

In the territory, the need and Government's plan to develop transport facilities, as touched on in the Chief Executive's Policy Address 2000, form part of the attributes for a sustainable and competitive economy. The Railway Development Strategy 2000 has identified railway as the backbone of the future transport system in Hong Kong and another HK\$100 billion will be spent on six railways in addition to the HK\$100 billion committed for the KCR West Rail, the East Rail extensions, the MTR Tseung Kwan O extension and the Penny's Bay Rail Link, where the Group has already been working on seven of their contracts. A number of major highway and bridge projects will also be promoted in the years to come to constitute an integrated transport system in conjunction with the railway development. These include, among many other projects, Route 9 between Lantau Link and the West Kowloon Expressway, Route 10 linking North Lantau and Yuen Long, Route 7 from Kennedy Town to Aberdeen and the Central-Wanchai Bypass. Other development works in the pipeline include the Penny's Bay development encompassing the Disneyland Theme Park, the Science Park development and the Cyberport development. Water Supplies Department's strategic plan to rehabilitate approximately 3000km of existing watermains over a twenty year period will generate work valuing some HK\$10 billion. The Government has drawn up plans for either developing or redeveloping many areas of the territory including the old Kai Tak Airport. There are major works forthcoming from the Territory Development Department and the Civil Engineering Department. The Group's experience and track record in all these areas should enable it to benefit from such business opportunities.

At the time of reporting, the Group-led joint venture has just been awarded a railway trackworks contract for the KCR Ma On Shan and Lok Ma Chau rail links. This contract consists of 20 route km of railway construction in various trackforms including low vibration track, ballasted track and floating slab track in tunnels, at grade on embankments or on viaducts.

Public housing construction, with a flurry of busy activity during the 1998 to 2000 period, has been settling into a reasonably steady target of about 40000 units of production a year now and in the near future, which helps offset somewhat the stagnancy of the private building sector. There have also been ambitious plans from the Architectural Services Department to add or to retrofit hundreds of schools in the territory, apart from its regular development of institutional buildings and facilities. In addition, Government's continuing commitment to renewal of old urban areas and its determination to nurture a stable property market will hopefully help invigorate the building construction market in the right direction.

Cable Landing Station  
at Tong Fuk



# Building Projects

Public Rental Housing and  
HOS Development at Fortune Street –  
Phase 1, Shamshuipo



In broad perspective, the Group continues to be mindful of the increasing dynamic of the construction market in Greater China. China's entry into WTO and its hosting of the 2008 Olympic Games will catalyze the growth of the market. Just in the south the development of the Pearl River delta region and its linkage with Hong Kong SAR entail the construction of tens of kilometers of causeway across the estuary region and the expansion of an integrated network of roads and bridges, the soonest of which to be developed will be the Shenzhen Western Corridor and the Deep Bay Link. In broader perspective, the Group sees the potential opportunities of business and business diversification during its participation in a recent tour concerning the proposed strategic development of Western China launched by the Central and SAR Governments. The Group will actively follow up or explore feasible opportunities but will pursue them with prudence and under appropriate timing.

#### **A C K N O W L E D G M E N T**

I am deeply grateful to the Board, its Management and all our staff for their commitment to our vision and their hard work. I would also like to thank our shareholders, financiers and business partners for their continued strong supports.

**Pang Kam Chun**  
*Chairman*

Hong Kong, 14 July 2001

Redevelopment of Shek Lei Estate  
Phase 7 and Phase 9



# Building Projects



PPS at Tin Shui Wai