

OTHER INFORMATION**DISCLOSURE PURSUANT TO RULES 13.16 and 13.22 OF THE LISTING RULES**

- (1) As at 30th June, 2005, financial assistance to and guarantees given for the benefit of the Company's affiliated companies by the Group together amounted in aggregate to approximately HK\$22,739,000 representing approximately 15.16% of the Company's market capitalisation of approximately HK\$150,030,000 as at 30th June, 2005 (the "Market Capitalisation"). The Market Capitalisation was based on the total number of 781,408,494 Shares in issue as at 30th June, 2005 and the average closing price of HK\$0.192 per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding 30th June, 2005.

- (2) Details of the financial assistance to and guarantee given for the benefit of the Company affiliated companies as at 30th June, 2005 are as follows:

Affiliated Companies	Attributable interest held by the Group	Guarantees given	Loan	Total	Loan maturity date
		for facilities utilised by affiliated companies (Note) HK\$'000	granted to affiliated companies HK\$'000		
Balfour-Beatty-Zen Pacific Joint Venture	50.0%	–	143	143	on demand
Barclay Mowlem-Zen Pacific – China Civil Joint Venture	35.0%	–	17	17	on demand
Dragages (HK) Joint Venture	14.0%	–	1,373	1,373	on demand
Dragages – Zen Pacific Joint Venture	25.0%	–	195	195	on demand
Hong Kong Landfill Restoration Group Limited	23.0%	–	444	444	on demand
Kier Joint Venture	49.3%	10,000	–	10,000	on demand
Kier/Zen Pacific Joint Venture	50.0%	4,370	–	4,370	on demand
Kong On Waste Management Limited	50.0%	–	97	97	on demand
Zen-Pacific – Shui On Joint Venture (C518)	50.0%	–	842	842	on demand
Kier-Leader-Kenworth Joint Venture	64.0%	–	5,258	5,258	on demand
		14,370	8,369	22,739	

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Note: The guarantees given represent the relevant amount of guarantees provided by the Group to secure a retention bond and tender bond issued by a financial institution on behalf of the respective affiliated companies.

- (3) The proforma combined balance sheet of the Company's aforesaid affiliated companies as at 30th June, 2005, which was prepared based on their adjusted financial statements that were prepared in accordance with the accounting principles generally accepted by the Hong Kong for the six months ended 30th June, 2005, is as follows:

	HK\$'000
Non-current assets	63,688
Current assets	708,858
Current liabilities	(729,628)
Non-current liabilities	(687)
	<hr/>
Net assets	<u>42,231</u>

Saved as disclosed above, the Company does not have other disclosure obligations under Rules 13.16 and 13.22 of the Listing Rules.

DISCLOSURE PURSUANT TO RULES 13.13, 13.15 AND 13.20 OF THE LISTING RULES

As at 30th June, 2005, trade receivables from Hong Kong Special Administrative Region Government, Kowloon Canton Railway Corporation and The Hongkong Electric Co., Ltd. (collectively referred as "Trade Receivables"), which are unsecured, interest-free and with credit terms of approximately 60 days upon certification and approximately one year after completion of projects resulted from the ordinary and normal course of business of the Group, respectively amounted to approximately HK\$37.5 million, HK\$23.7 million and HK\$16.3 million representing approximately 25%, 15.78% and 10.85% of the Company's Market Capitalisation as at 30th June, 2005.

Saved as disclosed above, the Company does not have other disclosure obligations under Rules 13.13, 13.15 and 13.20 of the Listing Rules.

DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES

The Company was granted a term loan facility of HK\$40,000,000 (the “Facility”) pursuant to a facility letter from an independent bank dated 22nd July, 2004. The Company accepted the terms of the facility letter on 3rd August, 2004. The full sum of the Facility will be repaid by six half-yearly instalments commencing eighteen months after the date of drawdown of the Facility.

For so long as the Facility is made available to the Company, Wai Kee and Mr. Zen Wei Peu, Derek (“Mr. Zen”), are required to undertake to maintain their joint shareholding in the Company at not less than 50% of the total issued share capital of the Company. Wai Kee is the controlling shareholder of the Company. Mr. Zen is a director of the Company. Accordingly, this disclosure is made pursuant to Rules 13.18 and 13.21 of the Listing Rules.

Save as disclosed above, the Company does not have other disclosed obligations under Rules 13.18 and 13.21 of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management and external auditors the accounting principles and policies adopted by the Group and the unaudited interim financial reports for the six months ended 30th June, 2005.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30th June, 2005.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the six months ended 30th June, 2005, with deviations from code provisions A.4.1 and A.4.2 of the Code only in respect of the service term and rotation of directors.

Under the code provisions A.4.1 and A.4.2 of the Code, (a) non-executive directors should be appointed for a specific term and subject to re-election; and (b) all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

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Code Provision A.4.2

According to Bye-law III of the Bye-laws of the Company then in effect before 12th May, 2005, one-third of the Directors for the time being shall retire from the office by rotation at each annual general meeting provided that the Chairman of the Board, the Managing Director or joint Managing Director of the Company shall not be subject to retirement by rotation. The Directors to retire by rotation shall include any Directors who wishes to retire and not to offer himself for re-election, or those who have been longest in office since their last re-election or appointment or those who were appointed by the Board to fill casual vacancy. However, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. As the Chairman of the Board and the Managing Director of the Company are not subject to retirement by rotation under the Bye-laws of the Company, this constitutes a deviation from the code provision A.4.2 of the Code. Nevertheless, any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting and shall be eligible for re-election.

To comply with the code provision A.4.2 of the Code, the relevant amendment to Bye-law III of the Bye-laws of the Company was proposed and approved by the shareholders at the annual general meeting of Company held on 12th May, 2005.

Code Provision A.4.1

None of the existing non-executive (including independent non-executive) Directors is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all the Directors (executive, non-executive and independent non-executive) are subject to the retirement provisions under Bye-law III of the Bye-laws of the Company as described above. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30th June, 2005.

APPRECIATION

I would like to take this opportunity to express my hearty gratitude to our shareholders, our business partners, Directors and loyal and dedicated colleagues.

On behalf of the Board
Zen Wei Peu, Derek
 Chairman

Hong Kong, 29th July, 2005