

## **REVIEW OF OPERATIONS AND PROSPECTS**

The Group recorded a turnover of HK\$144,657,000 for the six months ended 30 September 2000, which represented an increase of 26% as compared to the turnover of HK\$114,809,000 in the corresponding period last year, and the net profit from ordinary activities attributable to shareholders of HK\$23,511,000 which was higher than the same period of last year by HK\$5,580,000. The overall improvement in turnover was mainly attributable to the success of the Group to shift its focus on the manufacturing of complete set of golf club with accessory equipment and hence to receive more customers' orders.

The profitability of the Group improved as reflected by the increase in the net profit from ordinary activities attributable to the shareholders for the six months ended 30 September 2000 was mainly because the Group always maintain steady sales of high yield products.

The Group's success is mainly attributable to vertically integrate its operations to capture the anticipated one stop turnkey golf equipment business opportunities. In addition, the Group has successfully worked with various brandnames to provide the marketplace products by eliminating unnecessary logistics and administration overhead from our customers end to enable the Group to become more competitive and profitable. Also the Group continued its effort to upgrade its product engineering, research and development facilities to strengthen its abilities to provide better services to the Group's customers in terms of product design, product enhancement, shortening sample prototyping period to faster respond to new products needs in the marketplace. Furthermore, the Group continued to focus on providing value added services to its customers to strengthen relationships and the create synergy.

The Board strongly believes that the Group is well positioned to capture these opportunities from one stop service strategy that it has been implemented and will continue to focus to maintain its leading position in this aspect. In addition, the Group is confident that with the dedicated efforts of its staff and the close relations with its business partners, the Group will soon see sustained long term improvement in its business performance.