

INTERIM DIVIDEND

The Board of Directors has resolved not to declare any interim dividend for the six months ended 30th September, 2002 (2001: Nil).

OVERVIEW

During the six months ended 30th September, 2002, the Group continued to operate under a difficult environment due to the continuing depression in the property and construction sectors. However, with on-going efforts in improving operation efficiency, the financial position of the Group has been improved and recorded an operating profit of HK\$3.7 million compared with a loss of HK\$1.27 million over the same period last year. Earnings per share for the period was HK1.7 cents (loss of HK0.55 cent per share last year).

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30th September, 2002, the gross and outstanding value of construction contracts of the Group on hand amounted to approximately HK\$120 million and HK\$64 million respectively whilst the gross and outstanding value of civil engineering contracts of the Group on hand amounted to approximately HK\$620 million and HK\$261 million respectively.

Construction project

A construction contract for Lam Tin Primary School at Kwun Tong with value in excess of HK\$75 million is progressing on schedule and will be completed in mid 2003.

The slowdown in the public housing construction has adversely affected the availability of jobs in the market. In order to widen the source of contracts, the Group has been actively tendering for projects from both private and public sectors which are expected to provide the Group with reasonable return.

Civil engineering projects

During the period ended 30th September, 2002, the civil engineering contracts of the Group on hand include:

	<i>Target completion date</i>
1. Construction of Seawalls and Reclamation at Tseung Kwan O Port Development at Area 137, Stage 2	Late 2003
2. Remaining Work in Yung Shue Wan Development Engineering Works, Phase 1	Late 2002
3. Jordan Road Reclamation Phase III and Remaining Engineering Works	Early 2003