

## INTERIM DIVIDEND

The Directors have resolved not to pay any interim dividend to shareholders (2001: nil).

## BUSINESS REVIEW

### Financial Performance

The Directors are glad to report that the Group has turned round from a loss position to record a profit attributable to shareholders of approximately HK\$6,030,000 for the period under review (2001: loss of HK\$3,386,000). This encouraging result is attributable to the compound effects of our efforts in both bidding for more projects and keeping down the operating costs. A number of new contracts have commenced during the period, which resulted in a significant rise in the turnover by 38.5% as compared to the corresponding period of the last financial year to approximately HK\$220,436,000 (2001: HK\$159,203,000). On the other hand, our administrative expenses decreased by 23.1% as compared to the corresponding period of last year.

### State of Contracts

During the period under review, both the works progress and performance of all construction, civil as well as maintenance contracts were satisfactory. The Group successfully completed two substantial contracts including, among others, the Construction of Village Flood Protection Works for Pok Wai and Stormwater Intercepting Drain for Wang Chau and the Construction of Treatment and Disposal Facilities for Waterworks Sludge from Tai O Water Treatment Works.

The performance of the Group's two wholly-owned subsidiaries, Able Engineering Company Limited ("Able") and Excel Engineering Company Limited ("Excel") has been highly recognised by the Architectural Services Department and the Water Supplies Department of the Government of the HKSAR. During the period, Able and Excel were awarded by the two government departments five significant contracts which amount to approximately HK\$990 million in total and comprise the following:

- A 39-month term contract for the alteration, additions, maintenance and repair of building and lands;
- The reconstruction of catchwater channels and upgrading of adjoining priority slopes in Hong Kong Islands and Lantau Islands; and
- The conversion and extension of fifteen existing schools under the School Improvement Programme.

All of the above mentioned contracts commenced on schedule during the period under review and are progressing satisfactorily. The total and outstanding values of the Group's substantial contracts on hand were approximately HK\$1,940 million and HK\$1,670 million respectively as of 30 September 2002.