



PROSPECTS

Looking ahead, it is anticipated that the private sector will continue to be sluggish in the foreseeable future and accordingly the Group will concentrate on securing public and institutional works.

The difficult market conditions in the local construction industry have caused the Group to take a fresh look at its core business in Hong Kong. The Group has closed down the non-core business subsidiaries which cannot contribute profits to the Group. The Group will continue to enforce other cost control measures so as to maintain its cost-effectiveness. Consolidation of the Group's operations in Hong Kong will continue for the foreseeable future.

The Group will continue to explore new business opportunities in China focusing mainly on environmental, industrial related projects and landscaping markets.

EMPLOYEES

During the period under review, the Group employed approximately 150 staff, excluding workers under exclusive sub-contracting arrangements.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September 2003, the Group's outstanding bank borrowings amounted to HK\$6,509,000. The Group's banking facilities were supported by legal charges of the Group's leasehold land and building of HK\$1,760,000, an investment property of HK\$1,420,000, pledged deposits of HK\$39,361,000 of the Group and corporate guarantees from the Company and certain subsidiaries of the Company.

The Group's gearing ratio as at 30th September 2003 was 0.03 (2002: 0.03), calculated based on the Group's outstanding bank borrowings, of HK\$6,509,000 (31st March 2003: HK\$8,724,000) over the Group's total assets of HK\$239,643,000 (31st March 2003: HK\$257,441,000, as restated).

The Group continues to adopt a policy of dealing principally with clients with whom the Group has enjoyed a long working relationship, so as to minimise risks in its business.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.