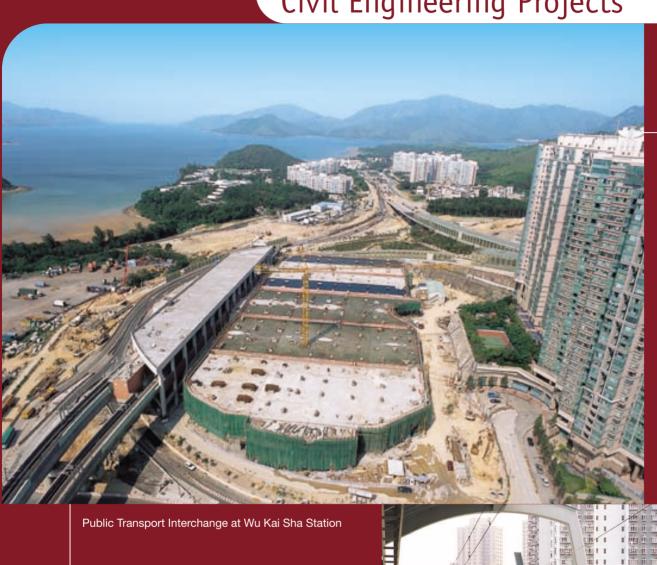
## Civil Engineering Projects





On civil construction work, the Sunny Bay (previously named Yam O Tuk) Fresh Water Service Reservoir was completed on time and an opening ceremony was held on 12 May 2004 marking the milestone in providing permanent water supply to the Hong Kong Disneyland Resort. The Group was awarded the Considerate Contractors Site Award for this project. Among the five projects undertaken in the Hong Kong Disneyland Resort, the one on site development was first completed in June 2004. Construction work for the Adventureland, the Government Landscape Area and Public Transport Interchange, the Coach and Car Park and the railway for the Resort were all making progress. The specialist project on the Investigation of Sewers & Drains for the Drainage Services Department was smoothly underway. The West Rail Tin Shui Wai Station and its Public Transport Interchange ("PTI"), the West Rail Viaducts and the East Rail Hunghom Station modification works were all completed. Tracklaying for the Ma On Shan Rail and the East Rail Tsim Sha Tsui Extension was proceeding on schedule. Construction of the PTIs and Property Development Enabling Works at KCR Wu Kai Sha Station and Tai Wai Station of the Ma On Shan Rail were progressing well.

Foundation works for the residential development at Tai Hang (Tiger Balm Garden), the KCR Wu Kai Sha Station PTI and Tai Wai Station PTI, and the redevelopment at Pok Oi Hospital at Yuen Long were completed. Foundation works for the Wan Po Road CLP Substation was completed according to schedule in April 2004. The foundation works for MTR Choi Hung Station Park and Ride Development was substantially completed.

On maintenance contracts, the Light Rail maintenance contract for KCRC and the building maintenance works for Hong Kong International Airport were completed successfully. The term contract for Waterworks in Hong Kong District for Water Supplies Department was also completed and, in succession, the Group was awarded another term on the same district during the reporting year. The works under the Minor Works contract with the Architectural Services Department and the building maintenance works for Kowloon Central for the Housing Authority were substantially completed. The term contract for Waterworks in Kowloon District was undertaken satisfactorily. A new contract Replacement and Rehabilitation of Water Mains in the New Territories was recently awarded to the Group. In addition, two term contracts for Alteration, Additions, Maintenance and Repair of Buildings and Lands were added to the Group's maintenance works.

On electrical and mechanical ("E&M") work, the Group's E&M subsidiary successfully registered with the Government as an Approved Supplier of Materials and Specialist Contractor for Public Works in the Air Conditioning Installation category in April 2004 and continued to provide complementary technical support and installation services to our project teams for various projects of the Group, enhancing the Group's capability in providing a one-stop design and build service to clients from foundation construction to completion for occupation.

The Group has been diversifying its business into property development since 1997. "Grandeur Terrace", a PSPS development at Tin Shui Wai, was successfully completed in 2003. The shopping centre of "Grandeur Terrace" was opened in the third quarter of 2003 and began to generate rental income, a stable and recurring revenue for the Group. The current property development project, Choi Hung Park and Ride Development above Choi Hung MTR Station, was making its way into superstructure construction as planned.