

# CHAIRMAN'S STATEMENT

## BUSINESS REVIEW

The Group's turnover for this year was approximately HK\$644 million while that for the last year was HK\$698 million. The net loss for the year including a further provision for impairment in value of hi-tech investments of approximately HK\$8.4 million was approximately HK\$14.7 million as compared with HK\$35.3 million for the previous year.

The significant slow down in construction developments in both public and private sectors continued during the year with limited availability of building services projects. As a result, the Group continued to face unprecedented competition amongst eligible contractors and the margins for profits in building services and related trading activities are significantly lower than that of previous years. As at 31 March 2003, the Group's uncompleted contracts on hand was approximately HK\$869 million while that of the last year was approximately HK\$558 million.

## BUSINESS PROSPECTS

Throughout the entire year 2002, the Hong Kong economy was plagued by falling property prices, wage cuts and layoffs. The recent announcement of a rise in unemployment to 8.6% and the continued deflation in consumer expenditures for last four and a half consecutive years indicated that the local economy has succumbed into a recession. We have yet to see some light at the end of the tunnel. Under the present circumstances, the local market of the building services industry will remain poor in the coming year. Across the border, the China's economy remains robust supported by strong internal and external demand. With the recent inception of the Closer Economic Partnership Arrangement between Hong Kong and China, it is hoped that there could be new business opportunities in China.

The Group, being a building services contractor based in Hong Kong, will concentrate its core building services business both in Hong Kong and in the Greater China area based upon the Group's expertise and competitive advantage in this specialist trade. Your directors remain optimistic of satisfactory performance of the Group in the coming fiscal year.

# CHAIRMAN'S STATEMENT *(Continued)*

## ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank Mr. YUEN Yiu Bun, Kenneth, who resigned from the Board during the year, for his valuable contribution to the Group during the relevant period of his service. At the same time, I would like to welcome Dr. CHAN Chok Ki as a new member of the Board.

Finally, I would like to express my appreciation to my fellow directors and all members of staff for their dedication and contribution during this period of adverse market conditions.

**Wong Sai Wing, James**  
*Chairman*

Hong Kong Special Administrative Region  
18 July 2003