



TURNOVER

The Group's turnover for the year ended 31 March 2001 was approximately HK\$643 million. This represented an increase of 50.9% as compared to last year's HK\$426 million. The Group's turnover came from its three core businesses, namely:

1. construction business, as a main contractor, as well as contracting intelligent building engineering and electrical and mechanical engineering services, mainly in Hong Kong and elsewhere in the People's Republic of China ("PRC");
2. property development and investment; and
3. trading and retailing of fitness, leisure and medical equipment, the provision of installation, contracting services and related business.

Segmental information of the Group's turnover is as follows:

	2001	2000
	HK\$'000	HK\$'000
By principal activity:		
Construction contracting and related business	457,169	351,835
Property development and investment	103,988	8,000
Sales and installation of fitness, leisure and medical equipment, and related business	82,042	66,269
	643,199	426,104

During the year, the Group has successfully explored its market niche in the construction industry in Hong Kong. Several new construction projects such as Stanley Prison Phase II, 2 years' term contracts for Design and Construction of Fitting Out Works to Building from the Architectural Services Department of the Government of HKSAR, and main contract for the construction of residential building in Chi Kiang Street have generated significant turnover and profit contribution to the Group for the current year.

Moreover, the Group has scored a significant achievement in its property investment business. The Group has successfully disposed of four levels of Zhong Da Square, Shanghai in the PRC and over 99% of the 130 residential units of Asian Villas, Phase I, Haikou, Hainan Province in the PRC which made a meaningful turnover and profit contribution during the year.



PROFIT BEFORE TAX

Profit before tax for the current year decreased by 51.5% as compared with last year. For the year ended 31 March 2001, contribution from construction business, property development and investment business, and trading and retailing of fitness, leisure and medical equipment and related business, was approximately HK\$0.6 million, HK\$4.9 million and HK\$5.9 million, respectively.

TAX

Tax credit of HK\$5.1 million was resulted in current year, whereas a tax charge of HK\$1.9 million was recorded in last year. The decrease in tax is the result of the decrease in contribution generated from construction business and overprovision of prior years' PRC profit tax on certain construction projects in the PRC. Tax credit for the year included HK\$1.1 million Hong Kong profits tax, HK\$5.1 million PRC profit tax. Tax charge for the year included HK\$0.2 million Hong Kong profits tax, HK\$0.7 million PRC profit tax and HK\$0.2 million associates' tax shared by the Group.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2001, the Group had total assets of HK\$485.5 million, and current liabilities, long term liabilities, shareholders' equity and minority interests of HK\$198.1 million, HK\$10.3 million, HK\$262.1 million and HK\$15.1 million respectively.

The Group's gearing ratio at the year end was 3.6%, increased slightly when compared to last year's 0.68%. It was calculated based on the long term borrowings of HK\$10.3 million (31 March 2000: HK\$2 million) and long term capital of HK\$287.5 million (31 March 2000: HK\$291.6 million).

EMPLOYEE SCHEMES

As at 31 March 2001, the Group had 199 employees, 16 of whom were based in the PRC.

The remuneration policy and package of the Group's employees are reviewed and approved by the Directors. Apart from pension funds and double pay, discretionary bonuses are linked to individual performance as recognition of and reward for value creation.