

Business Review

Upholding the policy set in the 2000 Annual Report, the Group focused extensively on the development of its core businesses, i.e. the manufacturing and retailing of air-conditioner and refrigerator, for the period under review. The past management enhancement had achieved an encouraging result against the fierce competition. It not only successfully controlled the production cost, but also led to effectiveness and efficiency, market and product development as well as technical advancement. For the period under review, the Group's sales volume experienced a growth of 5.5%. Though sales volume of air-conditioners reached 287,000 units increased by 13.3% and the sales volume of refrigerators reached 332,000 units, remained stable in comparison with the corresponding period last year. The keen competition within the industry and the price war affected the market adversely, resulted in the unsatisfactory performance of the Group.