

Building Projects



The Pacifica at NKIL 6275
West Kowloon Reclamation



Choi Hung Park and Ride Development



Vianni Cove at Tin Shui Wai Town Lot 27, Yuen Long

The Group's security business arm, City Security Company Limited, continued to work in its normal core operation, providing high standard security services to the Group's construction sites and other clients' premises.

As for the Group's property management operation, City Professional Management Limited had been providing professional property management services to the Group's development "Grandeur Terrace" at Tin Shui Wai and several other private estates, as well as facility management services to other institutions. The managed units exceeded 5,000 in the year of 2004.

Outlook and Prospects

Following the SARS impact, a gradual rebound in economy has been evident with expected continual economic recovery in Hong Kong and the region. With more provinces in the Mainland China implementing the individual visa scheme, more tourists are coming over and spending, bringing about income as well as positive sentiments to Hong Kong. There is promising outlook in the property development market and related construction opportunities. There is scope, arising from requirements of the Pan-Pearl River Delta Region Cooperation and Development Project, for a safe, convenient and fast cross-border transportation network which calls for the swift development of a number of key infrastructural projects, the major one being the Hong Kong – Zhuhai – Macau Bridge with expected cost between HK\$16 billion to 28 billion. In tandem with the new framework provided by the Closer Economic Partnership Arrangement (CEPA), there is every likelihood of more and greater opportunities for the construction industry as a whole in Hong Kong and across the border in Mainland China.

On railway construction, KCRC is proceeding with The Kowloon Southern Link project and has plans to build The Northern Link to West Rail and the Shatin to Central Link. Meanwhile, MTRC has completed feasibility studies and submitted proposals for the South Island Line and the West Island Line to the Government. The MTRC project for the Shenzhen Line in Mainland China will also provide opportunities in the construction market. Having successfully completed various railway related works, the Group is confident of continuing its participation in forthcoming projects of KCRC and MTRC.

KCRC has submitted proposals to the Government for the development of the property along the West Rail and Ma On Shan Rail lines. Moreover, MTRC has unveiled its development plan in Tseung Kwan O Area 86. The Group's working experience with both KCRC and MTRC and our experience in building development above Choi Hung MTR station should help it secure further railway related building construction works.

Regarding public sector construction, new works continue to be provided by various Government works departments to cater for the construction industry. With the recent public debt program, future public works should be less susceptible to counter-deficit measure that may be implemented by the Government. At the same time, in order to allow certain Government projects, sometimes sizeable ones, to be pursued with less financial pressure on Government, there is increasing interest for the Government to adopt the Public Private Partnership ("PPP") arrangement. The Government has advocated its interest to contractors in a symposium. The Group being a contractor cum developer and with experience in gaining financing support from banks and collaborating with overseas international partners, will be interested to participate in forthcoming PPP projects.