



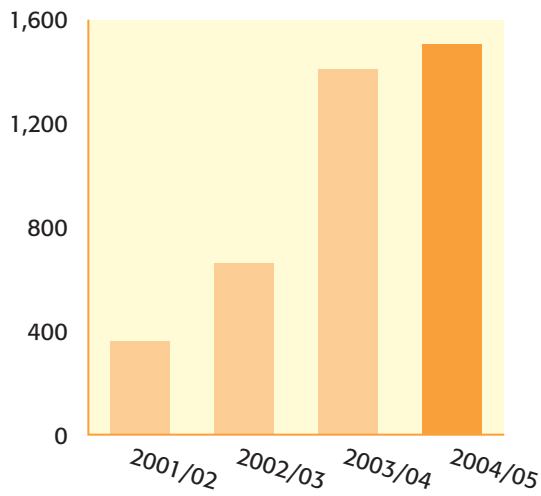
Chairman's Statement

FINANCIAL HIGHLIGHTS

- Turnover up 7% to HK\$1,506 million from 2003/04 of HK\$1,408 million
- Net profit up 9.6% to HK\$42.8 million from 2003/04 of HK\$39.0 million
- Earnings per share at HK4.5 cents, as compared to 2003/04 of HK4.6 cents

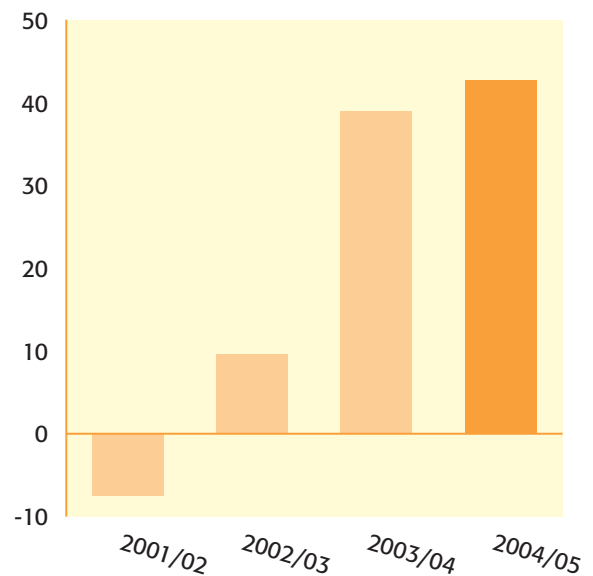
Turnover

HK\$ million



Profit

HK\$ million





RESULTS

Net profit from ordinary activities attributable to shareholders was HK\$42,774,000 (2004: HK\$39,020,000). Earnings per share was HK4.5 cents (2004: HK4.6 cents).

The Board does not recommend the payment of a final dividend.

NEW BUSINESS ACTIVITIES

Property investment

In 2004/05, benefiting from the considerable recovery in property markets and the low interest rate environment, we achieved the goal to extend our business scope beyond construction and engineering. During the year, we successfully acquired a number of investment properties including a residential house in Tai Po, New Territories and a number of shops on Ground Floor of Argyle Centre in Mongkok, Kowloon.

Our investment properties were valued at 31 March 2005 by independent professional valuers. As a result of the valuation, we recorded a gain of approximately HK\$15 million. This reflects the strong rebound of the prices as well as the number of transactions in the property markets over the past year. The aggregate value of our investment properties stood at HK\$229.8 million at 31 March 2005.

Before 31 March 2005, we also contracted to purchase the whole and portion of two adjacent buildings at Tung Choi Street, Mongkok, Kowloon, a whole block of building at Jardine's Bazaar, Causeway Bay, Hong Kong and two shop units together with a storeroom at Fou Wah Centre, Tsuen Wan, New Territories. These purchases have already been completed subsequent to 31 March 2005 but before the date of this report, which further increased the overall value of our investment properties to over HK\$560 million.

Property development

In June 2004, we acquired a detached house at Belfran Road, Kowloon for redevelopment. We intend to rebuild a block of residential units with a total gross floor area of about 1,460 sq. m. subject to the modification of the Government Lease being approved. The demolition works have already been completed and construction works are pending the approval of the lease modification. We expect the whole redevelopment project will be completed by the end of 2006 and plan to launch pre-sale around mid 2006.



Chairman's Statement

CONSTRUCTION AND ENGINEERING WORKS

Despite the continuing improvement in Hong Kong's overall economy, the conditions in the construction market remain tough and highly competitive. In the face of cutting margins, we have kept up our cost control measures. With effective project management, our construction and engineering division managed to attain a growth of 7% and 5% in terms of contract revenue and gross profit respectively.

PROSPECT

Property

Although there have been signs of slowing down in the past few months, we expect tourism from Mainland China will regain its momentum of growth following the completion and opening of a number of large tourist attractions in the coming months. In the light of this, we expect that the commercial rentals are still on the increase and our property portfolio will benefit from these favorable conditions.

Construction and engineering

We remain conservative about the development of the construction markets in Hong Kong. Competition will continue to be fierce. Building on years of solid experience and a high reputation for quality within the public sector, we are actively exploring opportunities in the private sector. On the chance that the private sector of the construction market will revive following a sustaining growth in the private residential property market, we are well poised to tap any emerging opportunities.

NEW INDEPENDENT NON-EXECUTIVE DIRECTOR

On 30 September 2004, Mr. Fung Pui Cheung Eugene was appointed an additional Independent Non-executive Director of the Company and a member of the Company's Audit Committee. Being a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants and a member of both The Association of Chartered Certified Accountants and The Certified General Accountants' Association of Canada, Mr. Fung has extensive professional experience gained from large local as well as international accounting firms. The appointment of Mr. Fung has certainly strengthened our Board of Directors and Audit Committee.



CORPORATE GOVERNANCE

In late 2004, The Stock Exchange of Hong Kong Limited (the "Stock Exchange") issued the Code on Corporate Governance Practices (the "Code") and introduced some major amendments to the Rules Governing the Listing of Securities on the Stock Exchange. To ensure compliance with the Code, which came into effect on 1 January 2005, the Company has been reviewing its governance practices and procedures in various aspects and will report on compliance with the Code from the 2005/06 financial year onwards.

APPRECIATION

On behalf of the Directors, I would like to extend our gratitude and sincere appreciation to all management and staff members of the Group for their hard work and dedication and all the shareholders of the Company for their support.

On behalf of the Board

Ngai Chun Hung

Chairman

Hong Kong, 18 July 2005