

## CHAIRMAN'S STATEMENT 主席報告書

2003 was a year of change for Hong Kong and the Group. Despite a difficult start with SARS and political uncertainty, Hong Kong's prospects look clearer and we are pleased to report a small profit for the last financial year.

During the reporting period, persistent price pressure and the scaling down of our contracting operations led to a 21.9% reduction in turnover to some HK\$373.4 million. However, the Group successfully expanded its market coverage in Hong Kong and the Mainland by focusing on higher value added products and services. The growth in turnover of our construction chemical and marble export businesses also contributed to the improvement in margins. This strategic focus on specialised products and services, combined with our continued efforts to reduce costs and limited write-backs of provisions, contributed to a profit of HK\$1.2 million in 2003.

We feel this small profit marks an important turning point in our business because it was made despite carrying the burden of our scaled back contracting business. We do not foresee future contracting losses and our management time can now be focused on developing new business opportunities.

Though recent economic data indicate that Hong Kong may have turned the corner, we are prepared for another challenging year in 2004. Our overheads were reduced by some 14.0% after taking out the effect of receivable provision of HK\$14.3 million in 2002. The emphasis we placed on working capital management also helped us to maintain a healthy balance sheet with strong cash reserves of HK\$72.7 million as at year ended 2003.

Looking ahead, we will focus on specialised products within our field where we can add higher value and therefore realise higher margins. We will strive to add value through our superior marketing, distribution and production as well as our continued expansion into the Mainland.

Our traditional business has been affected by the cyclical nature of the construction industry in Hong Kong and we are now positioning ourselves for sustainable growth despite these cycles. Based on our focused strategy and solid financial position, we are confident that the Group is well positioned for growth.

對香港及本集團而言，二零零三年乃充滿變動的一年。儘管年初沙士爆發，加上政治不明確，惟香港前景現已漸趨明朗，而本集團亦欣然宣佈於上一個財政年度錄得微利。

於報告期間，價格持續受壓，加上承建業務規模縮減，導致營業額減少21.9%至約港幣373,400,000元。然而，本集團憑着以高增值產品及服務為業務重點，成功於香港及內地擴展市場覆蓋範圍。本集團建築化學用料及雲石出口業務營業額之增長，亦有助改善邊際利潤。本集團策略性地集中專門產品及服務，並繼續積極削減成本，再加上有限度的撥備撥回，致使二零零三年獲得約港幣1,200,000元之溢利貢獻。

在承建業務規模縮減帶來沉重負擔的情況下，本集團認為於二零零三年所獲之微利為業務的一個重要轉捩點。本集團預期日後將不會出現承建工程之虧損，而管理層現可集中時間於發展新業務機會。

儘管最近經濟數據顯示香港可能扭轉頹勢，本集團仍作好準備，以迎接充滿挑戰的二零零四年。撇除二零零二年應收款項撥備約港幣14,300,000元之影響後，本集團日常開支減少約14.0%。本集團著重營運資金管理，亦有助維持穩健的資產狀況，於二零零三年年底，本集團擁有雄厚現金儲備約港幣72,700,000元。

展望未來，本集團將專注於業務範疇內較高增值潛力的專門產品，以獲取更高邊際利潤。本集團將透過優越的市場推廣、分銷及生產，以及在內地不斷擴展，致力提升增值能力。

雖然本集團傳統業務受香港建造業的周期因素影響，本集團仍於現階段為持續增長作好部署。憑著本集團的重點策略及穩健財務狀況，本集團已穩踞有利位置並對日後增長充滿信心。