the register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 June 2006, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors.

主要股東權益

根據董事所知，按照證券及期貨條例第336條之主要股東登記冊顯示，於二零零六年六月三十日，本公司已接獲下列持有本公司已發行股本百分之五或以上權益之通知，此等權益並未包括於以上披露之董事之權益內。

Name of shareholder 股東姓名／名稱		Number of shares held 持有股份數目	Percentage of shareholding 概約持股百分比
Midea International Corporation Company Limited ("Midea International") (Note 1) 美的國際控股有限公司 (「美的國際」)(附註1)	Long positions 權益	1,909,414,805	48.09%
Midea Group (Note 2) 美的集團(附註2)	Long positions 權益	1,909,414,805	48.09%
Foshan Shunde Tiantuo Investment Co., Ltd ("Shunde Tiantuo") (Note 3) 佛山市順德區天托投資有限公司 (「順德天托」)(附註3)	Long positions 權益	1,909,414,805	48.09%
Foshan Shunde Lixun Investment Co., Ltd ("Lixun Investment") (Note 4) 佛山市順德區利迅投資有限公司 (「利迅投資」)(附註4)	Long positions 權益	1,909,414,805	48.09%
Mr. He Xiangjian (Note 5) 何享健先生(附註5)	Long positions 權益	1,909,414,805	48.09%
Ms. Liang Fengchai (Note 6) 梁鳳釵女士(附註6)	Long positions 權益	1,909,414,805	48.09%
Mr. Zhang Hechuan (Note 7) 張河川先生(附註7)	Long positions 權益	1,909,414,805	48.09%
Ms. Zhao Hongying (Note 8) 趙紅英女士(附註8)	Long positions 權益	1,909,414,805	48.09%
Guangzhou Baiyun Agriculture Industry & Commerce Corporation 廣州市國營白雲農工商聯合公司	Long positions 權益	198,630,000	5%

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Continued)

Notes:

1. These 1,909,414,805 shares were registered in the name of and beneficially owned by Midea International.
2. Midea Group was deemed to be interested in the 1,909,414,805 shares which Midea International was interested in by virtue of its holding 100% equity interest in Midea International.
3. The registered capital of Midea Group is owned as to 55% by Shunde Tiantuo and 45% by Lixun Investment. Accordingly, Shunde Tiantuo was deemed to be interested in the 1,909,414,805 shares which Midea International was interested in by virtue of its holding 55% equity interest in Midea Group.
4. The registered capital of Midea Group is owned as to 55% by Shunde Tiantuo and 45% by Lixun Investment. Accordingly, Lixun Investment was deemed to be interested in the 1,909,414,805 shares which Midea International was interested in by virtue of its holding 45% equity interest in Midea Group.
5. The registered capital of Shunde Tiantuo is owned as to 90% by Mr. He Xiangjian and 10% by Ms. Lu De Yan. Accordingly, Mr. He Xiangjian was deemed to be interested in the 1,909,414,805 shares which Midea International was interested in by virtue of his holding 90% equity interest in Shunde Tiantuo.
6. Ms. Liang Fengchai is the spouse of Mr. He Xiangjian and is therefore deemed to be interested in the 1,909,414,805 shares which Midea International was interested in by virtue of Mr. He Xiangjian's holding 90% equity interest in Shunde Tiantuo.
7. The registered capital of Lixun Investment is owned as to 34% by Mr. Zhang Hechuan, 33% by Mr. Li Jianwei and 33% by Ms. Yuan Liquan. Accordingly, Mr. Zhang Hechuan was deemed to be interested in the 1,909,414,805 shares which Midea International was interested in by virtue of his holding 34% equity interest in Lixun Investment.
8. Ms. Zhao Hongying is the spouse of Mr. Zhang Hechuan and was therefore deemed to be interested in the 1,909,414,805 shares which Midea International was interested in by virtue of Mr. Zhang Hechuan's holding 34% equity interest in Lixun Investment.

主要股東權益 (續)

附註：

1. 該等1,909,414,805股股份以美的國際之名義登記及由其實益擁有。
2. 美的集團藉持有美的國際100%股權而被視為於美的國際擁有權益之1,909,414,805股股份中擁有權益。
3. 美的集團之註冊資本由順德天托及利迅投資分別擁有55%及45%權益。因此，順德天托藉持有美的集團55%股權而被視為於美的國際擁有權益之1,909,414,805股股份中擁有權益。
4. 美的集團之註冊資本由順德天托及利迅投資分別擁有55%及45%權益。因此，利迅投資藉持有美的集團45%股權而被視為於美的國際擁有權益之1,909,414,805股股份中擁有權益。
5. 順德天托由何享健先生及盧德燕女士分別擁有90%及10%權益。因此，何享健先生藉持有順德天托90%股權而被視為於美的國際擁有權益之1,909,414,805股股份中擁有權益。
6. 梁鳳釵女士為何享健先生之配偶，因此，藉何享健先生持有順德天托90%股權而被視為於美的國際擁有權益之1,909,414,805股股份中擁有權益。
7. 利迅投資之註冊資本由張河川先生、粟建偉先生及袁利群女士分別擁有34%、33%及33%。因此，張河川先生藉持有利迅投資34%股權而被視為於美的國際擁有權益之1,909,414,805股股份中擁有權益。
8. 趙紅英女士為張河川先生之配偶，因此，藉張河川先生持有利迅投資34%股權而被視為於美的國際擁有權益之1,909,414,805股股份中擁有權益。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Period.

MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code regarding securities transactions by Directors, the terms of which are not less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific enquiry to the Directors, all Directors confirmed that they have complied with the Model Code during the six months ended 30 June 2006.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 June 2006, the Company had complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules, except for the deviations that under the code provision E.1.2, it is stipulated that the chairman of the board of directors (the "Board") should attend the annual general meeting. The chairman of the Board did not attend the annual general meeting of the Company held on 9 June 2006 because of another business engagement.

Under the code provision A.4.2 (last sentence) provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. At the annual general meeting held on 9 June 2006, the Articles of Association of the Company were amended in compliance with the code provisions of the Code in that (i) every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and (ii) the managing director of the Company (if any) shall whilst holding office as such be subject to retirement by rotation at least once every three years and shall be taken into account in determining the number of directors to retire by rotation in each year.

購買、出售或贖回上市證券

於本期間，本公司並無贖回其任何股份。本公司或其任何附屬公司於本期間亦概無購買或出售任何本公司之上市證券。

董事進行證券交易之標準守則

本公司已採納有關董事進行證券交易之標準守則，其條款為不遜於上市規則附錄10所載之上市公司董事進行證券交易之標準守則。在向所有董事作出特定查詢後，所有董事確認於截至二零零六年六月三十日止六個月均遵守標準守則。

遵守企業管治常規守則

於截至二零零六年六月三十日止六個月期間，本公司已遵守上市規則附錄14載列之企業管治常規守則（「守則」）之規定，惟根據守則條文第E.1.2條規定，董事會（「董事會」）主席須出席股東週年大會。董事會主席因其他業務而未能出席於二零零六年六月九日舉行之股東週年大會，而出現偏差。

根據守則條文第A.4.2條（最後一句）規定，所有董事（包括有特定任期之董事）須至少每三年輪值退任一次。於二零零六年六月九日舉行之股東週年大會上，本公司之組織章程細則根據守則條文經修訂如下(i)每名董事（包括有特定任期之董事）須至少每三年輪值退任一次；及(ii)本公司董事總經理（倘有）在任期間須至少每三年輪值退任一次及須計入釐定每年將予輪值退任之董事人數內。

AUDIT COMMITTEE

To protect the interest of shareholders, the Group formed an audit committee (the "Audit Committee") on 5 August 1999. The Audit Committee comprised three independent non-executive Directors of the Company, namely, Mr. Chan Wai Dune (chairman), Mr. Lam Ming Yung and Ms. Chen Chunhua and is set to improve the system of internal control of the Group. The Audit Committee has reviewed the unaudited interim results of the Company for the six months ended 30 June 2006 and agreed to the accounting treatment adopted by the Company. In addition, the Company's Auditors have reviewed these unaudited interim results in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The independent review report of the Auditors is set out below.

REMUNERATION COMMITTEE

Remuneration Committee has been established by the Company to consider the remuneration of the Directors and senior management of the Company. The Remuneration Committee currently comprises two executive Directors, namely, Mr. Fang Hongbo and Mr. Li Jianwei and three independent non-executive Directors of the Company, namely, Ms. Chen Chunhua (chairman), Mr. Chan Wai Dune and Mr. Lam Ming Yung.

審核委員會

為保障股東權益，本集團於一九九九年八月五日成立審核委員會（「審核委員會」）。審核委員會由三名獨立非執行董事陳維端先生（主席）、林明勇先生及陳春花女士組成，成立宗旨為改善本集團之內部監控制度。審核委員會已審閱本公司截至二零零六年六月三十日止六個月之未經審核中期業績，並同意本公司所採取之會計處理方法。此外，本公司之核數師已根據香港會計師公會（「香港會計師公會」）所頒佈之核數準則第700號「審閱中期財務報告之委聘」審閱該等未經審核中期業績。核數師之獨立審閱報告已於下文載列。

薪酬委員會

本公司已設立薪酬委員會，以考慮本公司董事及高級管理層之薪酬。薪酬委員會現時由兩名執行董事組成，即由方洪波先生及栗建偉先生，以及本公司三名獨立非執行董事陳春花女士（主席）、陳維端先生及林明勇先生組成。



羅兵咸永道會計師事務所

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INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF HUALING HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

獨立審閱報告 致華凌集團有限公司 董事會

(於香港註冊成立之有限公司)

INTRODUCTION

We have been engaged by the Company to review the interim financial report of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2006 set out on pages 20 to 48.

引言

本所已按與 貴公司簽訂之協定，審閱第20至48頁所載有關 貴公司及其子公司（「貴集團」）截至二零零六年六月三十日止六個月的中期財務報告。

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited requires the preparation of consolidated condensed interim financial information to be in compliance with Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

董事及核數師各自之責任

香港聯合交易所有限公司證券上市規則規定，綜合簡明中期財務資料的編製須符合香港會計師公會頒佈的香港會計準則第34號「中期財務報告」及其相關規定。董事須對中期財務報告負責，而該報告亦已獲董事會批准。

It is our responsibility to form an independent conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

本所之責任是根據審閱之結果，對中期財務報告出具獨立結論，並按照雙方所協議的應聘書條款僅向整體董事會報告，除此之外本報告別無其他目的。本所不會就本報告的內容向任何其他人士負上或承擔任何責任。

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants, except that the scope of our review was limited as explained below.

已執行的審閱工作

除下文所述本所審閱範圍所受到之限制外，本所已按照香港會計師公會所頒佈的核數準則第700號「審閱中期財務報告之委聘」進行審閱工作。

A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

The evidence available to us was limited because, in the absence of sufficient documentary evidence, we were unable to ascertain whether the assumptions made by the directors of the Company in preparing the interim financial report on a going concern basis, as set out in Note 2 to the interim financial report, are fair and reasonable. Accordingly, we were unable to satisfy ourselves that the going concern basis is proper and appropriate. There were no other satisfactory review procedures that we could adopt to satisfy ourselves as to the appropriateness of the going concern basis, which may have a consequential significant effect on the loss of the Group for the six months ended 30 June 2006 and the net liabilities of the Group as at 30 June 2006.

INABILITY TO REACH A REVIEW CONCLUSION

Because of the significance of the possible effect of the limitation in evidence available to us in relation to the directors in preparing the interim financial report on a going concern basis, we are unable to reach a review conclusion as to whether material modifications should be made to the interim financial report for the six months ended 30 June 2006.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 September 2006

審閱工作主要包括向集團管理層作出查詢，及對中期財務報告進行分析程序，然後根據結果評估 貴公司之會計政策及呈報方式是否貫徹應用(惟已另作披露則除外)。審閱工作並不包括監控測試及核證資產、負債及交易等審計程序。由於審閱之範圍遠較審計為小，故所提供的保證程度較審計為低。因此，本所不會對中期財務報告發表審計意見。

鑑於缺乏足夠之書面證明，可提供予本所之證據受到限制，我們無法確定 貴公司董事採用持續經營基準編製中期財務報告所作之假設(如中期財務報告附註2所述)是否為公允及合理。因此，我們無法確認持續經營基準之恰當性。本所亦未能採取其他滿意的審閱程序以令本所確定持續經營基準的恰當性。此結果可能對 貴集團於截至二零零六年六月三十日止六個月之虧損及 貴集團於二零零六年六月三十日之負債淨額產生重大影響。

未能達致審閱結論

鑑於董事採用持續經營基準編製中期財務報告而可提供予本所之證據受到限制而可能出現的重大影響，我們未能就截至二零零六年六月三十日止六個月之中期財務報告應否需要作出重大修訂達致審閱結論。

羅兵咸永道會計師事務所
執業會計師

香港，二零零六年九月二十五日

(ALL AMOUNTS IN HK DOLLARS THOUSANDS UNLESS OTHERWISE STATED)

(除另有註明外，所有金額以港幣千元列示)

CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2006

綜合中期資產負債表

於二零零六年六月三十日

		Note 附註	30 June 2006 二零零六年 六月三十日 Unaudited 未經審核	31 December 2005 二零零五年 十二月三十一日 Audited 經審核
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	5	356,177	352,886
Investment properties	投資物業	5	107,767	103,978
Leasehold land and land use rights	租賃土地及土地使用權	5	29,157	34,889
Other non-current assets	其他非流動資產		428	236
Total non-current assets	非流動資產總值		493,529	491,989
Current assets	流動資產			
Inventories	存貨	6	292,746	364,819
Due from related companies	應收關聯公司款項	21(c)	2,751	5,426
Trade and other receivables	貿易及其他應收款	7	860,590	653,018
Prepaid value-added tax	預付增值稅	8	31,533	55,689
Cash and cash equivalents	現金及現金等價物		301,309	307,454
Total current assets	流動資產總值		1,488,929	1,386,406
Total assets	總資產		1,982,458	1,878,395

(ALL AMOUNTS IN HK DOLLARS THOUSANDS UNLESS OTHERWISE STATED)

(除另有註明外，所有金額以港幣千元列示)

**CONSOLIDATED INTERIM BALANCE SHEET
(Continued)**

AS AT 30 JUNE 2006

綜合中期資產負債表(續)

於二零零六年六月三十日

		Note 附註	30 June 2006 二零零六年 六月三十日 Unaudited 未經審核	31 December 2005 二零零五年 十二月三十一日 Audited 經審核
EQUITY	權益			
Capital and reserves attributable to equity holders of the Company	本公司股權持有人應佔股本及儲備			
Share capital	股本	9	397,009	397,009
Other reserves	其他儲備	10	627,607	629,415
Accumulated losses	累積虧損		(1,316,548)	(1,288,040)
			(291,932)	(261,616)
Minority interests	少數股東權益		36,476	43,336
Total equity	權益總額		(255,456)	(218,280)
LIABILITIES	負債			
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款	11	1,621,782	1,469,422
Due to related companies	應付關聯公司款項	21(c)	219,357	143,345
Current income tax liabilities	即期所得稅負債		—	2,578
Borrowings	貸款	12	372,816	450,978
Provisions for warranty	產品保養準備	13	23,959	30,352
Total current liabilities	流動負債總額		2,237,914	2,096,675
Total equity and liabilities	權益總額及負債		1,982,458	1,878,395
Net current liabilities	流動負債淨額		(748,985)	(710,269)
Total assets less current liabilities	總資產減流動負債		(255,456)	(218,280)

(ALL AMOUNTS IN HK DOLLARS THOUSANDS UNLESS OTHERWISE STATED)

(除另有註明外，所有金額以港幣千元列示)

CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2006

綜合中期收益表

截至二零零六年六月三十日止六個月

		Unaudited 未經審核		
		Six months ended 30 June 截至六月三十日止六個月		
		Note 附註	2006 二零零六年	2005 二零零五年
Sales	營業額	4	1,329,472	1,037,572
Cost of goods sold	銷售貨品成本		(1,171,683)	(998,347)
Gross profit	毛利		157,789	39,225
Other gains – net	其他收益 – 淨額	15	14,945	10,640
Selling and marketing costs	銷售及市場推廣成本		(108,873)	(214,360)
Administrative expenses	行政開支		(73,185)	(47,774)
Other operating expenses	其他經營開支		(12,552)	(5,567)
Operating loss	經營虧損		(21,876)	(217,836)
Finance costs	融資成本	16	(12,888)	(18,195)
Share of loss of associates	應佔聯營公司虧損		–	(12,067)
Loss before income tax	扣除所得稅前虧損		(34,764)	(248,098)
Income tax expense	所得稅開支	17	(604)	(745)
Loss for the half-year	半年度虧損		(35,368)	(248,843)
Attributable to:	以下應佔：			
Equity holders of the Company	本公司股權持有人		(28,508)	(248,889)
Minority interests	少數股東權益		(6,860)	46
			(35,368)	(248,843)
Loss per share for loss attributable to the equity holders of the Company, expressed in HK cents per share	本公司股權持有人應佔虧損之每股虧損以每股港仙列示			
– basic	– 基本	18	(0.72)	(15.7)
– diluted	– 攤薄	18	N/A	N/A
Dividends	股息	19	–	–

(ALL AMOUNTS IN HK DOLLARS THOUSANDS UNLESS OTHERWISE STATED)

(除另有註明外，所有金額以港幣千元列示)

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2006

綜合中期權益變動表

截至二零零六年六月三十日止六個月

		Unaudited 未經審核					
		Attributable to equity holders of the Company 本公司股權持有人應佔			Minority interests 少數股東權益	Total 合計	
		Share capital 股本	Other reserves 其他儲備	Accumulated losses 累積虧損			
Balance at 1 January 2005	於二零零五年一月一日之結餘	158,804	643,682	(1,004,500)	53,163	(148,851)	
(Loss)/profit for the period	本期(虧損)/溢利	—	—	(248,889)	46	(248,843)	
Translation differences	匯兌差異	—	3,115	—	—	3,115	
Balance at 30 June 2005	於二零零五年六月三十日之結餘	158,804	646,797	(1,253,389)	53,209	(394,579)	
Balance at 1 January 2006	於二零零六年一月一日之結餘	397,009	629,415	(1,288,040)	43,336	(218,280)	
Loss for the period	本期虧損	—	—	(28,508)	(6,860)	(35,368)	
Translation differences	匯兌差異	—	(5,575)	—	—	(5,575)	
Reserve transferred to income statement upon disposal of a subsidiary	於出售一間附屬公司時 轉撥至損益表之儲備	—	(358)	—	—	(358)	
Employees share option scheme: – value of employee services	僱員購股權計劃： – 僱員服務價值	—	4,125	—	—	4,125	
Balance at 30 June 2006	於二零零六年六月三十日之結餘	397,009	627,607	(1,316,548)	36,476	(255,456)	

(ALL AMOUNTS IN HK DOLLARS THOUSANDS UNLESS OTHERWISE STATED)

(除另有註明外，所有金額以港幣千元列示)

**CONDENSED CONSOLIDATED INTERIM CASH
FLOW STATEMENT**

FOR THE SIX MONTHS ENDED 30 JUNE 2006

簡明綜合中期現金流量表

截至二零零六年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Net cash generated from operating activities – net	經營活動產生之現金淨額－淨額	110,639	8,117
Net cash used in investing activities – net	投資活動所用之現金淨額－淨額	(38,620)	(44,611)
Net cash (used in)/generated from financing activities – net	融資活動(所用)/產生之現金淨額－淨額	(37,231)	67,059
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	34,788	30,565
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	130,070	130,089
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	164,858	160,654
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘分析		
Cash at bank and in hand	銀行及手頭現金	301,309	210,841
Less: pledged bank deposits	減：已抵押銀行存款	(136,451)	(50,187)
		164,858	160,654

(ALL AMOUNTS IN HK DOLLARS THOUSANDS UNLESS OTHERWISE STATED)

(除另有註明外，所有金額以港幣千元列示)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

1. GENERAL INFORMATION

The Group manufacture, distribute and sell household electrical appliances, which include air-conditioners, refrigerators and mini-refrigerators. The Group have manufacturing plants in the PRC and sell mainly in countries within the PRC, Europe, America, Asia Pacific and Africa.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is Suite 3904, 39/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Hong Kong.

The Company has listed its shares on The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information has been approved for issue by the Board on 25 September 2006.

1. 基本資料

本集團生產、分銷及銷售家庭電器，包括空調、冰箱及小型冰箱。本集團於中國設有生產廠房，產品主要於中國、歐洲、美洲、亞太及非洲等國家及地區銷售。

本公司為於香港註冊成立之有限公司。其註冊辦事處地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室。

本公司股份於香港聯合交易所有限公司上市。

本簡明綜合中期財務資料已於二零零六年九月二十五日獲董事會批准刊發。

2. BASIS OF PREPARATION

The Group incurred a loss attributable to the equity holders of the Company of HK\$28,508,000 for the six months ended 30 June 2006. In addition, the Group had net current liabilities and net liabilities of HK\$748,985,000 and HK\$291,932,000 respectively, as at 30 June 2006. Nevertheless, the Directors have adopted the going concern basis in the preparation of this condensed consolidated interim financial information based on the following assumptions:

- (a) The successful implementation of new business strategies of the Group to terminate the production of certain unprofitable models and to dispose of certain off-strategy investments to generate cash flows to the Group. Accordingly, the Group improved from making gross profit of HK\$39,225,000 for the six months ended 30 June 2005 to gross profit of HK\$157,789,000 for the six months ended 30 June 2006.
- (b) The Group will succeed in negotiating with its bankers to roll over the outstanding bank loans and/or to extend their repayment terms to meet its future working capital and financial requirements. As disclosed in Note 12 to the condensed consolidated interim financial information, certain bank loans, with which the Group largely finances its day-to-day working capital requirements, are due for repayment in 2006 and 2007. Subsequent to the balance sheet date, bank loans of approximately HK\$67,961,000 have been rolled over and will be due for repayments in 2006 and 2007 and none of the banks has withdrawn their facilities extended to the Group. Nevertheless, the Group is also actively exploring the availability of alternative sources of financing should its negotiations with its current bankers not be fully successful.
- (c) The continued support of its shareholders including its major shareholder, the Midea Group, to assist the Group in obtaining adequate additional banking facilities and in extending credit from established and new suppliers or to inject funding into the Group.

2. 編製基準

截至二零零六年六月三十日止六個月，本集團錄得本公司股權持有人應佔虧損港幣28,508,000元。另外，本集團於二零零六年六月三十日之淨流動負債約港幣748,985,000元，淨負債約港幣291,932,000元。然而，本簡明綜合中期財務資料乃董事採納持續經營之基準，並基於下列各項假設後編製而成：

- (a) 本集團成功實施終止部分無盈利機型之生產及出售部分非核心策略投資之經營策略，以為本集團產生現金流量。因此，本集團由截至二零零五年六月三十日止六個月錄得毛利港幣39,225,000元，改善至截至二零零六年六月三十日止六個月錄得毛利港幣157,789,000元。
- (b) 本集團將與銀行就已到期之銀行貸款續簽及／或延長還款期限問題成功磋商，以滿足本集團未來營運資金及財務需求。如簡明綜合中期財務資料附註12所披露，主要用以維持本集團日常營運資金之若干銀行貸款將於二零零六年及二零零七年到期償還。於結算日後約港幣67,961,000元之銀行貸款獲續期，並將於二零零六年及二零零七年到期償還，並且無任何銀行撤回已授予本集團之信貸額度。倘若本集團與現有之銀行之磋商不盡成功，本集團將積極拓展其他融資渠道。
- (c) 其股東包括主要股東美的集團之持續支援，協助本集團取得足夠之額外銀行信貸額度並延長已有及新簽供應商提供之信貸或向本集團注入資金。

2. BASIS OF PREPARATION (Continued)

Further, in August 2006, the Company raised approximately HK\$81,500,000 after expenses by issuing 640,000,000 placing shares at a price of HK\$0.13 per placing share, which were used to provide working capital for the Group's operation.

In the opinion of the Directors, in light of the measures taken to date and on the basis of the above-mentioned major assumptions, the Group will have sufficient working capital to finance its operation and to maintain its operating existence in the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made in the condensed consolidated interim financial information to reduce the value of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets. The consequential effects of these potential adjustments may have significant effect on the loss of the Group for the six months ended 30 June 2006 and the net liabilities of the Group as at 30 June 2006.

This condensed consolidated interim financial information for the six months ended 30 June 2006 has been prepared in accordance with HKAS 34, "Interim Financial Reporting" issued by the HKICPA. The condensed consolidated interim financial information should be read in conjunction with the 2005 annual financial statements for the year ended 31 December 2005.

2. 編製基準 (續)

此外，於二零零六年八月，本公司以每股配售股份港幣0.13元的價格發行640,000,000股配售股份，扣除開支後，籌得約港幣81,500,000元，該款項將用於為本集團營運提供營運資金。

董事認為，基於管理層已採取之措施及上述之主要假設，本集團將獲得充足之營運資金支持本集團之經營，並因而可維持其於可見將來之經營需要。因此，董事確認按持續經營之基準編製簡明綜合中期財務資料為恰當。

倘若本集團不能持續經營，則本簡明綜合中期財務資料須作出調整，以將資產值減至其可收回價值、就任何可能出現之進一步負債計提準備及將非流動資產重新分類為流動資產。上述潛在調整可能對本集團截至二零零六年六月三十日止六個月之虧損以及本集團於二零零六年六月三十日之淨負債產生重大影響。

此截至二零零六年六月三十日止六個月之簡明綜合中期財務資料乃根據由香港會計師公會頒布之香港會計準則第34號「中期財務報告」而編製。此簡明綜合中期財務資料應與截至二零零五年十二月三十一日止年度之二零零五年年度財務報表一併閱讀。

3. ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2005 as described in the annual financial statements for the year ended 31 December 2005.

The Group adopted HKAS 19 (Amendment) – Employee Benefits, HKAS 21 (Amendment) – Net Investment in a Foreign Operation, HKAS 39 (Amendment) – Cash Flow Hedge Accounting of Forecast Intragroup Transactions, HKAS 39 (Amendment) – The Fair Value Option, HKAS 39 & HKFRS 4 (Amendment) – Financial Guarantee Contracts and HKFRS Int 4 – Determining whether an Arrangement contains a Lease, as at 1 January 2006. These changes in accounting policies did not have significant impact on the Group's results and financial position.

4. SEGMENT INFORMATION

Primary reporting format – business segments

As at 30 June 2006, the Group is organised into three main business segments:

- Refrigerator business – manufacture and distribution of a broad range of refrigerators
- Air-conditioner business – manufacture and distribution of a broad range of air-conditioners
- Mini-refrigerator business – manufacture and distribution of a broad range of mini-refrigerators

Other businesses of the Group mainly comprise holding of investment properties and renting of properties, neither of which are of a sufficient size to be reported separately.

3. 會計政策

除以下所述者外，本公司所採納之會計政策與截至二零零五年十二月三十一日止年度之年度財務報表所採納的會計政策一致，詳見截至二零零五年十二月三十一日止年度之年度財務報表。

於二零零六年一月一日，本集團已採納經修訂之香港會計準則第19號－僱員福利，經修訂之香港會計準則第21號－海外業務之投資淨額，經修訂之香港會計準則第39號－預測集團內公司間交易之現金流量對沖會計法，經修訂之香港會計準則第39號－公平值期權，經修訂之香港會計準則第39號及香港財務報告準則第4號－財務擔保合約及香港財務報告準則詮釋第4號－釐定安排是否包含租賃。此等會計政策變化並未對本集團之業績及財務狀況產生重大影響。

4. 分部資料

主要報告形式－業務分部

於二零零六年六月三十日，本集團經營三項主要業務分部：

- 冰箱業務 – 製造及分銷廣泛類別之冰箱
- 空調業務 – 製造及分銷廣泛類別之空調
- 小型冰箱業務 – 製造及分銷廣泛類別之小型冰箱

本集團其他業務主要為持有投資物業及出租物業，兩者之規模皆不足以作獨立分部報告。

4. SEGMENT INFORMATION (Continued)

Primary reporting format – business segments (Continued)

The segment results for the six months ended 30 June 2006 are as follows:

		Refrigerator business 冰箱業務	Air- conditioner business 空調 業務	Mini- refrigerator business 小型冰箱 業務	Other businesses 其他業務	Group 本集團
Sales	營業額	224,943	746,289	358,240	–	1,329,472
Segment results	分部業績	15,921	(13,108)	(14,541)	(10,148)	(21,876)
Finance costs	融資成本					(12,888)
Loss before taxation	稅前虧損					(34,764)
Taxation	稅項					(604)
Loss for the Period	本期虧損					(35,368)

4. 分部資料 (續)

主要報告形式 – 業務 分部 (續)

截至二零零六年六月三十日止六個月
之分部業績如下：

The segment results for the six months ended 30 June 2005 are as follows:

截至二零零五年六月三十日止六個月
之分部業績如下：

		Refrigerator business 冰箱業務	Air- conditioner business 空調業務	Mini- refrigerator business 小型冰箱 業務	Other businesses 其他業務	Group 本集團
Sales	營業額	178,803	557,079	301,690	–	1,037,572
Segment results	分部業績	(152,560)	(59,925)	4,815	(10,166)	(217,836)
Finance costs	融資成本					(18,195)
Share of losses of associates	應佔聯營公司虧損					(12,067)
Loss before taxation	稅前虧損					(248,098)
Taxation	稅項					(745)
Loss for the Period	本期虧損					(248,843)

4. SEGMENT INFORMATION (Continued)

*Primary reporting format – business segments
(Continued)*

The segment assets and liabilities as at 30 June 2006 and capital expenditure for the six months then ended are as follows:

		Refrigerator business 冰箱業務	Air- conditioner business 空調 業務	Mini- refrigerator business 小型冰箱 業務	Other businesses 其他業務	Group 本集團
Segment assets	分部資產	465,320	992,842	450,072	-	1,908,234
Unallocated assets	未分配資產					74,224
Total assets	總資產					1,982,458
Segment liabilities	分部負債	504,310	1,399,837	323,717	4,234	2,232,098
Unallocated liabilities	未分配負債					5,816
Total liabilities	總負債					2,237,914
Capital expenditures	資本性支出	9,144	13,462	25,350	-	47,956

The segment assets and liabilities as at 31 December 2005 and capital expenditure for the six months ended 30 June 2005 are as follows:

		Refrigerator business 冰箱業務	Air- conditioner business 空調業務	Mini- refrigerator business 小型冰箱 業務	Other businesses 其他業務	Group 本集團
Segment assets	分部資產	429,772	958,363	420,410	2,636	1,811,181
Unallocated assets	未分配資產					67,214
Total assets	總資產					1,878,395
Segment liabilities	分部負債	488,873	1,289,624	306,419	5,930	2,090,846
Unallocated liabilities	未分配負債					5,829
Total liabilities	總負債					2,096,675
Capital expenditures	資本性支出	24,272	2,239	18,647	-	45,158

4. 分部資料 (續)

*主要報告形式 – 業務
分部 (續)*

於二零零六年六月三十日之分部資產及負債，以及截至當日止六個月之資本性支出如下：

於二零零五年十二月三十一日之分部資產及負債，以及截至二零零五年六月三十日止六個月之資本性支出如下：

4. SEGMENT INFORMATION (Continued)

Secondary reporting format – geographical segments

The Group's three business segments are operated in five main geographical areas:

The PRC	– manufacture and sale of household electrical appliances
Europe	– sale of household electrical appliances
Other Asia-Pacific countries	– sale of household electrical appliances
America	– sale of household electrical appliances
Africa	– sale of household electrical appliances

There are no sales between the geographical segments. Analysis of financial information by geographical segment is as follows:

Analysis of sales of refrigerators into domestic sales in the PRC and export sales outside the PRC by region is as follows:

4. 分部資料 (續)

從屬報告形式 – 地區分部

本集團三項業務分部在以下五個主要地區經營：

中國	– 家用電器製造及銷售
歐洲	– 家用電器銷售
其他亞太地區	– 家用電器銷售
美洲	– 家用電器銷售
非洲	– 家用電器銷售

地區分部之間並無銷售業務。按地區分部劃分之財務資料分析如下：

按地區劃分之在中國國內和對國外出口的冰箱銷售分析如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2006	2005
		二零零六年	二零零五年
Domestic sales	國內銷售	180,037	143,411
Export sales	出口銷售		
Europe	歐洲	9,597	25,230
Asia-Pacific	亞太	31,274	10,008
America	美洲	2,445	154
Africa	非洲	1,590	–
Total export sales	出口銷售總額	44,906	35,392
Total	合計	224,943	178,803

4. SEGMENT INFORMATION (Continued)

Secondary reporting format – geographical segments (Continued)

Analysis of sales of air-conditioners into domestic sales in the PRC and export sales outside the PRC by region is as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Domestic sales	國內銷售	298,725	425,895
Export sales	出口銷售		
Europe	歐洲	139,530	58,532
Asia-Pacific	亞太	53,504	57,016
America	美洲	254,530	15,636
Total export sales	出口銷售總額	447,564	131,184
Total	合計	746,289	557,079

Analysis of sales of mini-refrigerators into domestic sales in the PRC and export sales outside the PRC by region is as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Domestic sales	國內銷售	78,532	49,781
Export sales	出口銷售		
Europe	歐洲	89,272	64,316
Asia-Pacific	亞太	78,129	55,866
America	美洲	87,806	123,316
Africa	非洲	24,501	8,411
Total export sales	出口銷售總額	279,708	251,909
Total	合計	358,240	301,690

No geographical segment analysis on total assets and capital expenditure is prepared as over 90% of the Group's total assets and capital expenditures were located/incurred in the PRC.

4. 分部報告 (續)

從屬報告形式 – 地區分部 (續)

按地區劃分之在中國國內和對國外出口之空調銷售分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Domestic sales	國內銷售	298,725	425,895
Export sales	出口銷售		
Europe	歐洲	139,530	58,532
Asia-Pacific	亞太	53,504	57,016
America	美洲	254,530	15,636
Total export sales	出口銷售總額	447,564	131,184
Total	合計	746,289	557,079

按地區劃分之在中國國內和對國外出口之小型冰箱銷售分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Domestic sales	國內銷售	78,532	49,781
Export sales	出口銷售		
Europe	歐洲	89,272	64,316
Asia-Pacific	亞太	78,129	55,866
America	美洲	87,806	123,316
Africa	非洲	24,501	8,411
Total export sales	出口銷售總額	279,708	251,909
Total	合計	358,240	301,690

由於本集團百分之九十以上之資產總額及資本支出皆位於／發生在中國，因此，並無呈列資產總額及資本支出之地區分部資料分析。

5. CAPITAL EXPENDITURE

5. 資本支出

		Property, plant and equipment 物業、廠房 及設備	Investment properties 投資物業	Leasehold land and land use rights 租賃土地 及土地 使用權
Opening net book amount as at 1 January 2006	於二零零六年一月一日之 期初賬面淨值	352,886	103,978	34,889
Additions	添置	47,956	–	–
Fair value gain	公平價值收益	–	3,789	–
Disposals	出售	(13,642)	–	(5,816)
Depreciation/amortisation	折舊／攤銷	(34,708)	–	(276)
Foreign exchange adjustments	匯兌調整	3,685	–	360
Closing net book amount as at 30 June 2006	於二零零六年六月三十日之 期終賬面淨值	356,177	107,767	29,157
Opening net book amount as at 1 January 2005	於二零零五年一月一日之 期初賬面淨值	363,437	97,736	43,987
Additions	添置	45,158	–	–
Disposals	出售	(4,580)	–	(13,112)
Depreciation/amortisation	折舊／攤銷	(37,542)	–	(277)
Closing net book amount as at 30 June 2005	於二零零五年六月三十日之 期終賬面淨值	366,473	97,736	30,598
Additions	添置	23,252	–	3,633
Fair value gain	公平價值收益	–	6,242	–
Disposals	出售	(7,150)	–	–
Depreciation/amortisation	折舊／攤銷	(21,722)	–	(514)
Impairment charge	減值開支	(15,840)	–	–
Foreign exchange adjustments	匯兌調整	7,873	–	1,172
Closing net book amount as at 31 December 2005	於二零零五年十二月三十一日 之期終賬面淨值	352,886	103,978	34,889

6. INVENTORIES

6. 存貨

		As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Raw materials	原材料	85,539	79,002
Work-in-progress	在製品	25,730	35,042
Finished goods	製成品	181,477	250,775
		292,746	364,819

7. TRADE AND OTHER RECEIVABLES

		As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Trade receivables (Note (a))	貿易應收款(附註(a))	340,635	234,416
Less: provision for impairment of receivables	減：應收款減值撥備	(81,699)	(70,720)
Trade receivables – net	貿易應收款 – 淨額	258,936	163,696
Notes receivable (Note (b))	應收票據(附註(b))	510,131	417,309
Prepayments and other receivables	預付賬款及其他應收款	91,523	72,013
		860,590	653,018

(a) The credit terms varied for different customers from 30 days to 270 days. At 30 June 2006, the ageing analysis of the trade receivables was as follows:

		As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Within 1 year	一年內	261,431	187,367
In the second year	第二年內	20,812	26,790
Over 2 years	兩年以上	58,392	20,259
		340,635	234,416

(b) Notes receivable

The balance represents bank acceptance notes with maturity periods within six months.

7. 貿易及其他應收款

(a) 不同客戶之信貸期由30日至270日不等。於二零零六年六月三十日，貿易應收款之賬齡分析如下：

(b) 應收票據

該餘額為六個月內到期之銀行承兌票據總額。

8. PREPAID VALUE-ADDED TAX

Guangzhou Hualing Electrical Household Appliance Enterprise Co., Ltd. and Hualing (Guangzhou) Electrical Appliances Co., Ltd (“Hualing Appliances”) have paid input value-added taxes to the State Tax Bureau for the finished goods purchased from China Refrigeration Industry Co., Ltd. and Guangzhou Hualing Air-conditioning & Equipment Co., Ltd. In accordance with the relevant PRC tax regulations, these value-added taxes can be offset with the output value-added taxes arising from the sales in the future but are not refundable.

8. 預付增值稅

廣州華凌家電企業有限公司及華凌(廣州)電器有限公司(「華電公司」)為購自中國雪櫃實業有限公司及廣州華凌空調設備有限公司之製成品向國家稅務局支付了進項增值稅。根據中國稅收相關法規，該等增值稅可用於抵扣未來銷售產品之銷項增值稅，但不可退還。

9. SHARE CAPITAL AND SHARE OPTIONS

(a) Share capital

		Authorised Ordinary shares of HK\$0.1 each 法定股本 普通股每股面值港幣0.1元	
		Number of shares 股份數目	
		('000)	HK\$ '000
		(千股)	港幣千元
At 30 June 2006 and 31 December 2005	於二零零六年六月三十日及 二零零五年十二月三十一日	10,000,000	1,000,000

		Issued and fully paid Ordinary shares of HK\$0.1 each 已發行及繳足股本 普通股每股面值港幣0.1元	
		Number of shares 股份數目	
		('000)	HK\$ '000
		(千股)	港幣千元
At 30 June 2006 and 31 December 2005	於二零零六年六月三十日及 二零零五年十二月三十一日	3,970,091	397,009

(b) Share options

Share options were granted to the Directors of the Company and certain employees of the Group in respect of their services provided to the Group in accordance with the scheme adopted by the Company on 27 June 2003 (the "2003 Share Option Scheme").

(b) 購股權

本公司根據本公司於二零零三年六月二十七日採納之購股權計劃（「二零零三年購股權計劃」），就本公司董事及本集團若干僱員向本集團提供之服務向彼等授出購股權。

9. SHARE CAPITAL AND SHARE OPTIONS (Continued)

(b) Share options (Continued)

The purpose of the 2003 Share Option Scheme is for the Company to attract, retain and motivate talented participants to strive for future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants. Eligible participants of the 2003 Share Option Scheme include the Directors (including executive Directors and non-executive Directors) or employees of the Group, consultants or advisors of the Group, substantial shareholders or employees of substantial shareholders of the Company, associates of Directors or chief executives or substantial shareholders of the Company, employees or directors of suppliers or customers of the Group, discretionary objects of a discretionary trust established by employees or Directors of the Group, as to be determined by the Board at its absolute discretion within the above categories.

The maximum numbers of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under 2003 Share Option Scheme and any other share option schemes adopted by the Company must not in aggregate exceed 30% of the shares in issue from time to time. The total number of shares which may be issued upon the exercise of all options to be granted under the 2003 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue as at 27 June 2003, but the Company may seek approval of its shareholders in general meeting to refresh the 10% limit under 2003 Share Option Scheme.

9. 股本及購股權(續)

(b) 購股權(續)

二零零三年購股權計劃之目的，是為了讓本公司可吸引、挽留和鼓勵有才幹之參與者，竭力達致本集團日後之發展及擴充，以及讓本公司在獎賞、回饋、慰勞、補償及／或給予參與者福利方面有更大靈活性。二零零三年購股權計劃之合資格參與人士包括本集團董事(包括執行董事及非執行董事)或僱員，本集團顧問或專業諮詢人士，本公司主要股東或其僱員、本公司之董事、高級行政人員或主要股東之任何有關繫人士，本集團之任何供應商或客戶之任何僱員或董事，本集團之任何僱員、董事所設立之全權信託之任何全權受益人，按董事會在上述人士中全權酌情決定之人士。

因根據二零零三年購股權計劃及本公司任何其他購股權計劃已授出但尚未行使其所有尚未行使期權而可能發行之最高股份數目，不得超逾本公司不時之已發行股份之30%。根據二零零三年購股權計劃及本公司任何其他購股權計劃將予授出之購股權獲行使時可予發行之股份總數，不得超過本公司於二零零三年六月二十七日已發行股份之10%，惟本公司可在股東大會徵求股東批准更新二零零三年購股權計劃下之10%限額。

9. SHARE CAPITAL AND SHARE OPTIONS (Continued)

(b) Share options (Continued)

The total number of shares issued and to be issued upon exercise of the share options granted under 2003 Share Option Scheme and any other share option schemes of the Company to each participant in any 12-month period up to the date of grant must not exceed 1% of the shares in issue at the date of grant. Any further grant of share options in excess of this limit is subject to the approval of shareholders in general meeting of the Company.

Share options granted under the 2003 Share Option Scheme to Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is also the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of such grant, are subject to shareholders' approval in general meeting of the Company.

The exercise price of the share options will be at least the highest of (i) the closing price of the Company's shares as stated in daily quotations sheet of the Stock Exchange on the date of the offer for grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for grant, which must be a business day; and (iii) the nominal value of the share.

9. 股本及購股權(續)

(b) 購股權(續)

於截至授出日期止任何十二個月期間，根據二零零三年購股權計劃及本公司任何其他購股權計劃向各參與人士授出之購股權獲行使時已經及將予發行之股份總數，不得超過於授出日期已發行股份之1%。進一步授出超出此限額之購股權須獲股東於本公司股東大會批准。

根據二零零三年購股權計劃向本公司董事，高級行政人員或主要股東或彼等任何聯繫人士授出購股權須獲本公司獨立非執行董事(不包括任何亦為購股權承授人之獨立非執行董事)批准。此外，於截至該授出日期止任何十二個月期間，倘若向本公司主要股東或獨立非執行董事或彼等任何聯繫人士授出之任何購股權涉及之股份總數，超過本公司任何時間已發行股份0.1%或按本公司股份於各授出日期收市價計算之總價值超過港幣5,000,000元，則須獲股東在本公司股東大會批准。

認購股份之認購價，最低價為以下之最高者：(i)於授出購股權日期(該日必須為營業日)股份於聯交所每日報價表中所列之收市價；(ii)緊接授出購股權之日期前五個營業日，本公司股份於聯交所每日報價表中之平均收市價；及(iii)股份之面值。

9. SHARE CAPITAL AND SHARE OPTIONS (Continued)

(b) Share options (Continued)

The share options granted may be exercised at any time during the period commencing immediately after the date on which the option is deemed to be granted and accepted and expiring on a date to be determined and notified by the Board which shall not be more than 10 years from the date on which the share option is deemed to be granted and accepted. 2003 Share Option Scheme shall be valid and effective for a period of 10 years commencing on 27 June 2003.

Movements of the share options granted under the 2003 Share Option Scheme during the Period are as follows:

Name	姓名	Options held	Options	Options	Options held	Exercise price HK\$ 行使價 港元	Grant date 授出日期	Exercisable from 行使期 由	Exercisable until 行使期 至
		at 1 January 2006 持有 購股權數目 於二零零六年 一月一日	granted during the Period 購股權數目 本期內 授出	exercised during the Period 購股權數目 本期內 行使	at 30 June 2006 持有 購股權數目 於二零零六年 六月三十日				
Directors:	董事：								
Fang Hongbo	方洪波	-	25,000,000	-	25,000,000	0.1206	23/1/2006	23/1/2006	22/1/2016
Zhang Quan	張權	-	25,000,000	-	25,000,000	0.1206	23/1/2006	23/1/2006	22/1/2016
Li Jianwei	栗建偉	-	5,000,000	-	5,000,000	0.1206	23/1/2006	23/1/2006	22/1/2016
Yuan Liqun	袁利群	-	3,900,000	-	3,900,000	0.1206	23/1/2006	23/1/2006	22/1/2016
Chen Yu Hang	陳宇航	-	3,000,000	-	3,000,000	0.1206	23/1/2006	23/1/2006	22/1/2016
Zhang Xin Hua	張新華	-	3,000,000	-	3,000,000	0.1206	23/1/2006	23/1/2006	22/1/2016
Wang Wei	王偉								
(resigned with effect from 16 August 2006)	(辭任由 二零零六年 八月十六日 起生效)	-	25,000,000	-	25,000,000	0.1206	23/1/2006	23/1/2006	22/1/2016
Employees	僱員	-	26,000,000	-	26,000,000	0.1206	23/1/2006	23/1/2006	22/1/2016
		-	115,900,000	-	115,900,000				

No share options were exercised, cancelled or lapsed under the 2003 Share Option Scheme of the Company during the Period.

9. 股本及購股權 (續)

(b) 購股權 (續)

購股權可於其被視作授出及接納之日期後隨時行使，所授出購股權之行使期間由董事會釐定通知，最遲於購股權被視作授出及接納之日起不超過十年。二零零三年購股權計劃將由二零零三年六月二十七日起計後十年期間內有效及生效。

本期間內，本公司根據二零零三年購股權計劃授出之購股權之變動如下：

於本期間，概無購股權根據本公司二零零三年購股權計劃獲行使、註銷或失效。

10. OTHER RESERVES

10. 其他儲備

		Share premium 股份溢價	General reserve fund 一般儲備 基金	Enterprise expansion fund 企業發展 基金	Exchange reserve 匯兌儲備	Share option reserve 購股權 儲備	Total 總額
Balance at 1 January 2005	二零零五年一月一日餘額	567,435	31,721	16,958	27,568	-	643,682
Translation difference	匯兌差異	-	-	-	3,115	-	3,115
Balance at 30 June 2005	二零零五年六月三十日餘額	567,435	31,721	16,958	30,683	-	646,797
Reserves transferred to income statement upon disposal of subsidiaries	於出售附屬公司時轉撥至損益表之儲備	-	(184)	-	-	-	(184)
Translation difference	匯兌差異	-	-	-	(17,198)	-	(17,198)
Balance at 31 December 2005	二零零五年十二月三十一日餘額	567,435	31,537	16,958	13,485	-	629,415
Balance at 1 January 2006	二零零六年一月一日餘額	567,435	31,537	16,958	13,485	-	629,415
Translation difference	匯兌差異	-	-	-	(5,575)	-	(5,575)
Reserves transferred to income statement upon disposal of a subsidiary	於出售一間附屬公司時轉撥至損益表之儲備	-	(358)	-	-	-	(358)
Employee share option scheme - value of services provided	僱員購股權計劃 - 所提供服務之價值	-	-	-	-	4,125	4,125
Balance at 30 June 2006	二零零六年六月三十日餘額	567,435	31,179	16,958	7,910	4,125	627,607

The Company's PRC subsidiaries are required to follow the laws and regulations of the PRC and their articles of association. These subsidiaries are required to provide for certain statutory funds, namely, general reserve fund and enterprise expansion fund, which are appropriated from net profit after taxation but before dividend distribution based on the local statutory accounts prepared in accordance with accounting principles and relevant financial regulations applicable to enterprises established in the PRC. These PRC subsidiaries are required to allocate at least 10% of its net profit to the reserve fund until the balance of such fund has reached 50% of its registered capital. Such appropriations are determined at the discretion of the Directors. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated deficit or increase capital.

本公司在中國之附屬公司須遵照中國的法律和規定及彼等之公司章程細則。該等附屬公司須提供若干法定基金，分別為一般儲備基金及企業發展基金，均自除稅後但未計股息分派之純利中提取，該純利取自按中國內地企業適用之會計準則及相關財務法規而製作之本地法定賬目。此等附屬公司須從其純利中提取最少10%列入儲備基金，直至該儲備基金結餘達至其註冊資本之50%為止。此等撥款由董事酌情釐定。一般儲備基金僅在有相關當局批准後始可用作抵銷累計虧損或增加資本。

11. TRADE AND OTHER PAYABLES

11. 貿易及其他應付款

		As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Trade payables (Note (a))	貿易應付款(附註(a))	1,027,264	907,228
Provision for staff welfare and bonus	職工福利及獎勵基金	2,149	1,036
Accruals	預提費用	135,656	122,634
Advances from customers	預收客戶賬款	104,922	106,395
Notes payable (Note (b))	應付票據(附註(b))	263,484	277,345
Others	其他	88,307	54,784
		1,621,782	1,469,422

(a) At 30 June 2006, the ageing analysis of the trade payables was as follows:

(a) 於二零零六年六月三十日，貿易應付款之賬齡分析如下：

		As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Within 1 year	一年以內	1,007,262	834,373
In the second year	第二年內	5,709	60,424
Over 2 years	兩年以上	14,293	12,431
		1,027,264	907,228

(b) The balance represents bank acceptance notes issued by the Group with maturity periods of less than six months. At 30 June 2006, the notes payable were pledged by bank deposits of approximately HK\$136,451,000 (31 December 2005: HK\$177,384,000).

(b) 該餘額為本集團開出之銀行承兌匯票，均在六個月內到期。於二零零六年六月三十日，為應付票據作抵押之銀行存款約為港幣136,451,000元(二零零五年十二月三十一日：港幣177,384,000元)。

12. BORROWINGS

12. 貸款

		As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Current	即期		
Bank borrowings, secured	銀行貸款，有擔保	165,049	173,254
Bank borrowings, unsecured	銀行貸款，無擔保	207,767	277,724
		372,816	450,978

The effective interest rates at the balance sheet date was 7.03% per annum (31 December 2005: 5.23%).

於結算日之實質年利率為7.03%(二零零五年十二月三十一日：5.23%)。

Property, plant and equipment and leasehold land and land use right with net book value of approximately HK\$94,969,000 (31 December 2005: HK\$98,076,000) have been pledged as security for the Group's short term bank borrowings.

本集團已用作短期銀行貸款抵押之若干物業、廠房及設備及租賃土地及土地使用權之賬面淨值約港幣94,969,000元(二零零五年十二月三十一日：港幣98,076,000元)。

As at 30 June 2006, approximately HK\$27,184,000 (31 December 2005: HK\$100,903,000) of the loans were guaranteed by the Midea Group.

於二零零六年六月三十日，約港幣27,184,000元(二零零五年十二月三十一日：港幣100,903,000元)之貸款由美的集團提供擔保。

As of the date of approval of the condensed consolidated interim financial information, short term bank borrowings of approximately HK\$67,961,000 (31 December 2005: HK\$83,606,000) have been rolled over for a further year.

截至本簡明綜合中期財務資料批准日期，約港幣67,961,000元之短期銀行貸款(二零零五年十二月三十一日：港幣83,606,000元)已予續借。

The carrying amounts of short-term borrowings approximate their fair value.

短期貸款之賬面值和公平價值相近。

13. PROVISIONS FOR WARRANTY

The movement of warranty provision was analysed as follows:

		As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
At 1 January	於一月一日	30,352	19,406
Charge for the period/year	本期／年計提	8,543	22,745
Less: Amounts utilised	減：已動用款項	(14,936)	(11,799)
At 30 June 2006/ 31 December 2005	於二零零六年六月三十日／ 二零零五年十二月三十一日	23,959	30,352

Hualing Appliances provides free repair and replacement services ranging from three years to six years after sales. The cost of the warranty obligation under which Hualing Appliances agrees to remedy defects in its products is accrued at the time the related sales are recognised. As at 30 June 2006, the Group had provided for expected warranty claims on household electrical appliance items sold.

14. EXPENSES BY NATURE

Expenses included in cost of goods sold, selling and marketing costs and administrative expenses are analysed as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Depreciation and amortisation (Note 5)	折舊及攤銷(附註5)	34,984	37,819
Employee benefit expense	僱員福利開支	52,618	36,160
Operating lease rental for land and building	土地及樓宇之經營租賃租金	8,817	1,513

13. 產品保養準備

對產品保養準備變動之分析如下：

華電公司提供產品售後三至六年之免費維修及零件更換服務。華電公司因提供產品維護服務而發生之成本於相關產品銷售確認時計提。於二零零六年六月三十日，本集團對已出售之家用電器計提了預期之保養準備。

14. 按性質分類之開支

包括在銷售貨品成本、銷售及市場推廣及行政開支內之開支分析如下：

15. OTHER GAINS – NET

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Sales of scrap materials	銷售廢料	2,111	8,853
Rental income	租賃收入	1,684	2,492
Interest income	利息收入	4,330	2,515
Government grants	政府補貼收入	1,676	1,723
Fair value gain on investment properties	投資物業之公平值收益	3,789	–
Loss on disposal of land use right	出售土地使用權之虧損	–	(1,893)
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	(210)	–
Others	其他	1,565	(3,050)
		14,945	10,640

16. FINANCE COSTS

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Interest on short-term bank loans	短期銀行貸款利息	10,951	16,310
Bank handling charges	銀行收費	1,937	1,885
		12,888	18,195

17. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided as the Group did not have any assessable profit under Hong Kong profits tax. PRC enterprise income tax has been calculated on the estimated assessable profit for the Period at the prevailing rates of taxation.

15. 其他收益 – 淨額

16. 融資成本

17. 所得稅開支

由於本集團並無賺取任何應課香港利得稅收入，故此並無提取任何香港利得稅準備。中國企業所得稅乃根據本期之估計應課利潤按現行之稅率計算。

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Enterprise income tax	中國企業所得稅	604	745

18. LOSS PER SHARE

Basic

The calculations of basic loss per share are based on the Group's loss attributable to equity holders of the Company of approximately HK\$28,508,000 (2005: HK\$248,889,000).

The basic loss per share is based on the weighted average number of 3,970,091,408 (2005: 1,588,036,408) ordinary shares in issue during the Period.

Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options granted by the Company (collectively forming the denominator for computing the diluted loss per share). A calculation is done to determine the number of shares that could have been issued at fair value (determined as the average market price of the Company's shares during the periods) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares so calculated is compared against the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to the loss (numerator). For the six months ended 30 June 2006 and 2005, potential dilutive ordinary shares were not included in the calculation of diluted loss per share because they are antidilutive.

19. DIVIDENDS

The Board does not recommend the payment of a dividend for the six months ended 30 June 2006 (2005: Nil).

18. 每股虧損

基本

每股基本虧損是根據本公司股權持有人應佔本集團虧損約港幣28,508,000元(二零零五年：港幣248,889,000元)計算。

每股基本虧損乃按期內已發行普通股之加權平均數3,970,091,408(二零零五年：1,588,036,408)股計算。

攤薄

每股攤薄虧損乃根據假設本公司授予購股權所產生之潛在攤薄普通股全部進行轉換而對已發行之普通股加權平均數作出調整(合共構成計算每股攤薄虧損時之分母)計算。已根據未行使購股權所附帶之認購權之貨幣價值進行計算，以釐定可能按公平價值(釐定為該等期間本公司股份之平均市場價值)發行之股份數目。以此計算之股份數目乃與假設行使購股權而發行之股份數目作比較，差額作為無償發行普通股加入上述分母。並無對虧損(分子)作出任何調整。截至二零零六年六月三十日及二零零五年六月三十日止六個月期間，由於潛在攤薄普通股具有反攤薄影響，因此在計算每股攤薄虧損時未包括在內。

19. 股息

董事會不建議派發截至二零零六年六月三十日止六個月之股息(二零零五年：無)。

20. COMMITMENTS

- (a) Capital commitments at the balance sheet date but not yet incurred for purchases of property, plant and equipment:

	As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Contracted but not provided for 已簽約但未撥備	36,856	56,048

- (b) Commitments under operating leases

As at 30 June 2006, the Group had future aggregate minimum lease payments under non-cancellable operating leases for land and buildings as follows:

	As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Not later than one year 第一年內	854	1,127
Later than one year and not later than five years 第一年後至第五年內	930	2,466
	1,784	3,593

20. 承擔

- (a) 於結算日購買物業、廠房及設備而尚未產生之資本承擔如下：

	As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Contracted but not provided for 已簽約但未撥備	36,856	56,048

- (b) 經營租賃承擔

於二零零六年六月三十日，本集團根據不可撤銷之土地及樓宇之經營租賃而於未來支付之最低租賃付款總額如下：

	As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Not later than one year 第一年內	854	1,127
Later than one year and not later than five years 第一年後至第五年內	930	2,466
	1,784	3,593

21. RELATED PARTY TRANSACTIONS

The Group is controlled by Midea International, a subsidiary of the Midea Group, which owns 48.09% of the Company's shares. The remaining 51.91% of the shares are widely held. The Directors regard the Midea Group, a company incorporated in the PRC, as being the ultimate holding company.

Save as disclosed elsewhere in this set of condensed consolidation interim financial information, the significant related party transactions are as follows:

(a) Significant related party transactions are as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Purchases of goods	採購貨品	95,201	50,605
Sales of goods	銷售貨品	266	56,388

The above related parties transactions were carried out in accordance with the terms mutually agreed by the respective parties.

(b) Key management compensation

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	761	660
Share-based payments	以股份形式支付之付款	4,125	-

21. 關聯方交易

本集團由美的集團之附屬公司美的國際控制，其持有本公司48.09%股份。其餘51.91%股份被廣泛持有。董事認為，本公司之最終控股公司為在中國註冊成立之美的集團。

除在本簡明綜合中期財務資料中其他附註披露之交易外，本集團重大關聯方交易詳情如下：

(a) 與關聯公司進行的重大交易如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Purchases of goods	採購貨品	95,201	50,605
Sales of goods	銷售貨品	266	56,388

上述關聯方交易乃根據各方相互同意之條款進行。

(b) 主要管理人員酬金

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年	2005 二零零五年
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	761	660
Share-based payments	以股份形式支付之付款	4,125	-

21. RELATED PARTY TRANSACTIONS (Continued)

21. 關聯方交易 (續)

(c) Balances with related companies:

(c) 與關聯公司之餘額如下：

	As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Due from related companies: 應收關聯公司：		
– Foshan Midea Household Appliance Co., Ltd* (“Midea Household Appliance”) 一 佛山市美的家用電器有限公司* (「美的家電」)	133	–
– Guangdong Midea Electric Appliance Co., Ltd* (“Midea Electric Appliance”) 一 廣東美的電器股份有限公司* (「美的電器」)	3	–
– Guangdong Welling Motor Manufacturing Company Limited* (“Welling Motor”) 一 廣東威靈電機製造有限公司* (「威靈電機」)	792	–
– Guangdong Midea Air Conditioning Equipment Co., Ltd** (“Midea Air Conditioning”) 一 廣東美的製冷設備有限公司** (「美的製冷」)	–	40
– Hefei Midea-Royalstar Electrical Equipment Marketing Co., Ltd.* 一 合肥榮事達美的電器營銷有限公司*	1,823	5,386
	2,751	5,426

21. RELATED PARTY TRANSACTIONS
(Continued)

(c) Balances with related companies: (Continued)

		As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Due to related companies:	應付關聯公司：		
– Midea Household Appliance	– 美的家電	52,884	4,805
– Guangdong Midea Commercial Air Conditioner & Equipment Co., Ltd.**	– 廣東美的商用空調設備 有限公司**	10,128	10,056
– Midea Air Conditioning	– 美的製冷	41,911	38,576
– Midea Electric Appliance	– 美的電器	24	–
– Guangdong Meizhi Compressor Limited**	– 廣東美芝製冷設備有限公司**	105,322	78,030
– Welling Motor	– 威靈電機	9,088	11,878
		219,357	143,345

* These are the related companies in which the ultimate holding company of the Company had significant impact.

** These are the related parties under common significant influence.

The balances due from/to related companies are interest free and are repayable on demand.

22. EVENTS AFTER THE BALANCE SHEET DATE

In August 2006, the Company raised approximately HK\$81,500,000 after expenses by issuing 640,000,000 placing shares at a price of HK\$ 0.13 per placing share.

21. 關聯方交易 (續)

(c) 與關聯公司之餘額如下：(續)

		As at 30 June 2006 於二零零六年 六月三十日	As at 31 December 2005 於二零零五年 十二月三十一日
Due to related companies:	應付關聯公司：		
– Midea Household Appliance	– 美的家電	52,884	4,805
– Guangdong Midea Commercial Air Conditioner & Equipment Co., Ltd.**	– 廣東美的商用空調設備 有限公司**	10,128	10,056
– Midea Air Conditioning	– 美的製冷	41,911	38,576
– Midea Electric Appliance	– 美的電器	24	–
– Guangdong Meizhi Compressor Limited**	– 廣東美芝製冷設備有限公司**	105,322	78,030
– Welling Motor	– 威靈電機	9,088	11,878
		219,357	143,345

* 該等關聯公司為本公司最終控股公司對其行使重大影響之關聯公司。

** 該等關聯公司受共同重大影響。

應收／應付關聯公司結餘乃免息及須於通知時償還。

22. 結算日後事項

於二零零六年八月，本公司以每股配售股份港幣0.13元之價格發行640,000,000股配售股份，扣除成本後籌集約港幣81,500,000元。