

The year to 31 March 2001 was one of considerable change, challenge and achievement for the Company, all against a background of a difficult economic environment. The radical alterations in the shape of the Group, to enable its re-emergence as Asia's first listed e-health provider of specialised services to the healthcare and healthcare insurance industries, mean that comparisons to the previous year are not informative or meaningful.

GROUP STRUCTURE REVIEW

The Company started the financial year as Kin Wing Chinney Holdings Limited ("Kin Wing Chinney"), within which were held 100% of the construction businesses of Kin Wing Chinney (BVI) Limited ("KWC BVI").

On 23 March 2000, the integrated healthcare services provider group, Quality HealthCare Asia Limited ("QHA") (HKSE 593), announced it would acquire a 50% plus one share controlling interest in Kin Wing Chinney; inject its technologies and services companies into Kin Wing Chinney; change the Company name to "ehealthcareasia Limited"; sell 50% of the construction businesses and make a general offer for the remainder of the Kin Wing Chinney shares. The outcome was to be 66.8% of the Company's shares being owned by QHA.

The objective of these transactions, which were completed on 28 June 2000, was to create a listed company with the systems and plans to power many of the transactions and other needs of the healthcare and healthcare insurance industries in Asia and Australia.

During the year, under the leadership of Sam Abunassar, CEO, the newly-branded ehealthcareasia ("EHA") announced that it would be acquiring, largely by the issue of new shares, a number of operations to continue the building of its skillset. The first acquisition in August was Software Associates, the Australian producer of specialised 'translation hubs' that enable different software systems to communicate. This was followed in October by another Australian company, Medseed, whose software systems link doctors and hospitals through new information channels. Also in December, HealthBasic, a Hong Kong IT service provider for healthcare, joined the Group.

November 2000 also saw the announcement that EHA would acquire the business of MedWeb, a leading provider of clinic management software to Australia's doctors, with 5,600 currently using their systems.

In December 2000, largely as a result of the issue of new shares for many of the acquisitions, EHA achieved the public float criteria stipulated in the Listing Rules, with more than 29% of its shares deemed to be in the public arena.

During February 2001, the Company announced it would be acquiring iClaims21, the transaction platform developed by iBusiness Corporation. The transaction was completed on 30 May 2001 thereby expanding the Group's transaction processing capabilities further and expanding the shareholder base to include Cheung Kong (Holdings) Limited, The Hong Kong & Shanghai Banking Corporation Limited, Hutchison Whampoa Limited and Hang Seng Bank Limited who, collectively, hold 10.9% of the Company's expanded equity shares.

Also in February 2001, EHA commenced call centre operations in Taiwan. Such business has been a great success and is currently breaking even on a monthly basis. The operation is on track to recover all of our investment and achieve profit within its first year and demand for our services is already greater than capacity.

During March 2001, EHA announced its plan to dispose of its remaining 50% holding of the construction businesses in KWC BVI and this transaction was completed on 8 May 2001.

FINANCIAL REVIEW

Given the extraordinary changes during the year, the results of EHA are understandably complicated. Therefore, the previous year results do not lend themselves to informative comparisons. From 1 April 2000 to 28 June 2000, the Company incorporated 100% of the construction businesses. From 28 June 2000 to the financial year end, there was 50% minority interests in the construction company together with ownership of 100% of both the e-health and medical equipment distribution businesses.

Turnover for the year was HK\$925,911,000 compared with HK\$686,436,000 in the previous year. Loss before tax was HK\$117,406,000 (2000: profit of HK\$6,363,000). This represents a loss of HK6.1 cents per share for the year (2000: earnings per share of HK1.5 cents). No dividends have been or will be paid for the year.

THE PROSPECTS

The re-shaping of the Group and its achievements to date already place EHA in a strong position to attain profit during the 2002 calendar year.

As I pointed out in the EHA Interim Statement, the Group's principal focus is now on handling the communication of information and payment-related transactions around the healthcare industry, informing healthcare providers about their patients' healthcare scheme eligibility and creating/processing claims from healthcare providers to those who pay for healthcare which are insurance companies, managed care companies and corporate employers, as well as governments.

EHA is now 100% focused on servicing the healthcare and healthcare insurance industries. It has been recognised as the leader in its field and has unrivalled capability to attack the markets in which it is operating.

Our staff have worked through extremely difficult months, still being impacted by the Asian economic crisis, misconceptions that we were a "dotcom" focused business, and slow appreciation of our role in servicing the healthcare and healthcare insurance sectors.

Now that we are proving our ability to deliver reliable and innovative services that address existing businesses and existing revenue in a new way, we are confident that investor confidence in EHA will build.

Brian O'CONNOR

Chairman