

Chairman's Statement

I am pleased to report continued progress on the Company's results. Net attributable profit of HK\$120.3 million is a five fold increase over last year's reported HK\$23.0 million. Critically, the underlying construction operations, inclusive of the Group's share of Joint Ventures projects showed a dramatic improvement from last year's loss of HK\$27.9 million to a profit of HK\$19.6 million. The recovery in the local and Guangzhou property market has led to revaluation gains of HK\$45.0 million in Hong Kong primarily from the sale of our interest in the Novotel Century Harbourview to be completed in September 2006 and of HK\$61.4 million (net of minorities) from our Wen Chang Pavilion project. Return on equity was 23.7% versus last year's 5.1%. We have also been successful in lowering overhead by HK\$11.1 million with some further reductions expected in the coming year. Overall we are finally reaping the rewards of our restructuring. Our re-positioning has also allowed us to make further inroads in Macau with the award of the construction management contracts for Parcels 2, 5 and 6, Cotai from the Venetian group. Going forward, we believe the momentum will continue, though the pace of improvement, of course, will not be as dramatic. I am deeply indebted to my fellow independent directors whose input and guidance, steered the Company to these results.

Given the strong balance sheet and undemanding capital expenditure requirements in the near future, the Board of Directors recommends a final dividend of HK3.0 cents per share and a special dividend of HK6.0 cents per share payable on 22nd August, 2006. Taking into account the interim dividend of HK3.0 cents per share paid, the total annual dividend for the year (including the special dividend of HK6.0 cents per share) will amount to HK12.0 cents per share (2005: HK2.0 cents per share).

Appreciation

At 31st March, 2006, the Group employed a total of 1,097 (2005: 857) full-time people. The Group believes in remuneration which aligns management, employees and shareholders' interests. Recognizing that our chief asset is our staff, the Group provides and encourages training to improve productivity and competitiveness. Our results this year owe much to all our staff's commitment, dedication and professionalism.

And my closing gratitude goes to our shareholders whose forbearance and support gave management and staff their fortitude. I, along with management and staff, will endeavour that shareholders' confidence is well placed.



V-nee YEH
Chairman

Hong Kong SAR, 7th July, 2006