

## REVIEW OF PERFORMANCE

Turnover and profit before taxation for the year ended 31st December 2000 were HK\$1,778,450,000 and HK\$158,113,000 as compared to HK\$1,440,123,000 and HK\$134,093,000 respectively for the 12-month proforma unaudited consolidated profit and loss information of last year, representing an increase of 23% and 18% respectively.

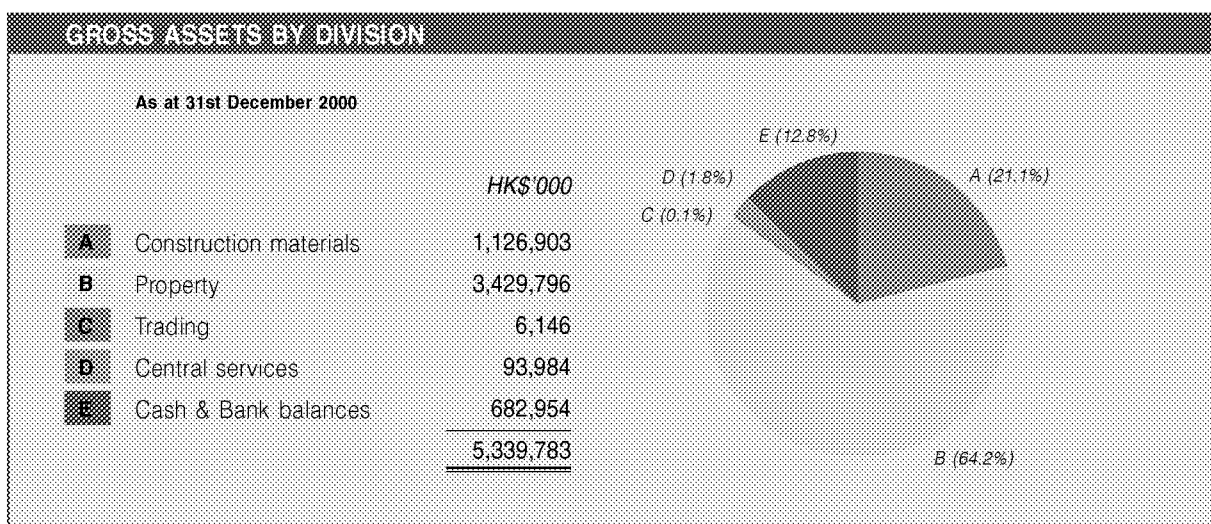
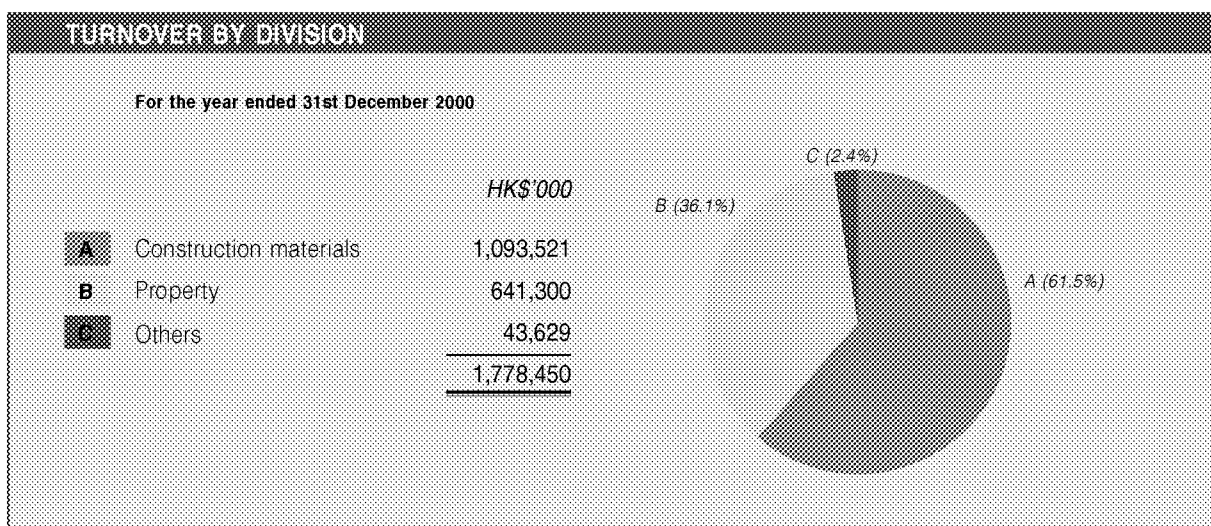
The net profit margin (defined as the ratio of net profit before tax to turnover) was maintained at approximately 9%, similar to last year.

Construction Materials Division continued to contribute a significant portion of profit to the Group. Although the market condition was competitive during the year, the Division managed to achieve a satisfactory net profit margin of approximately 14% for the year.

For the Property Division, the overall performance improved as a result of the satisfactory presale of various property projects during the year.

Set out below are the segmental results of the Group operations for the year ended 31st December 2000.

### (1) BY DIVISION



**(1) BY DIVISION** (Cont'd)

**Analysis by Division**

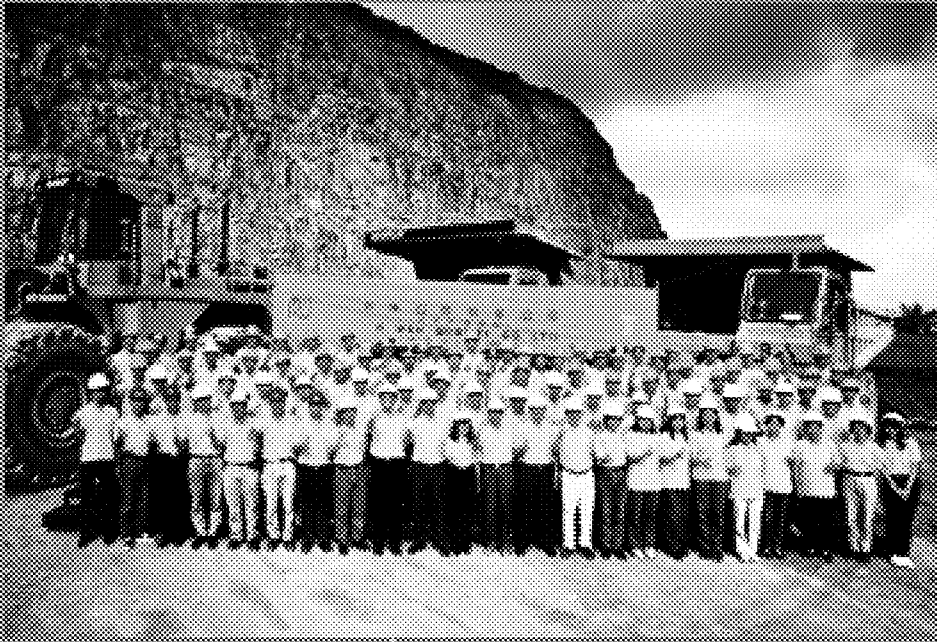
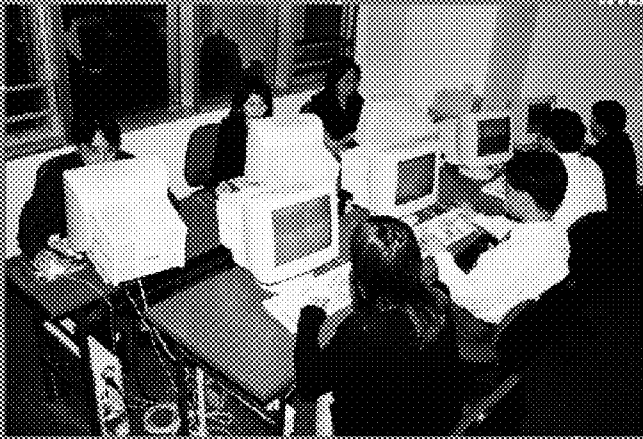
	<b>Construction materials</b>	<b>Properties</b>	<b>Other operations</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	1,093,521	641,300	43,629	1,778,450
Cost of sales	(781,617)	(583,776)	(36,239)	(1,401,632)
Gross profit	<u>311,904</u>	<u>57,524</u>	<u>7,390</u>	<u>376,818</u>
Other revenues	13,528	19,663	43	33,234
Administrative and marketing expenses	(132,723)	(90,843)	(11,839)	(235,405)
Other operating expenses (net)	(10,682)	26,575	(2,853)	13,040
Operating profit	<u>182,027</u>	<u>12,919</u>	<u>(7,259)</u>	<u>187,687</u>
Finance costs	(24,077)	(244)	(197)	(24,518)
Share of profits less losses of				
Jointly controlled entities	(53)	(20)	-	(73)
Associated companies	(4,552)	(431)	-	(4,983)
Profit before taxation	<u>153,345</u>	<u>12,224</u>	<u>(7,456)</u>	<u>158,113</u>
Taxation				<u>(26,981)</u>
Profit after taxation				131,132
Minority interests				<u>(49,057)</u>
Profit attributable to shareholders				<u>82,075</u>



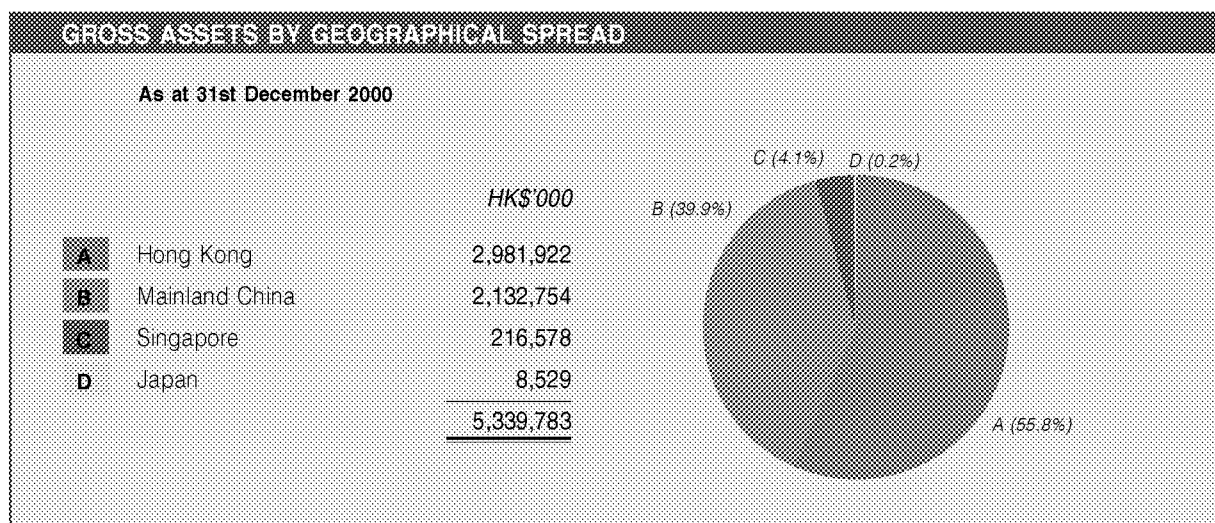
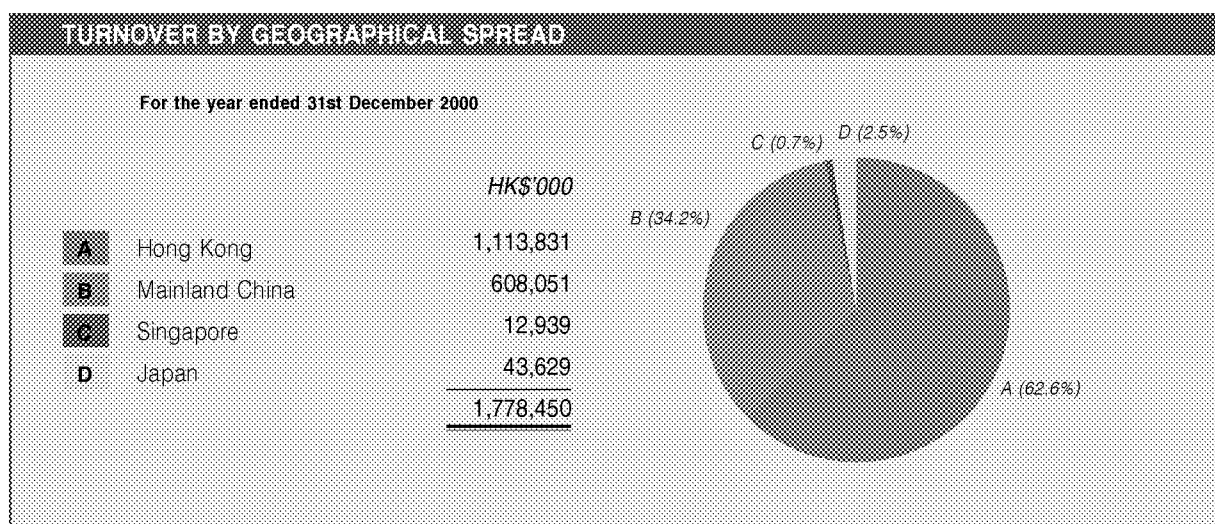
# Emphasis







(2) BY GEOGRAPHICAL SPREAD



Analysis by geographical spread

	Turnover HK\$'000	Operating profit HK\$'000
Hong Kong	1,113,831	240,794
Mainland China	608,051	(62,688)
Singapore	12,939	9,237
Japan	43,629	344
Total	<u>1,778,450</u>	<u>187,687</u>

## REVIEW OF OPERATION

### (1) PROPERTIES IN HONG KONG

#### (A) Current Development Properties in Hong Kong

(Total gross floor area of approximately 178,000 square metres)

##### (i) **Le Cachet, 69A & B Sing Woo Road, Happy Valley** (100% owned)

The property is being developed into a 31-storey luxurious residential building with clubhouse facilities. Construction works are almost completed. Pre-sale of the residential flats has begun in early 2000 and nearly 90% of the flats were sold.

##### (ii) **The Montebello, 155 Argyle Street, Kowloon Tong** (100% owned)

The property is being developed into a 28-storey luxurious residential building with clubhouse facilities and an indoor swimming pool. The property is located in an area of traditional low rise buildings and the development is among the first few high rise buildings to be built in the area. Superstructure works are in progress and the whole construction works will be completed in the coming quarter. Pre-sale was first launched in November 2000. Market response was good and nearly 60% of the flats were sold.

##### (iii) **The Palace, 83 Broadcast Drive, Kowloon Tong** (100% owned)

The property will be developed into a 37-storey high rise luxurious residential apartment building with clubhouse facilities and an outdoor swimming pool. In response to the recent announcements by the government authorities on Green and Innovative Buildings, green features, which are increasingly demanded by the market, will be incorporated in the building plan to enhance the value of the development. Foundation works have been completed and superstructure works will commence shortly. The whole construction works are expected to be completed by early 2002. Pre-sale of the residential flats is planned to launch in the latter part of this year.

##### (iv) **The Seacrest, Tuen Mun Town Lot 408, Hang Kwai Street, Tuen Mun** (100% owned)

The property will be developed into two towers of 28-storey residential apartment buildings. Foundation works have been completed and the superstructure works are in progress. The whole construction works are expected to be completed by early 2002. Pre-sale of the residential flats is planned to be launched in the latter part of this year.

##### (v) **Sha Tin Town Lot 483, Ma On Shan, Sha Tin** (100% owned)

The property has a site area of approximately 7,300 square metres with a total gross floor area of approximately 37,000 square metres. The land was acquired through public land auction in February 2001 and the planning work for the development is in progress. In response to the recent announcements by the government authorities on Green and Innovative Buildings, green features, which are increasingly demanded by the market, will be incorporated in the building plan to enhance the value of the development. The development is expected to be completed by 2004.