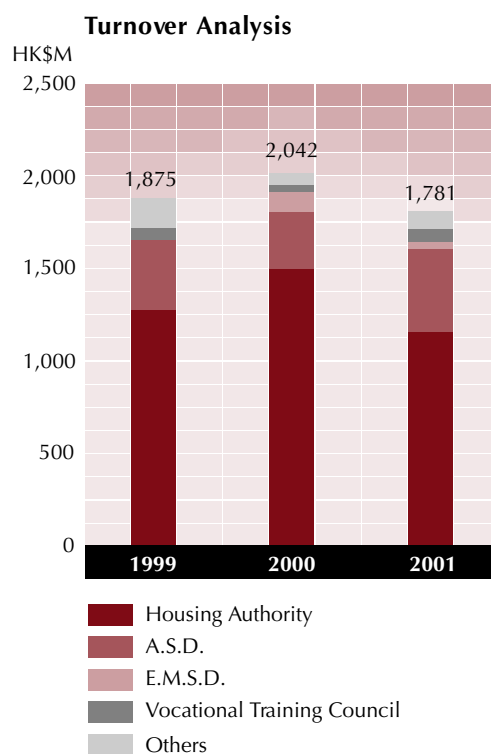


Management Discussion and Analysis

FINANCIAL RESULTS AND POSITION

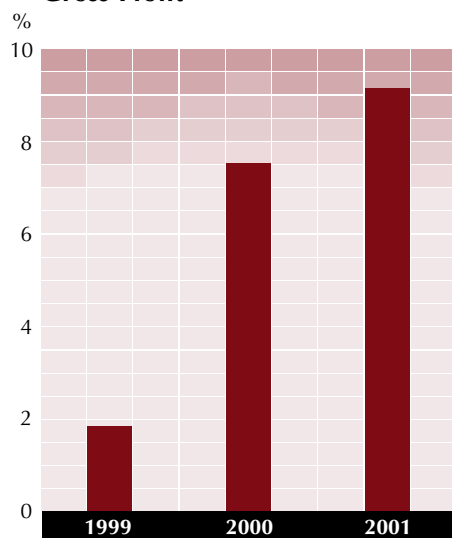
The Group's turnover for the year was 1,781 million, representing a decrease of 13% compared with last year. This was resulted mainly from the continual downturn in local property markets and the slowing down of public sector developments. Please refer to the following chart for the customers mix of the turnover for the last three years.



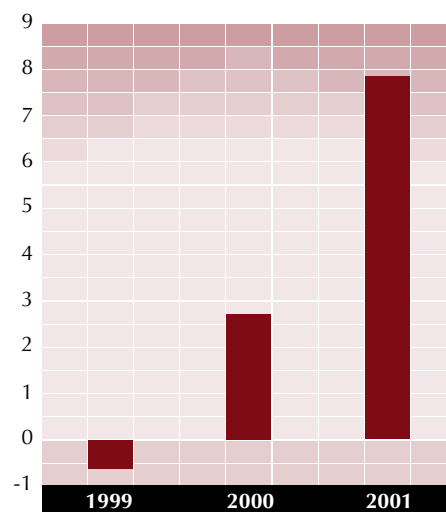
Despite the decrease in turnover, the Group continued to achieve an improvement in the Gross Profit Ratio (gross profit : turnover) from 7.51% in 2000 to 9.26% in 2001. It was the result of our consistent effort in cost control and improved efficiency of our operations during the year. The liquidity of the Group as evidenced by the improvement of the current ratio (total current assets : total current liabilities) from 1.67 last year to 2.06 this year. It is mainly due to an improved profit margin and healthy recoverability of contract receivables and effective cash flow management. As at 31st March 2001, the Group has a total cash balance of HK\$265 million (2000: HK\$237 million) and zero bank borrowings (2000: HK\$104 million). The Group is practically debt-free, other than trade payables, hence the Group's interest burden was kept at a very low level. The interest coverage [(profit before taxation + interest expenses)/Interest expenses] of the Group increased significantly from 2.76 times to 7.84 times when compared with last year.

Management Discussion and Analysis

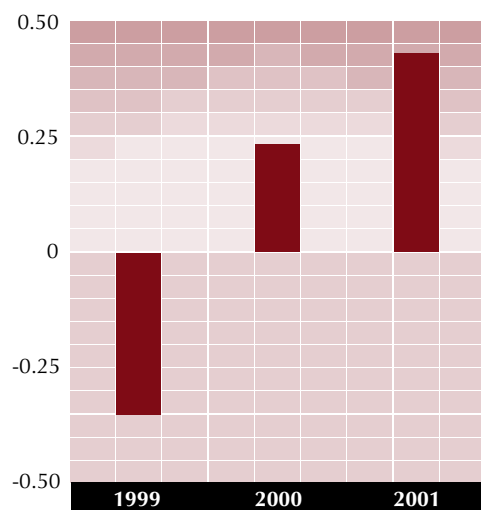
Gross Profit



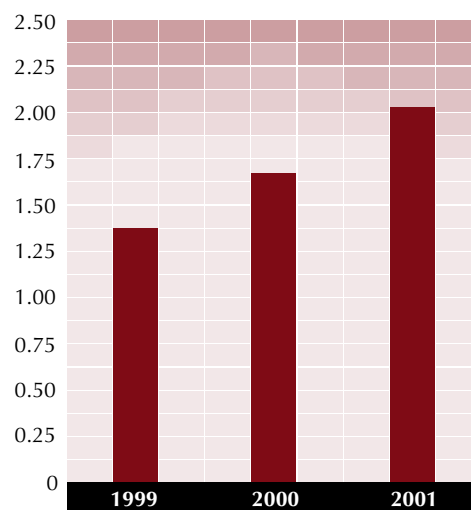
Interest Coverage



Net Cash/Net Assets



Current Ratio



HUMAN RESOURCES

As at 31st March, 2001, the Group employed approximately 700 people in Hong Kong and 350 people in Mainland China.

Employees in Hong Kong are either paid on a monthly salary basis or daily wages basis. Salaried employees are entitled to benefits according to seniority such as discretionary year end bonus which is based on the performance of the employees concerned, double pay, provident fund, medical insurance, company sponsored training courses, educational sponsorships and other allowances. All employees in Hong Kong are admitted to the Mandatory Provident Fund Scheme as from 1st December, 2000.

Share options are granted to certain employees in 1997 to subscribe for shares in the Company. The adjusted exercise price of the options were HK\$0.8876 per share as at 31st March, 2001.