





Chairman's Statement

主席報告

The year ended 31 March 2006 (the "Year") has been a challenging yet fruitful year for the Group. The local construction market remained weak and the Group consciously refrained from participating in potentially unprofitable construction projects and continued its strategic transformation during the Year. As expressed in my last report, the process of transformation involves strategies to accomplish both short and long term growth for the Group.

The Group had successfully collected payment from contractors for variation works of certain completed projects during the Year. Negotiations on settling variation works of several other projects are still ongoing and management is confident that rewarding settlement can be agreed upon in the current year. In the short term and the financial year 2006/07, compensations for variation works and machinery sales are expected to contribute considerably to the results of the Group.

Meanwhile, the Group has completed its first phase of diversification into ocean transportation business in March 2006 with the acquisition of a vessel-holding company. Details of the acquisition were conveyed in the Company's circular to shareholders dated 13 February 2006. Following the acquisition, upgrading works were commissioned to enhance the vessel's operational efficiency and it has been put back in operation in June 2006. The design and capacity of the vessel enable it to transport heavy and bulky objects, such as oil rigs, construction and container terminal equipment, other vessels and offshore working amenities. Management anticipates that the vessel can lead the Group into the lucrative heavy transport industry and also facilitate the Group to mobilize its resources to expedite its construction and machinery trading businesses in the years to come.

With the above accomplishments, the Group has blissfully ventured into a profit-making position in the current reporting year following last year's unpleasant results.

截至二零零六年三月三十一日止年度（「本年度」）對本集團而言為一個充滿挑戰性但成果豐盛之年度。本地建築市場仍然疲弱，而本集團刻意地避免參與潛在無利可圖之建築項目，並於本年度繼續進行其策略性轉型。如本人上一個報告指出，轉型過程涉及實現本集團短期及長期增長之策略。

本集團於本年度成功從承建商收取若干已完成項目之經改動工程款項。就若干其他項目經改動工程之和解仍在磋商中，而管理層有信心能於本年度內協定報酬及和解。於短期內及二零零六年／零七年財政年度，經改動工程之酬金及機械銷售預期可對本集團之業績作出可觀貢獻。

同時，本集團已於二零零六年三月透過收購一間持有貨船公司，從而完成其業務多元化第一階段，踏足海運業務。該收購之詳情已載於二零零六年二月十三日寄發予股東之本公司通函內。於收購後，本集團對該貨船施行改良工程，從而提高經營效率，並已於二零零六年六月重新投入營運。貨船之設計及容量使其能運載重型及大型之物件，如油井設備、建築及貨櫃碼頭設備、其他貨船及海上工程設施。管理層預期該貨船可於未來數年帶領本集團邁進利潤豐厚之重型運輸業，並有助本集團調配其資源加快其建築及機械貿易業務之發展。

鑑於上述成就，本集團已從去年強差人意之業績欣然地邁向本報告年度轉虧為盈之狀況。

Management is actively exploring opportunities to enhance the Group's capacity in the shipping business and establish a presence in the field of marine engineering and in foundation construction market overseas to pave way for its long term development and success. Inherently, there is significant geographical imbalance in natural resources worldwide. As economies expand, so does the demand for resources, especially relatively immobile resources, and related supportive facilities, as demonstrated by the ever-growing demand for crude oil, mineral ore, oil pipelines and production facilities. Such mismatch of resources also extends to the construction market, where there exists intense demand for construction expertise and equipment in the Middle East as opposed to excess supply locally. With its established construction and newly acquire transportation capabilities, the Group is well-fitted and keen to undertake profitable construction projects overseas. At the same time, the Group will continue to equip and position itself, including through the acquisition of additional transport vessels and shipyard should the need and opportunity arise, to take on heavy transport and marine construction opportunities associated with offshore production and supply infrastructure projects.

The Group envisages tremendous tasks ahead in its transformation, as well as great prospects of rewards. I take this chance to acknowledge the valuable contributions made by fellow directors, staff members and business partners throughout the years. The Company's directors and management will dedicate their best effort to lead the Group to strive for the best interests for its shareholders and business associates.

管理層正積極發掘商機，以提升本集團於航運業務之生產力，並於海洋工程及海外地基建築市場建立席位，為其長期發展及成就鋪路。全球天然資源一直以來在地區分佈方面極不平均。於經濟增長同時，資源需求尤其是相對固定資源及有關輔助設施，亦相應增長，這方面可從對原油、礦物、油管及生產設施不斷增長之需求反映出來。該等資源之錯配亦延伸至建築市場，該市場於中東出現對建築專業知識及設備之強烈需求，與本地過剩供應恰巧相反。本集團以其歷史悠久之建築業務及新收購入之運輸能力，已準備就緒，致力承接有利可圖之海外建築項目。與此同時，本集團將繼續裝備及為其本身定位，包括於有需要及機會來臨時透過收購額外運輸貨船及船塢，以抓緊與海上生產及供應基建項目相關之重型運輸及海洋建築商機。

本集團估計，於其轉型過程中將遇到重大考驗，並有機會取得重大回報。本人藉此機會感謝董事會同寅、員工及業務伙伴於多年來作出之寶貴貢獻。本公司之董事及管理層將盡最大努力領導本集團為其股東及業務聯繫人士尋求最大利益。