

## OUTLOOK

The Government has announced in November 2002 its revised housing policy to restore the public's confidence in the local property market. Nine measures, including but not limited to stopping all scheduled land auctions, suspension of Application List for supply of new land and cessation of production of flats under Home Ownership Scheme, have been introduced with primary effect to reduce the supply, especially in public sector, in the residential market in the coming years. These measures would inexorably deteriorate the local construction market conditions, lessen tendering opportunities and intensify competitions. Tender price is anticipated to remain low or even be further reduced.

To tackle with the increasingly challenging market ahead, the Group will continue with its cost reduction and streamlining measures to enhance its cost competitiveness. With its comprehensive skill base, proven track records and a diversified client base, the Group devotes to maintain its market share in private sector and has already secured large scale contracts like Cyberport Residential Development R1a & 1b and Tsing Yi Hotel Development Phase 2 and is confident to secure new prospect in the future.

Though Hong Kong remains its operation base, the Group will focus more on Mainland China which is the market provides ample opportunities for the Group's business growth. The granting of the permission to proceed with the acquisition of interests in a state-owned grade 1 construction company is at its final stage. The mature and fully localised operation of this company will enable the Group to accelerate the Group's growth plans in Mainland China.

In Australia and South Pacific region, Downer is well positioned to capitalise on global trends towards outsourcing and expects steady growth to come from its ability to provide clients with turnkey service delivery in its target markets of mining, power, rail, road and telecommunications. With its track record of steady earnings growth, the directors of the Company are confident that Downer will continue to enhance the Group's ability to maintain a stable income stream and create investment value.

In the years to come, the Group will continue its business and investment diversification strategy by venturing into the different geographical markets where sound business opportunities are identified, with its primary focus on the China market and investments generating earnings growth. Barring unforeseeable circumstances, the Group is well positioned to capture its prospects and meet the challenges ahead.

## 展望

政府於二零零二年十一月公佈經修訂房屋政策，旨在恢復公眾人士對本地物業市場之信心。政府頒佈九項救市措施，其中包括(但不只限於)終止一切計劃中之土地拍賣、暫停供應新土地之申請及停建居者有其屋計劃樓宇單位等，主要希望能夠在未來數年內減低住宅市場(特別是公營樓宇)供應量。該等措施將會無可避免地使本地建築業市道進一步惡化、投標機會將會減少而競爭則將會加劇。預期投標價格將會維持在低水平，甚至進一步下調。

本集團將會繼續實施削減成本及精簡措施，旨在盡收成本效益，以應付市場上日漸激烈之挑戰。憑藉全面化的技術、良好的往績、廣泛的客戶基礎，本集團致力維持本身在私營機構方面之市場佔有率，並已取得大型工程合約，例如數碼港住宅發展工程R1a及1b與及青衣酒店發展工程第二期等。本集團有信心在將來取得更多新工程項目。

雖然本集團以香港為業務基地，惟國內市場蘊藏著大量業務發展機會，本集團亦會伺機而動，在國內大展拳腳。本集團就收購一間國有一級建築公司權益而申請之批文亦快將批出。該公司在國內發展成熟，熟悉當地業務運作方式，對本集團在國內實行發展計劃有著如虎添翼之作用。

隨着全球興起之外判熱潮，Downer在澳洲及南太平洋地區正處於有利陣地，預期藉着向目標市場(例如採礦、電力、鐵路、道路及通訊業)客戶提供整套服務，Downer之業務將會穩定增長。根據往績，Downer之盈利一向穩定增長，各本公司董事有信心認為Downer將有助本集團繼續維持收入來源穩定及使本集團投資升值。

展望將來，本集團會藉着進軍中國市場及投資於盈利增長力強勁之項目，繼續實行多元化發展業務及分散投資之策略。在排除意外情況下，本集團有能力把握新機會及應付日後之挑戰。