



OPERATIONAL REVIEW

The audited combined profit attributable to shareholders for the year ended 31st March, 2001 amounted to approximately HK\$47,195,000 (2000: HK\$36,231,000). The profit represented an increase of about 30% from that of the previous year and was slightly over our estimate in the Company's Prospectus dated 11th April 2001. The directors do not recommend the payment of a final dividend for the year ended 31st March, 2001 in order to preserve funds for the Group's future development plans. On 1st March, 2001, three subsidiary companies of the Group paid a special dividend amounted to HK\$14,380,000 in aggregate to their then shareholders out of internal resources.

Turnover was approximately HK\$354,444,000 (2000: HK\$461,246,000), a decrease of 23%. This was because of the drop in revenue from electrical engineering projects. When compared with last year, the aggregate volume of works on projects fell. During the year, most of the engineering contract revenue came from the more active projects, at Tin Shui Wai Area 102 Phase 2, Tin Shui Wai Area 102 Phase 3, Tung Chung Area 30 Phase 1, Ma On Shan Area 77 Phase 3, On Ting Estate, Tseung Kwan O Area 74 Phase 4, Ma On Shan Area 77 Phase 1, plus the Private Sector Participation Scheme ("PSPS") Development at Tseung Kwan O Town Lot No.62 Area 65A, etc.

Apart from the above projects of the Group, other projects were close to completion or were completed during the year ended 31st March, 2001. Thus, their contribution to the Group's electrical engineering turnover was limited. In December 2000, the Group was awarded a new PSPS contract at TL28 Area III Tin Shui Wai.

The turnover in our trading business continued to grow to about HK\$79,594,000 (2000: HK\$53,401,000), or about 49% increase, as a result of further expansion in its business volume and the addition of new product agency rights during the year.

營運回顧

截至二零零一年三月三十一日止年度之經審核股東應佔合併溢利約為47,195,000港元(二零零零年：36,231,000港元)。溢利較上年度增加約30%及稍高於二零零一年四月十一日本公司售股章程所載之估計。董事並不建議派發截至二零零一年三月三十一日止年度之末期股息，以保留資金作本集團日後發展計劃之用。二零零一年三月一日，本集團旗下三間附屬公司以內部資金向當時之股東合共派付14,380,000港元特別股息。

而營業額則約為354,444,000港元(二零零零年：461,246,000港元)，較上年度減少23%，此乃由於電氣工程項目收益下降所致。與上年度比較，各項目合計之工程數量有所下降。年內大部份承造電氣工程之收益來自較為積極進行之項目，包括天水圍102區第2期、天水圍102區第3期、東涌30區第1期、馬鞍山77區第3期、安定邨、將軍澳74區第4期，馬鞍山77區第1期與將軍澳第62號地段私人參建發展計劃65A區等。

除上述項目外，本集團其他項目已接近完成或已於截至二零零一年三月三十一日止年度內竣工，因此對於本集團電氣工程之營業額實屬有限。二零零零年十二月，本集團獲批授天水圍III區第28號地段一項新私人參建計劃合約。

本集團之貿易業務營業額繼續錄得增長，本年度約達79,594,000港元(二零零零年：53,401,000港元)，增幅約49%，此乃由於年內不斷擴大貿易額及獲得新產品代理權所致。

**Turnover by line of business**

The following is a breakdown of the Group's turnover by line of business for the year ended 31st March, 2001 (with comparative figures for the year ended 31st March, 2000): —

按業務種類劃分之營業額

本集團截至二零零一年三月三十一日止年度按業務種類劃分之營業額，連同截至二零零零年三月三十一日止年度之比較數字載列如下：

		2001 二零零一年	%	2000 二零零零年	%
Electrical Engineering					
Contracting Business	承造電氣工程業務	274,850	78	407,845	88
Trading Business of Electrical	電氣設備貿易業務				
Generator Set	發電機組	47,752	13	30,237	7
Components	配件	31,842	9	23,164	5
Trading Subtotal	貿易業務小計	79,594	22	53,401	12
Overall Total	總計	354,444	100	461,246	100

During the year ended 31st March, 2001, the mix of turnover continued to shift from electrical engineering contracting business to electrical component and equipment trading business, a result of the drop in the turnover of the former and the gradual growth in the importance of the latter in the Group's operating structure. Despite shrinkage in the contracting business, the shifting in the mix of turnover reflected the Group's commitments in integrating its vertical expansion strategy during the year under review.

截至二零零一年三月三十一日止年度，由於電氣工程承造業務之營業額繼續減少，而電氣設備及配件貿易之營業額則相應增加，結果承造業務之營業額下降，而貿易業務所佔本集團之業務比重則日益重要。雖則承造業務收縮，營業額比例之轉變亦反映本集團於回顧年度致力實行縱合擴展業務策略之決心。

Consolidated customer base

The Group continued its strategy of diversifying its customer base during the year. The proportion from sales to private sector customers bears to the Group's combined turnover continued to grow from last year's 17% to this year's 35%. This was attributable to the reduced turnover derived from public sector of the contracting business of the Group and the increase in turnover of its trading business, which mainly focused on the private sector during the current year.

綜合客戶基礎

本集團於年內繼續執行擴展客戶基礎之策略。與私營機構交易之銷售額佔本集團合併營業額之比例由上年度17%增至本年度35%，此乃由於本集團於年內承造公營機構項目之營業額減少，加上以私營機構為主之貿易營業額有所增加所致。

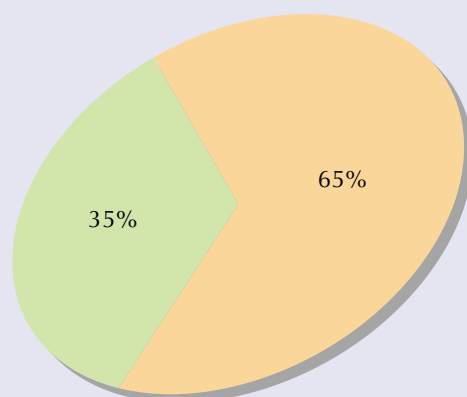
MANAGEMENT DISCUSSION AND ANALYSIS
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The following is a breakdown of the Group's sales by customer type for the year ended 31st March, 2001 (with comparative figures for the year ended 31st March, 2000) : —

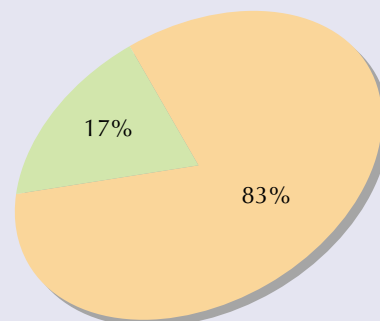
本集團截至二零零一年三月三十一日止年度按客戶類別劃分之銷售額，連同截至二零零零年三月三十一日止年度之比較數字如下：

Customer	客戶	Business type 業務種類	Private/ public sector 私營/ 公營機構	% of Group turnover 佔本集團營業額百分比	
				2001 二零零一年	2000 二零零零年
HKHA	房委會	contracting 承造工程	public 公營	64	79
ASD ⁽¹⁾	建築署 ⁽¹⁾	contracting 承造工程	public 公營	1	4
HYEESL ⁽²⁾	興業電機 ⁽²⁾	trading 貿易	private 私營	12	3
Major Client in the private sector ⁽³⁾	主要私營 機構客戶 ⁽³⁾	contracting 承造工程	private 私營	12	6
Another major client in the private Sector	其他主要私人 機構客戶	trading 貿易	private 私營	2	0
Others	其他	trading 貿易	private 私營	9	8
				100	100
Business Sector	機構類別				
Public	公營			65	83
Private	私營			35	17
				100	100

Group turnover by customer type 集團營業額以客戶類別分類



2001
二零零一年



2000
二零零零年

- Public sector 公營項目
- Private sector 私營項目



Notes:

- (1) ASD refers to Architectural Services Department
- (2) HYEESL is Hing Yip Electrical Engineering and suppliers Limited, a private company incorporated in Hong Kong and is owed as to 99.99% by Mr. Lai Yun Sang and 0.01% by his wife. Mr. Lai Yun Sang is the elder brother of Mr. Lai Sai Sang, a director and the ultimate controlling shareholder of the Company. Therefore, HYEESL is a connected person of the Company for the purpose of the Listing Rules of the Stock Exchange.
- (3) This customer is a private company, which engaged the Group on the PSPS Development project at Tsueng Kwan O Town.

ELECTRICAL ENGINEERING CONTRACTING BUSINESS

During the year under review, the Group continued its work in progress in respect of all its outstanding projects carried forward from the previous year. Thus, the turnover of electrical engineering contracting business was HK\$274,850,000 for the year ended 31st March, 2001, which was mainly derived from current outstanding projects as most of the work on new projects had not yet commenced during the year. Compared with last year's figure of HK\$407,845,000, this was a drop by approximately 33% and is mainly attributable to the following factors: —

- (a) the reduced number of public sector projects put out for tender in the market as a result of the general contraction in public sector construction works and the HKHA's recent plans to reduce the construction of public housing;
- (b) increased competition in the industry as a result of market contraction and, in particular, intense price competition;
- (c) the combined effects of (a) and (b) above adversely affecting the Group's success in project tendering;
- (d) reduced amount of certification for project work because most of the current projects were already close to completion during the year.

註：

- (1) ASD指建築署。
- (2) 興業電機指興業電機工程材料有限公司，於香港註冊成立之私人公司，由賴潤生先生擁有99.99%股權，而其餘0.01%股權則由其妻擁有。賴潤生先生為本公司董事兼最終控股股東賴細生先生之胞兄。因此，根據聯交所上市規則，興業電機為本公司之關連人士。
- (3) 該客戶為一私人公司，該公司委聘本集團負責進行將軍澳私人參建計劃發展項目。

電氣工程承造業務

本集團於回顧年度繼續進行上年度所有未完成項目。由於大部份新項目工程於年內尚未動工，因此截至二零零一年三月三十一日止年度電氣工程承造業務之營業額274,850,000港元主要來自現時未完之項目。較上年度407,845,000港元減少約33%，主要由於下列因素所致：

- (a) 公營項目建造工程全面收縮，加上房委會最近計劃減少興建公屋，結果招標之公營項目有所減少；
- (b) 由於市場收縮，結果加劇業內之競爭，其中以價格競爭最為激烈；
- (c) 上述(a)及(b)兩項因素結合嚴重影響本集團項目投標之成功機會；
- (d) 由於大部份現有項目均於年內接近竣工階段，故項目工程完成之數額有所減少。

ELECTRICAL ENGINEERING CONTRACTING BUSINESS**電氣工程承造業務 (續)***(Continued)*

For the year ended 31st March, 2001, the gross profit of the electrical engineering contracting business was approximately HK\$61,920,000 which denoted a gross margin of approximately 22%. The ratio for last year was approximately 15%. The increase in margin reflected the effects of the Group's on-going process of vertical integration. Such advantage more than compensated the increase in costs associated with rectification and variation works that may have to be carried out at close to completion stage, which, in electrical engineering industry, are usually proportionally higher than during the initial stages. The Group's trading division has been playing an important part in achieving more favourable material prices, in particular, prices for miniature circuit breakers, which contributed to the enhanced margin. On average, costs of materials accounted for approximately 70% of the total costs of projects, with subcontractors costs (labour portion) accounted for the balance of approximately 30%. The drop in material costs is partly attributable to the Group's control over the supply sources of such materials as well as their pricing as mentioned above.



截至二零零一年三月三十一日止年度，電氣工程承造業務之毛利約為61,920,000港元，邊際毛利率約為22%，而上年度之邊際毛利率則約為15%。毛利率上升顯示本集團不斷縱合業務之成果。以上增益更高於在工程臨近完成階段可能需要進行修補工作所增加之成本。對於電氣工程行業，修補工程大多於工程接近完成時進行。在本集團貿易部門長期努力下，成功爭取更為相宜之物料價格，其中以微型斷路器最為成功，此亦為毛利率得以上升之原因。平均計算，物料成本佔項目總成本約70%，而分包成本(工資)則佔其餘約30%。物料價格得以下降，部份是由於本集團成功控制該等物料之供應來源，以及上述努力爭取更有利定價所致。

For the year ended 31st March, 2001, the total subcontracting payments made by the Group amounted to about HK\$69,422,000, whilst subcontracting costs paid to the largest subcontractor and the five largest subcontractors in aggregate amounted to about HK\$25,126,000 and HK\$61,084,000 respectively. Such amount were approximately 36% and 88% respectively of the total subcontracting costs recognized in the financial statements.



截至二零零一年三月三十一日止年度，本集團支付之分包費用合共約69,422,000港元，而支付予最大分包商之分包費用及支付予五大分包商合計之分包費用分別約為25,126,000港元及61,084,000港元。該等支出分別佔財務報表所確認之分包費用總額約36%及88%。

ELECTRICAL ENGINEERING CONTRACTING BUSINESS

電氣工程承造業務(續)

(Continued)

During the year, the Group continued to maintain a good relationship with its major subcontractors. With the Group's professional management team and its application of prudent project measures, projects were completed on schedule. During the year, the Group did not experienced any progress delay or default in contracts, nor did it incur any penalties in connection with delay in completion or handover of project.

As at 31st March, 2001, the balance of retention money held by main-contractors dropped by about 13% to approximately HK\$14,868,000.



於本年度，本集團與主要分包商維持良好關係。因本集團擁有專業管理隊伍，且採取審慎之項目配套措施，故各項目均按原定計劃完成。本集團於年內

並無遇到任何工程延誤或違約事件，亦無因延遲竣工或拖延交付項目而招致罰款。

於二零零一年三月三十一日，由總承建商所持之保證金結餘下跌約13%至大約14,868,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS
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Current Contracts

現有合約

For the financial year ended 31st March, 2001, most of the electrical engineering contracting revenue came from the following projects:—

截至二零零一年三月三十一日止財政年度，大部份電氣工程合約之收益乃來自下列項目：

Project	項目	Contract sum 合約金額 HK\$million 百萬港元	Revenue recognized during year ended 31/3/2001 截至 二零零一年三月 三十一日止年度 確認之收入 HK\$million 百萬港元	Client/ Customer 客戶/ 顧客
Tseung Kwan O Area 74 Phase 4	將軍澳 74區 第4期	84.5	59.9	HKHA 房委會
Tin Shui Wai Area 102 Phase 3	天水圍 102區 第3期	61.7	29.9	HKHA 房委會
Tin Shui Wai Area 102 Phase 2	天水圍 102區 第2期	62.2	37.3	HKHA 房委會
On Ting Estate	安定邨	26.4	19.4	HKHA 房委會
TSZ Oi Estate Phase 4	慈愛邨四期	91.5	12.0	HKHA 房委會
PSPS Tseung Kwan O Area 65A	將軍澳65A區 私人參建計劃	70.0	43.3	Private 私人
Ma On Shan Area 77 Phase 1	馬鞍山 77區第1期	42.3	11.1	HKHA 房委會
Ma On Shan Area 77 Phase 3	馬鞍山 77區第3期	52.1	16.2	HKHA 房委會
Tung Chung Area 30 Phase 1	東涌30區第1期	60.2	35.6	HKHA 房委會

Tendering

During the year, the Group was affected by the market effect of the government's revised plans to reduce the construction of public housing. The Group faced tough competition in tendering for public sector projects as reduced number of tenders in the markets. During the year, the Group also saw a gradual reduction in tendering prices in the market.

Despite the unfavourable market conditions, the Group continued to maintain a prudent approach to tender for electrical engineering projects. It remains to be the Group's stance that it would not tender for projects at prices or on terms that would not be profitable or otherwise not in the best interest of the Group.

From 1st April, 2000 until the date of this report, the tender successful rate in respect of tenders lodged with domestic/nominated sub-contract or direct contract for public and private projects was low, reflecting the contraction in the market.

投標

政府於年內改變計劃，決定減少興建公屋，本集團因此受到影響。因較少項目推出市場招標，故本集團在投標公營項目時面對激烈之競爭，而在市場之投標價格亦拾級而下。



儘管市況不利，本集團在投標電氣項目時仍採取審慎策略。本集團保持一貫立場，不會投標無利可圖或不符合本集團最佳利益之項目。



由二零零零年四月一日至本報告日期，本集團投標本地／指定分判商或公營及私營項目之成功率偏低，反映市場收縮之情況。

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New Contracts

新合約

Despite unfavourable condition in the market, Yew Sang Hong Limited (“YSH”) has been awarded the following new electrical installation, rewiring and maintenance contracts since 1st April, 2000 and up to the date of this report:—

雖然市場不景，但耀生行有限公司(「耀生行」)由二零零零年四月一日至本報告日期為止仍獲得下列電氣安裝、重新鋪設電纜及維修工程之新合約：

Project 項目	Description 概況	Role of YSH 耀生行 之角色 (Note 3) (附註3)	Project implementation period 項目執行期		Approximate contract value 概約合約價 HK\$million 百萬港元 (Note 1) (附註1)	Client/ employer 客戶/僱主
			from 由 (Note 2) (附註2)	to 至		
Redevelopment of Kwai Chung Estate Phase 7 葵涌邨重建工程第7期	Electrical Installation 電氣安裝	N	Mar 2001 二零零一年三月	Jun 2003 二零零三年六月	25.8	HKHA 房委會
Lei Cheng Uk Estate (Chung Hou, Yan Oi, Shun Yee & Wo Ping) 李鄭屋邨 (忠孝、仁愛、信義及和平)	Electrical Rewiring & Reinforcement 重新鋪設電纜 及加強電力	D	Mar 2001 二零零一年三月	Feb 2002 二零零二年二月	10.7	HKHA 房委會
PSPS at TL28 Area III Tin Shui Wai 天水圍III區市地段第28號 私人參建計劃	Electrical, Ventilation & Air Conditioning 電氣、通風及空調	S	Dec 2000 二零零零年十二月	May 2003 二零零三年五月	80.0	Chun Wo E&M Engineering Ltd
Term Maintenance Contract (Region North I) 2001/2004 定期維修合約(北一區) 2001/2004	Electrical Installation 電氣安裝	D	Apr 2001 二零零一年四月	Mar 2004 二零零四年三月	50.0	HKHA 房委會
Tai Yuen Estate Maintenance Works 大元邨維修工程	Electrical & CABD/SMATV/ CCTV Installation 電氣及CABD/ SMATV/CCTV安裝	D	Jul 2001 二零零一年七月	June 2004 二零零四年六月	2.0	HKHA 房委會
Mei Lam Estate 美林邨	Rewiring of Electrical & Installation 重新鋪設電纜	D	Aug 2001 二零零一年八月	Nov 2002 二零零二年十一月	16.2	HKHA 房委會
Sub-total	小計				184.7	



New Contracts (Continued)

新合約(續)

Other new projects, which have been successfully tendered and subject to notification, are listed as follows:—

其他已成功投標但有待正式通知之新項目如下：

Project 項目	Description 概況	Role of YSH 耀生行 之角色 (Note 3) (附註3)	Project implementation period 項目執行期		Approximate contract value 概約合約價 HK\$million 百萬港元 (Note 1) (附註1)	Client/ employer 客戶/僱主
			from 由 (Note 2) (附註2)	to 至		
Tung Chung Area 31 Phase 3 東涌31區第3期	Electrical & Room Cooler Installation 電氣及室內冷卻器	N	NA 不適用	NA 不適用	59.5	HKHA 房委會
Lower Wong Tai Sin (1) Estate 黃大仙下(一)邨	Electrical Maintenance 電氣維修	D	NA 不適用	NA 不適用	2.0	HKHA 房委會
Cheung Shan Estate 象山邨	Electrical Maintenance 電氣維修	D	NA 不適用	NA 不適用	2.0	HKHA 房委會
Sub-total	小計				63.5	
Total	總計				248.2	

Notes:

附註：

- | | |
|--|---|
| <p>1. The contract value refers to the contract sum payable to YSH under the relevant contract as adjusted by variation orders.</p> <p>2. The commencement date of the project implementation period of a project is stated by reference to the date on which the letter of intent in respect of such project was signed and the completion date of such period is stated by reference to the expiry of the “defect liability period” in respect of such project.</p> <p>3. D means that YSH was engaged as a direct contractor by the client;
N means that YSH was engaged as a nominated sub-contractor, being a sub-contractor nominated by the client for engagement by the main contractor;
S means that YSH was engaged as a domestic sub-contractor, being a sub-contractor engaged by the main contractor.</p> | <p>1. 合約價指按相關合約應付予耀生行之合約金額(或會因訂單修改而調整)。</p> <p>2. 項目之入賬日期，以簽署該項目之意向書日期而定，而終止日期則以該項目之「保養期」結束日期而定。</p> <p>3. D 表示耀生行獲客戶聘用為直接承建商；
N 表示耀生行獲聘為指定分包商，即客戶提名由總承建商委任之分包商；
S 表示耀生行獲聘為內部指定分包商，即總承建商聘用之分包商。</p> |
|--|---|

**New Contracts (Continued)**

Owing to the market conditions, the margin of these new projects would be less favourable when compared to projects undertaken by the Group in the previous year. According to the Group's existing accounting policy, no profit would be recognised unless the certified value of work completed exceeds 25% of the value of completion. Therefore, the directors do not expect any significant contribution from these new projects for the next six-month period ended 30th September, 2001, despite the fact that works have already commenced for some of the new projects.

ELECTRICAL EQUIPMENT AND COMPONENT TRADING BUSINESS

During the year, the trading division of the Group continued its growth largely benefiting the Group with an enhanced trading turnover of HK\$79,594,000, or an increase of about 49% from last year's figure of HK\$53,401,000. During the year, the trading division obtained the agency or distributorship rights for a number of new products and these new products largely contributed to the fast growth of the Group's trading business.

The increased turnover was also attributable to the favourable pricing of one component product. As a result of the Group's marketing efforts and its connection in the industry, the Group's customers have become more familiar with the products being offered by the Group's trading division. When compared with the previous year, figures reflected an increase in the average ordering volume per invoice of some of the Group's trading customers.

While the Group continued to develop sales among its existing customers, there was also an increase in the number of new trading clients during the year. However, the Group did not make any significant progress in the market in Mainland China during the year. The Group had not yet commenced any sales in Mainland China.

新合約 (續)

鑑於市場環境，相較本集團上年度承辦之項目，該等新項目之邊際利潤稍遜。按本集團現行會計政策，除非經認證已完成工程之價值超過完成價值之25%，否則有關利潤不會入賬。因此，儘管部份新項目已開始動工，但董事預期於截至二零零一年九月三十日止六個月內，該等新項目並不會為本集團帶來重大貢獻。

電氣設備及配件貿易業務

本集團貿易部門於年內繼續發展，使本集團貿易營業額較去年53,401,000港元大幅上升49%至79,594,000港元。貿易業務於年內取得若干新產品之代理或分銷權，該等新產品對本集團貿易業務之快速增長作出頗大貢獻。

營業額增加亦由於其中一類配件產品取得理想定價所致。憑藉本集團在市場推廣方面之努力以及在業內之關係，本集團客戶已逐漸認識本集團貿易部門所提供之產品。營業額較上年度為高，實際上是由於本集團貿易客戶每份訂單之平均訂購數量較高。

本集團繼續發展與現有客戶銷售業務之同時，年內新貿易客戶之數量亦有所增加。然而，本集團於年內在中國大陸市場並無取得重大進展，現時在中國大陸並未開展銷售業務。



ELECTRICAL EQUIPMENT AND COMPONENT TRADING BUSINESS (Continued)

During the year, the Group's trading business continued its low inventory policy. The Group's inventory was fast moving. The Group's policy was to ensure that most of the materials were delivered immediately to customers once suppliers shipped them to the Group; or alternatively, they were sent directly to the Group's customers. The Group's trading division does not normally request delivery of materials purchases unless and until such materials are required by the Group's customers or its projects. As a result, the inventory turnover rate was 37 days for the year ended 31st March, 2001 (2000: 55 days), an improvement of about 18 days.

Brongham Park Limited ("BPL")

BPL principally engages in the trading of electrical generator sets and it became the Group's wholly owned subsidiary on 22nd December, 2000 pursuant to a group reorganisation scheme in preparation for the listing of the Company's share on the Stock Exchange. BPL has obtained the distributorship rights to market and distribute the VibroPower brand generator sets from Singapore since 1998. During the year, the business of BPL continued to growth and its turnover grew by 58% to HK\$47,752,000 (2000: HK\$30,237,000), contributing to the Group gross profit of approximately HK\$9,196,000, or 102% increase from last year's HK\$4,550,000. There also saw some increase in the average profit margin of generator sets during the year, which reflected the booming market conditions and favourable pricing two years ago.

電氣設備及配件貿易業務 (續)

於本年度，本集團之貿易業務繼續採取低存貨政策，存貨之流轉率極高。本集團之政策為確保當供應商向本集團付運物料後，可即時將大部份物料轉運予客戶，或將物料直接付運予客戶。除非本集團收到客戶訂單或本集團項目有即時需要，否則本集團貿易部門在一般情況下並不會要求供應商付運物料。由於執行上述政策，截至二零零一年三月三十一日止年度之存貨運轉率為37日(二零零零年：55日)，減少18日。

百達機電有限公司(「百達機電」)

百達機電主要從事發電機組貿易，為籌備本公司股份於聯交所上市，於二零零零年十二月二十二日進行集團重組後成為本集團之全資附屬公司。百達機電取得新加坡 VibroPower 品牌發電機組之分銷權，可由一九九八年起推廣及分銷該產品。百達機電之業務於年內繼續取得進展，營業額增加58%至47,752,000港元(二零零零年：30,237,000港元)，佔本集團毛利由去年4,550,000港元增加102%至9,196,000港元。發電機組之平均邊際溢利於年內亦略為上升，反映兩年前市場興旺之情況及定價理想。

Yew Sang Hong Trading Limited (“YSHT”)**耀生行貿易有限公司(「耀生行貿易」)**

YSHT was set up in April 1998 and has experienced significant growing since then. During the year, revenue generated from sales of electrical products and components amounted to approximately HK\$31,842,000 (2000: HK\$23,164,000), a substantial increase of about 38% from last year. The high growth rate was attributable to major electrical projects being undertaken by some of the Group’s major customers during the year. The enlarged customer base and the addition of new product agency rights with higher margin also helped to boost sales. Favourable margin was also one of the main factors for YSHT to have an enhanced overall trading margin at about 32% for the year; whilst last year was only around 11%.



耀生行貿易於一九九八年四月成立，自此業務迅速增長。於本年度，來自電氣產品及配件銷售之收益約達31,842,000港元（二零零零年：23,164,000港元），較去年大幅增長約38%。業績取得重大進展，乃由於本集團若干主要客戶於年內進行大型電氣項目所致。客戶基礎得以擴大，以及獲得邊際溢利較高之新產品代理權，亦為銷售額上升原因之一。耀生行貿易本年度之總體貿易邊際溢利約為32%，而去年則僅約為11%。新產品邊際溢利較高，亦為總體貿易邊際溢利上升之主要原因之一。

During the year, the Group’s electrical engineering contracting business continued to realize the benefits of vertical integration derived from its trading business as the continued addition of new agency and distributorship rights of the latter enabled the Group to source an extensive range of materials at competitive prices for the former.

於本年度，本集團之電氣工程合約業務繼續與貿易業務縱合發展業務而獲益，不斷奪得新代理及分銷權，使本集團之電氣工程合約業務可以更有利之價格選購更多物料。



Yew Sang Hong Trading Limited (“YSHT”) (Continued)

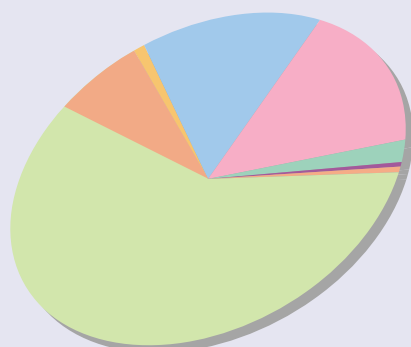
The following is a breakdown of the turnover attributable to the Group’s trading business by principal product brands for the year ended 31st March, 2001 (with comparative figures for the year ended 31st March, 2000):—

耀生行貿易有限公司(「耀生行貿易」)(續)

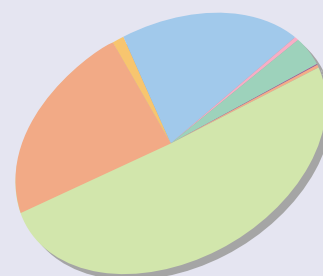
截至二零零一年三月三十一日止年度，按主要產品品牌劃分之營業額對本集團貿易業務之貢獻，連同截至二零零零年三月三十一日止年度之比較數字分析如下：

Brand	品牌	% of total trading turnover 佔總營業額百分比	
		2001 二零零一年	2000 二零零零年
Benedikt & Jager	Benedikt & Jager	0.8%	0.9%
Haani	Haani	13.6%	15.1%
Schrack	Schrack	15.1%	0.4%
Togami	Togami	2.0%	3.2%
TOYO-Branch	TOYO-Branch	0.4%	0.1%
Vinidex	Vinidex	0.5%	0.3%
VibroPower	VibroPower	59.3%	56.6%
Others	其他	8.3%	23.4%
Total	總計	100.0%	100.0%

Trading business 品牌應佔
Turnover by 貿易業務
Brand distribution 營業額比例



2001
二零零一年



2000
二零零零年

- Benedikt & Jager
- Haani
- Schrack
- Togami

- TOYO-Branch
- Vinidex
- VibroPower
- Others 其他

**FINANCIAL REVIEW & ANALYSIS****Indebtedness and Liquidity**

The Group continued with its prudent strategies to manage its current assets and liabilities, accounts receivables and accounts payables and to balance the inflow of funds against its outflow, with stand-by bank overdraft and banking facilities to fill any temporary shortfall. During the year, the creditors turnover period was 31 days (2000: 27 days); whilst the debtors turnover period was 54 days (2000: 62 days).

As at 31st March, 2001, the Group had a strong balance sheet position, with bank borrowings of only HK\$7,416,000 and the gearing ratio was 6% (2000: 11%). The drop in the ratio is partly attributable to the enhanced operating results of the Group for the year. The Group's repayment of bank loans about HK\$10,164,000 (net) during the year also contributed to the improvement in the Group's gearing at the end of the year.

During the year, the interest covering ratio, which is the ratio between the earnings before interests and the amount of bank loan interest, was about 45 times. As at 31st March, 2001, the Group's aggregate cash and fixed deposits amounted to HK\$67,000,000 (2000: HK\$25,000). The available banking facilities in aggregate were approximately HK\$184,000,000 (2000: HK\$190,000,000) whilst the utilized and unused banking facilities amounted to about HK\$13,000,000 (2000: HK\$78,000,000) and HK\$171,000,000 (2000: HK\$112,000,000) respectively. As at 31 March 2001, the Group had internal available funding of approximately HK\$185,000,000 (2000: HK\$119,000,000), net of fixed deposits HK\$53,000,000 (2000: HK\$17,000,000) that are subject to lien with financial institutions.

財務回顧及分析**債務及流動資金**

本集團繼續採取審慎策略管理流動資產與負債、應收賬款及應付賬款，並利用備用銀行透支及銀行信貸平衡流入與流出之資金。於本年度，債權人記賬期為31日(二零零零年：27日)，而債務人記賬期則為54日(二零零零年：62日)。

於二零零一年三月三十一日，本集團之資產負債情況相當健全，銀行借貸僅為7,416,000港元，而負債資產比率則為6% (二零零零年：11%)。本集團本年度營運業績上升，乃負債資產比率得以下降之原因之一。此外，本集團於年內償還銀行貸款約10,164,000港元(淨額)，亦有助減低年結日之負債資產比率。

於本年度，利息補償率(即除息前盈利與銀行貸款利息之比例)約為45倍。本集團於二零零一年三月三十一日之現金及定期存款總額達67,000,000港元(二零零零年：25,000,000港元)。可動用銀行信貸額合共約184,000,000港元(二零零零年：190,000,000港元)，而已動用及未動用之銀行信貸額則分別約為13,000,000港元(二零零零年：78,000,000港元)及171,000,000港元(二零零零年：112,000,000港元)。於二零零一年三月三十一日，除抵押予財務機構之定期存款53,000,000港元(二零零零年：17,000,000港元)外，本集團擁有可動用內部資金約185,000,000港元(二零零零年：119,000,000港元)。



Indebtedness and Liquidity (Continued)

As at 31st March, 2001, the Group's current ratio was about 2.7 times (2000: 1.2 times) and the quick ratio was approximately 1.4 times (2000: 0.3 times), reflecting the Group's enhanced financial position as a result of its favourable operating results and sound financial management.

With shareholders' funds of HK\$80,657,000 as at 31st March, 2001 and the current year profit attributable to shareholders of HK\$47,195,000, the Group's return on equity is 59% for the current year (2000: 79%).

On 3rd May, 2001, the Company raised net proceeds of approximately HK\$25,000,000 through the placing of 20,000,000 new shares and the public offer of 10,000,000 new shares ("Share Issue"). The increase in the Company's equity capital through the Share Issue has further strengthened the Group's financial position and lowered its gearing ratio.

Use of Proceeds

As at the date of this report, the Group has so far utilized a total of approximately less than HK\$40,000 from the net proceeds of the Share Issue mainly towards the expansion of its trading business and development in the Mainland China. The remaining proceeds are now placed on short term deposits with banks.

In pursuance of the use of proceeds as stated in the Company's Prospectus dated 11th April, 2001, the Group is committed to applying its application against its future plans.

債務及流動資金 (續)

於二零零一年三月三十一日，本集團之流動比率約為2.7倍(二零零零年：1.2倍)，而速動比率則約為1.4倍(二零零零年：0.3倍)，顯示本集團經營業績向好及財務管理穩健之結果。

於二零零一年三月三十一日之股東資金為80,657,000港元，而本年度之股東應佔溢利則為47,195,000港元，因此本年度本集團之股本回報率為59%(二零零零年：79%)。

在結算日之後，本公司於二零零一年五月三日透過配售20,000,000股新股及公開發售10,000,000股新股(「發行股份」)而取得約25,000,000港元之淨收益。發行股份後，本公司股本增加，進一步加強本集團之財政狀況並減低負債資產比率。

集資款項用途

於本報告日期，本集團已由發行股份所得款項淨額中合共動用少於約40,000港元，主要用作拓展貿易業務及在中國大陸發展業務。其餘所得款項則存放於銀行作短期存款。

根據本公司在二零零一年四月十一日之售股章程所述之所得款項用途，本集團須將利用該等資金作為未來計劃之用。

Foreign currency exposures

Most of YSHT and BPL sourced its products from overseas manufacturers and suppliers in Europe, Japan, Singapore, etc. with settlement in foreign currencies. During the year, approximately 35%, 7%, 12%, 1% and 2% of the Group's purchase of equipment and components for its trading business were settled by US Dollars, Euro Dollars, Pound Sterling, Japanese Yen and Singapore Dollars respectively. The rest was paid in Hong Kong Dollars. The Group's exposure to foreign currency (other than US Dollars) fluctuation was about 22% of the value of the Group's trading business purchases.

With such exposure, the Group adopted hedging policies to mitigate risks associated with by entering into some forward exchange contract arrangements with financial institutions. During the year ended 31st March, 2001, the practice of the Group usually entered into forward foreign exchange contracts once the purchase order was placed with the overseas suppliers. However, as the payment date for each purchase order and the actual amount of the purchase price being invoiced by the supplier change in accordance with the works progress for which the electrical equipment and materials had been purchased, the forward foreign exchange contracts entered into by the Group might not always enable the Group to hedge successfully against the foreign exchange risk. To enhance the effectiveness of hedging, the directors only enter into forward foreign exchange contracts in relation to any purchase order placed with a supplier only when the invoice has been issued by such supplier.

As at 31st March, 2001, the Group's total value of outstanding forward exchange contracts on hand were approximately HK\$3,436,000 (2000: HK\$12,700,000), ensuing a net unrealised forward exchange gain of about HK\$11,000 (2000: Loss of approximately HK\$716,000).

外匯風險

耀生行貿易及百達機電均向位於歐洲、日本及新加坡等地之海外製造商及供應商採購大部份產品，並以外幣結算。於本年度，本集團就貿易業務購買設備及配件而以美元、歐元、英鎊、日圓及新加坡元結賬之比例，分別約為35%、7%、12%、1%及2%，而其餘則全部以港元支付。本集團因外幣波動(美元除外)而須負擔之風險約佔本集團貿易業務購貨值之22%。

為減低外匯風險，本集團採取對沖政策，與財務機構訂立遠期外匯合約。截至二零零一年三月三十一日止年度，本集團一般慣例為向海外供應商落單購貨後，即訂立遠期外匯合約。然而，由於每份購貨單之結賬期與供應商開出發票之實際購貨價，可能會受到與該等電氣設備及物料有關之工程進度之影響而變動，因此本集團訂立遠期外匯合約並不一定保證本集團可成功對沖外匯風險。為提高對沖之效果，董事擬於本公司股份在聯交所上市後，僅在供應商開出發票後方就有關購貨單訂立遠期外匯合約。

於二零零一年三月三十一日，本集團尚有約3,436,000港元(二零零零年：12,700,000港元)之遠期外匯合約，有關之未作實遠期外匯收益約為11,000港元(二零零零年：虧損約716,000港元)。



Operating charges

The Group employed tight measures to control operating charges. During the year ended on 31st March, 2001, general operating expenses of the Group amounted to HK\$26,136,000, reduced by 9% from last year's HK\$28,786,000, in line with the reduced turnover for the current year. As a result of the Group's main focus in the public sector and its aggregate of prudent credit control policy, the current year's aggregate amount of provision for bad debt and its written off were reduced to HK\$1,656,000 from last year's HK\$3,229,000. This is one of the main reasons for the drop in general administration expenses this year. The bad debt ratio therefore was approximately 0.47% for the current year (2000: 0.70%). Given its prudent credit management, the Group had continued to maintain the bad debt level within less than 1 % of its combined turnover since the financial year ended 31 March 1998. The directors believe that such bad debt level is generally low in the industry.

During the year, the Group experienced some increase in staff costs and allowances (including directors); such increase were more than offset by the drop in rental, bank charge, distribution expenses, etc. This reflected the Group's continuing commitments in strengthening manpower and restraining excess overhead expenses.

The current year saw no item such as loss on revaluation of property, HK\$3,344,000, which was charged as other operating expenses last year. This was another reason for the drop in general expenses of this year, when compared to last year.

Financial charges

During the year, there was no significant change in the amount of the Group's interest-bearing bank loans. The finance charges, which comprised mostly bank loan interests, were about HK\$1,296,000 for the current year, dropping slightly by about 3% from last year's figure of HK\$1,333,000. The reduction is partly attributable to the reductions in market interest rates since the 1st quarter of 2001 and partly to a reduced utilization of the banking facilities available to the Group as a result of improvement in cashflow.

經營費用

本集團嚴謹控制經營費用。截至二零零一年三月三十一日止年度，隨著本年度營業額下跌，本集團一般經營開支亦降至26,136,000港元，較去年之28,786,000港元減少9%。由於本集團集中經營公營項目，並且審慎控制信貸，結果壞賬撥備及撇銷額合計由去年之3,229,000港元減至1,656,000港元，此亦為本年度一般經營開支下降之另一主要原因。本年度壞賬比率因此僅約為0.47%（二零零零年：0.70%）。基於審慎之信貸管理，本集團自截至一九九八年三月三十一日止年度起一直將壞賬佔綜合營業額之比率維持於1%以下之水平。董事相信該壞賬比率於業內屬較低者。

於本年度，本集團之僱員（包括董事）工資及津貼略為上升，而增幅高於租金、銀行收費及分銷開支等之減幅，為本集團不斷加強人材實力及限制多餘開支之結果。

去年有物業重估減值3,344,000港元，列為其他經營開支，而本年度並無相應之項目，亦為本年度一般經營開支較去年度減少之原因。

財務費用

於本年度，本集團之計息銀行貸款數額並無重大變動。年內之財務費用大部份為銀行貸款利息，約達1,296,000港元，較去年之1,333,000港元減少約3%。財務費用減少，乃由於自二零零一年第一季市場開始減息，以及本集團因營業額下跌而減少動用銀行信貸所致。



NON-CORE ACTIVITIES

非核心業務

Securities Investment

證券投資

By 31st December, 2000, the Group had disposed all of its investments in securities, which comprised equity-linked notes and equity securities listed in Hong Kong and overseas. They were bought and sold mainly for generating additional working capital for the Group. During the period from 1st April, 2000 to 31st December, 2000 (the nine-month period), total cash outflow in relation to purchase of securities was approximately HK\$46,809,000, which was about 13% of the turnover of the Group's core business. Proceeds from disposal of such securities was approximately HK\$86,846,000 for the nine-month period, which was approximately 25% of the turnover of the Group's core business. The Group incurred a realized loss of approximately HK\$330,000 for the nine-month period and there was no securities investments outstanding as at 31st March, 2001.

本集團於二零零零年十二月三十一日前已全數售出所持有之投資證券，該等證券包括於香港及海外上市之股本相關票據及股本證券。買賣該等證券之主要目的乃為本集團籌集額外營運資金。由二零零零年四月一日至二零零零年十二月三十一日期間（「九個月期間」），有關購買證券之現金流出總額約為46,809,000港元，相等於本集團核心業務之營業額約13%。而於該九個月期間，出售該等證券之所得款項約為86,846,000港元，相等於本集團非核心業務之營業額約25%。本集團於該九個月期間就有關投資錄得虧損330,000港元，而於二零零一年三月三十一日已再無任何投資證券。

After listing of the Company's Shares on the Stock Exchange, the Group has discontinued engaging in security investing activities.

本公司股份在聯交所上市後，本集團已終止投資證券業務。

Forward foreign exchange contracts

遠期外匯合約

Please refer to the previous section with heading "Foreign currency exposure" on page 37.

請參閱之前第37頁「外匯風險」一節。



PROSPECTS

OUTLOOK FOR THE ECONOMY

The Financial Secretary warned on 5th July, 2001 that economic growth could continue declining in the short term because of poor performances in the United States and European economies. In the first economic report of Hong Kong for 2001, figures show that the growth rate of the Hong Kong economy is slowing and the forecasted growth rate for 2001 has been lowered from 4% to 3%. In addition, the Hong Kong economy is largely driven and influenced to a large extent by the performance of the Western economies, the United States economy in particular. Their slowdown of those economies would have an unfavourable effect on Hong Kong. Interest rates continue to drop and further cuts are anticipated towards the second half of 2001. The low rates only reflect the downturn of the economic cycle, indicating that the Hong Kong economy is still weak, and is subject to other uncertain factors. The prolonged high unemployment rates with latest figure at 4.6% from government source reported in July 2001 and the effect on shifting consumer spending into Mainland China in recent years have continued weakening the economy. With uncertainties in Government housing policies, activities in the property markets in Hong Kong have remained subdued.

On the positive side, China's imminent entry into the World Trade Organization ("WTO") would present a wide range of opportunities for Hong Kong's trade and service companies.

The Hong Kong Government is optimistic about mid to long-term prospects based on continued growth in Mainland China and its anticipated entry into WTO. Further, the Government's commitment to maintain Hong Kong as the leading financial and trading centre for the Mainland and Beijing's recent clear-cut victory to host the 2008 Olympic Games are all favourable factors which would present new business opportunities for Hong Kong.

The Group believes that our future business growth and development will be influenced by the Government's positive role in building a 'new' Hong Kong and the continued thriving of the Mainland economy.

前景

經濟展望

財政司於二零零一年七月五日發出警告，受到美國及歐洲經濟表現疲弱拖累，香港經濟增長於短期內仍將繼續下跌。二零零一年首份香港經濟報告顯示，香港經濟增長速度正在放緩，二零零一年之經濟增長預測已調低由4個百分點至3個百分點。此外，香港經濟極大程度受到西方國家經濟尤其美國經濟之推動及影響。該等國家經濟放緩，對香港將會有不利影響。利率繼續下調，預期二零零一年下半年仍將進一步減息。低息只不過反映經濟正處於衰退周期，顯示香港經濟仍然疲弱，並且受不明朗因素影響。失業率長期高企，據二零零一年七月來自政府之數字為4.6%，加上近年市民逐漸轉向中國大陸消費，使香港經濟情況更為惡化。此外，政府未能制訂穩定之房屋政策，亦使香港物業市場繼續受壓。

在利好一面，中國即將加入世界貿易組織（「世貿」），將為香港貿易及服務業公司帶來廣泛商機。

鑑於中國大陸經濟持續增長，且預期將加入世貿，香港政府對香港中長線經濟表示樂觀。此外，政府決心維持香港作為中國主要金融及貿易中心之地位，以及北京最近輕易取得二零零八年奧運主辦權，均屬利好因素，可為香港帶來新商機。

本集團相信，政府積極建設「新」香港，以及中國大陸經濟持續發展，均將帶動本集團日後業務繼續成長及發展。



OUTLOOK FOR THE INDUSTRY

The total value of contracts completed in the constructions industry in Hong Kong has been dropping since 1998, indicating that the constructions industry in Hong Kong has passed its cyclical peak. Other government source shows that the output in the construction sector fell 3.6% in 2000 to HK\$122 billion. This figure is the lowest since 1996. The number of construction projects awarded by the Hong Kong Government has also been falling in recent years. In its recent revised budgets, the HKHA has also cut down the number of projects available for tender in line with its plans to reduce the construction of public housing in the coming years. The Group is of the view that the “sub-sub-contracting” mode of operation together with the “winner by the lowest-bid” tendering tradition in the industry would continue to erode the gross margin of electrical engineering projects. It is anticipated that market conditions for the electrical engineering industry in Hong Kong would remain difficult for the coming year.

OUTLOOK FOR THE GROUP

Electrical Engineering Contracting Business

As mentioned in the previous sections in this Report, the Group was awarded a number of new electrical engineering projects with an aggregate contract value of approximately HK\$248,200,000 during the period from 1st April, 2000 to the date of this Report. Because of contraction in construction industry, the Group expects that it would be difficult to bid for more projects in the public sector in the coming year. Works have already commenced for some of the new projects. The directors expect that the turnover of the Group's electrical engineering contracting business would be contributed mainly from these new projects, especially in the second half of the year ended 31st March, 2002. It is also anticipated that due to unfavourable market conditions, the Group's turnover from its electrical engineering business will further drop for the next six-month period as well as for the year ending 31st March, 2002.

In order to reduce its financial exposure on its electrical engineering, the Group has implemented new risk measures on material control. New terms would be introduced into the contracts that the Group enters into with its sub-contractors regarding material control and consumption. Measures would also be introduced to minimize excess material purchase.

行業前景

香港建造業完成合約總值自一九九八年起一直下跌，反映香港建造業已從高峰滑落。其他政府資料顯示建造業之產值於二零零零年下跌3.6%，錄得自一九九六年以來之最低數字1,220億港元。香港政府批出之建造項目近年來一直減少。房委會計劃在未來數年減建公屋，因此在最近之修訂預算案中削減招標項目數量。本集團認為，「分包再分包」之運作模式，加上業內「價低者得」之傳統投標方式，將繼續侵蝕電氣工程項目之邊際溢利。而預期香港電氣工程行業於來年仍將面對惡劣之經營環境。

本集團前景

電氣工程承造業務

正如本報告前部份所述，本集團由二零零零年四月一日至本報告期間已獲批若干新電氣工程項目，合約總值約為248,200,000港元。由於建造業收縮，本集團預期在來年將難以投得更多公營項目。若干新項目之工程現已展開，董事預期本集團之電氣工程承造業務之營業額，尤其截至二零零二年三月三十一日止年度下半年之營業額，將主要來自該等新項目。董事亦預期因受到市場環境不利影響，本集團來自電氣工程業務之營業額於未來六個月期間及截至二零零二年三月三十一日止年度將進一步下降。

為減低電氣工程之財務風險，本集團已對物料控制實施新風險管理措施。本集團與承包商訂立合約時將加入有關物料控制及消耗量之條款，此外亦會制訂措施以免購入過剩物料。



Electrical Engineering Contracting Business (Continued)

To expand its business opportunities, the Group is preparing plans to tender for electrical engineering projects in the private sectors. It is the Group's long term strategy to shift the focus of its electrical engineering business more from public to private sector projects. With its extensive experiences in public sector projects, the directors believe that the Group is well positioned to develop its market share in the private sectors in future.

Trading business

The directors believe that with China's entry into WTO and the continued growth of the Mainland's economy, more business opportunities will be offered in the infrastructure and building construction industry in China. In this regard, the Group has set up a new office in Southern Province to establish its presence and to develop its business connections there. In addition, the Group plans to establish a sales agency or distribution network with import and export logistics in China in the medium term. It is expected that the Group's operations in China would not have any contribution to the Group's business in the first two years as it takes time for such agency or distribution network to become fully functional and productive.

While the Group is taking steps to place its presence in China, it has also continued developing its trading business in Hong Kong by entering into two new agency agreements with new electrical equipment suppliers in Italy in July 2001. Pursuant to these new agencies, new power cables of various types and lighting fittings will be added to the Group's product lists.

The Group also plans to enlarge its sales force to take advantage of expanding opportunities in its electrical equipment trading business. Additional manpower has been added or will further be added in both the generator set and the component sub-division.

The Group expects that, despite unfavourable market conditions, the Group's trading business will experience further growth in turnover in the coming year; although margin may be reduced to a certain extent because of increased competition.

電氣工程承造業務(續)

為開拓商機，本集團正計劃投標私營電氣工程項目。本集團已制定長遠策略，由公營電氣工程業務逐漸轉為專注於私營電氣工程業務。借助公營項目取得之經驗，董事相信本集團甚具優勢在私營項目方面進一步增加市場佔有率。

貿易業務

董事相信，由於中國加入世貿，加上中國經濟持續發展，中國基建及建造業仍將有更多業務發展機會。為掌握中國大陸業務機會，本集團已在華南省份籌設新辦事處，務求立足於大陸市場並發展商務關係。此外，本集團計劃在一般時期內建立銷售代理或分銷網絡，以應付中國之出口及入口物流服務需求。由於該等銷售代理或分銷網絡將需一段時間方可全面發揮作用及達到效益，故預期在兩年內，本集團之中國業務將不會對本集團業績帶來貢獻。

本集團在逐步涉足中國市場之餘，亦繼續在香港發展貿易業務。二零零一年七月，本集團與意大利之新電氣設備供應商訂立兩項新代理協議。根據該兩項協議，多種新電纜及照明裝置將加入成為本集團產品系列。

本集團亦計劃擴展銷售隊伍，以掌握電氣設備貿易業務所湧現之商機。本集團之發電機組及配件貿易業務門均已增加人手。

儘管市場環境不利，本集團預期貿易業務之營業額將於來年繼續取得增長，惟邊際利率或會因競爭激烈而縮減。



Environmental Engineering Business

In recent years, environmental conservation and prevention of pollution has become worldwide issues and has received growing public and governmental concern in Hong Kong. In September 1998, HKHA approved the adoption of the Automated Refuse Collection System (“ARCS”) as a standard facility for future public housing estates and Home Ownership Scheme housing. All future public housing estates would be equipped with ARCS.

Recently, the Group entered into a distributorship agreement with an overseas engineering company in the provision of supply and installation of ARCS, which is a refuse disposal system that transports refuse by air current through chutes and underground pipes linking individual buildings with a centralised treatment plant where the refuse is compacted and disposed of. The exhaust air generated when the refuse is transported through the chutes and pipes is first filtered through dust and carbon filters before discharge.

The Group has already applied for HKHA’s approval as a supplier of ARCS. While the Group’s application is being reviewed by HKHA. The Group has started preparations for the marketing of ARCS. It is expected that HKHA will notify the Group of the result of its application, and the Group would be in a position to tender for projects for the supply of ARCS.

Electrical Maintenance Business

The Group has been active in developing its electrical maintenance business in the light of the Hong Kong Government’s commitment to tighten fire-safety measures in old and aged buildings by legislation. In June 2001, the Group set up a new subsidiary known as Yew Sang Hong Building Services (Maintenance) Company Limited (“YSHBSM”), which will principally engage in the provision of electrical services and maintenance business for old and aged buildings. The Group’s promotion plans which including tenders and quotations delivered to property management companies as well as private housing estates are being actively implemented. It is expected that the expenditure in maintenance business would not be large in the first year of its operations. The directors expect that the maintenance business may begin to contribute to the Group’s turnover towards the second half of the financial year ending 31st March, 2002.

環境工程業務

近年來，環保及防止污染已成為全球問題，並已日漸引起香港公眾及政府關注。一九九八年九月，房委會通過採用自動回收廢物系統，作為日後公共屋邨及居屋屋苑之標準設施。日後所有公共屋邨均會設有自動回收廢物系統。

最近，本集團與一家海外工程公司就提供及安裝自動回收廢物系統達成分銷協議。該系統透過連接個別大廈與一間中央廢物處理廠之導槽與地下管道，以氣流將廢物運送至處理廠經過壓縮後棄置。而廢料經過導槽與地下管道時所產生之廢氣則透過塵埃及碳精過濾後排放。

本集團已向房委會申請批准成為自動回收廢物系統之供應商。本集團之申請正在審核當中，而本集團已著手籌備自動回收廢物系統之推廣工作。預期房委會將通知本集團申請之結果，之後本集團將會就供應自動回收廢物系統投標有關工程項目。

電氣保養業務

鑑於政府決心立法收緊舊樓之防火安全措施，本集團已積極發展電氣維修業務。本集團於二零零一年六月成立一間新附屬公司耀生行屋宇設備(保養)工程有限公司(「耀生行屋宇設備」)，將主要從事為舊樓提供電氣服務及維修業務。本集團曾向物業管理公司及各公共屋邨提供推廣計劃書，包括投標及報價詳情，而該等計劃現正積極進行中。預期維修業務之開支在業務運作初期並不龐大。董事預期維修業務將可於截至二零零二年三月三十一日止財政年度下半年開始為本集團營業額帶來實益貢獻。

**Conclusion**

In spite of unfavourable market and economic conditions, the Group is optimistic that it would be able to maintain its growth through continued diversification into electrical maintenance and environmental engineering businesses. The gradual maturity of the Group's trading business is also a major factor in offsetting the negative markets factors that are unfavourable to its electrical engineering business. It would be the Group's interim and long term momentum for growth.

結論

儘管市場及經濟環境不利，本集團有信心透過發展電氣維修及環境工程業務，保持業務增長。本集團貿易業務漸趨成熟，亦可抵銷不利於電氣工程業務之市場負面因素，推動本集團中長期業務發展。