

Civil Engineering Projects

West Rail Phase 1 – Construction of viaducts



West Rail Phase 1 – Construction of Tin Shui Wai Station

Chairman's Statement

On behalf of the Directors of Chun Wo Holdings Limited, I am pleased to present to the shareholders the Group's results and operations for the year ended 31 March 2003.

Results

The audited consolidated profit after taxation and minority interests of the Group for the year ended 31 March 2003 is HK\$5.6 million, as compared to last year's profit of HK\$41.33 million, representing a decrease of 86%. Turnover is HK\$2,450 million. Earnings per share for the reported year is HK0.8 cent.

Dividends

The Directors do not recommend the payment of a final dividend for the year (2001/2002: HK1 cent). An interim dividend of HK0.75 cent (2001/2002: HK0.5 cent) per share was paid to shareholders during the year. Total distribution per share for the year is therefore HK0.75 cent (2001/2002: HK1.5 cents).

Closure of Register of Members

The Register of Members of the Company will be closed from 25 August 2003 to 27 August 2003, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting of the Company, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Registrars of the Company, Secretaries Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 22 August 2003.

Business Review

During the past year, the slowdown in the economy of Hong Kong continued. The construction industry in the reporting year continued to be at a difficult time, reflected by the decline in overall construction output.

The unfavourable economic climate had affected various business sectors of Hong Kong. Nevertheless, the Group experienced a slight increase in turnover in this year as compared with the last corresponding one, pursuing busily works in a diversified spectrum. Profit before taxation decreased significantly compared to that of the previous year due to provision made for a completed project at Hung Shui Kiu as well as fierce competition. At the time of reporting, the Group's reckoned value of contracts in hand is HK\$8.4 billion, with about HK\$4.1 billion outstanding.

The Group successfully completed several projects in the reporting year. On building construction, our housing team completed "Palm Cove", a private 5-block residential development at Tuen Mun Town Lot 386 and "Grandeur Terrace", a 11-block 4,100 units Private Sector Participation Scheme development at Tin Shui Wai. On maintenance contracts, two term contracts for Highways Department, Tuen Mun & Yuen Long Districts and Wong Tai Sin & Kwun Tong Districts, were completed. As for the joint-venture project on Mass Transit Railway Corporation