

FINANCIAL REVIEW

The Group's turnover of HK\$1,472,577,000 for year ended 31st December, 2000 decreased by approximately 26% as compared with the previous year. The decrease was attributable to a number of major construction projects having reached completion stage during the year. Hence, although the turnover from building construction contracts had decreased, the amount of attributable profit had increased.

The Group's profit before taxation for year 2000 amounted to HK\$33,911,000, represented an increase of 71% as compared with last year. The profit attributable to shareholders increased to HK\$30,197,000 from HK\$17,096,000 in the previous year. Having considered the various underlying conditions of the Group's assets and investments, the Board does not suggest any further provision for diminution in their carrying values in the current year. Through improvements in the management of quality and cost control, the attributable profit from construction contracts had improved significantly.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31st December, 2000, shareholders' funds of the Group increased by 2% to HK\$1,702,665,000 as a result of the profit contributed for the year. In addition, warrant holders of HK\$1,425,874 exercised their rights to subscribe for 1,980,380 new shares of the Company at HK\$0.72 per share.

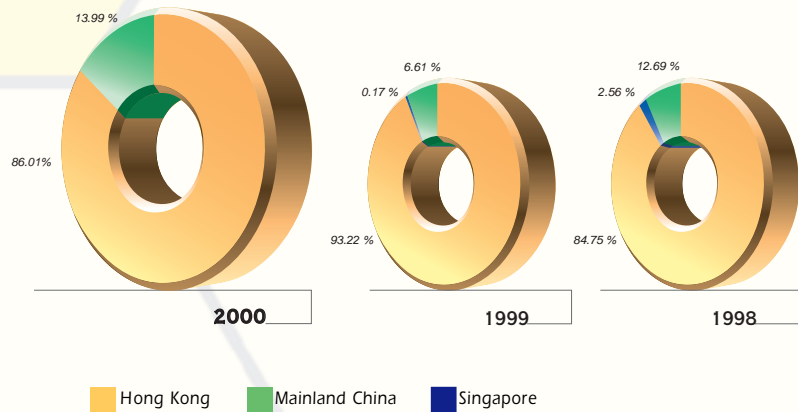
For the year ended 31st December, 2000, the Group solicited a total of HK\$18,790,000 new banking facilities. As at 31st December, 2000, total banking facilities available to the Group amounted to HK\$2,428,615,000 of which HK\$1,995,706,000 were utilised.

Cash and bank balances amounted to HK\$369,820,000 as at 31st December, 2000 and accounted for 18% of the current assets.

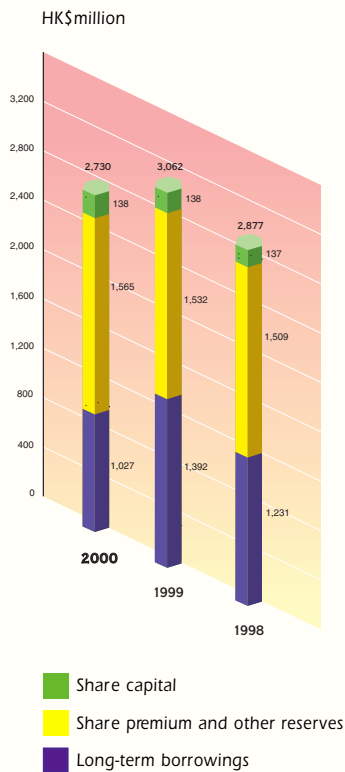
With its strong cash position and the available banking facilities, the Group has adequate resources for its ongoing operations and future development.

ANALYSIS OF OPERATIONS

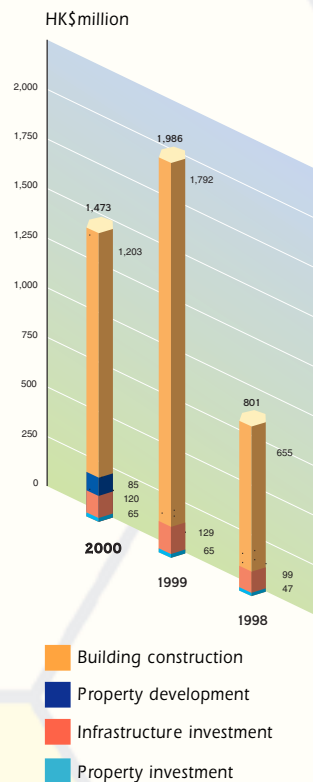
Turnover by geographical area



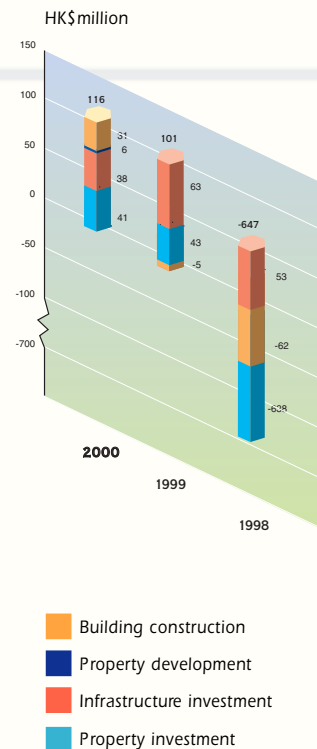
SHAREHOLDERS' FUNDS AND LONG-TERM BORROWINGS



Turnover by activities



Contribution to operating profit by activities



MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December, 2000, the Group's five largest customers accounted for 84% of the Group's turnover and the largest customer included therein accounted for 75% which was represented by the HKHA.

During the year, purchases from the five largest suppliers accounted for 48% of the total purchases of the Group and the largest supplier included therein accounted for 24%.

None of the Company's directors, their associates, or any shareholders of the Company (which to the knowledge of the Company's directors owned more than 5% of the Company's issued shares) had a beneficial interest in any of the Group's five largest customers or five largest suppliers.

EMPLOYEES

The Group's development relies on the collaboration, dedication and loyalty of its employees. The Group commits to organising various training programmes to raise the quality and work efficiency of our staff and offers reasonable salaries and staff welfare. Through the implementation of staff motivation measures and the arrangement of recreational activities, team spirit and sense of belonging amongst our staff have been greatly enhanced. To meet the challenges of the 21st century and the revolution of new technology, the Group emphasises on training and application of new technology for our staff. The Group recognises that human resources is the critical asset which will give us a competitive edge.