

Chairman's Statement

主席報告書



Mr. Fu Shula,
Chairman
付舒拉先生·主席



Mr. Wang Xinkuo,
Deputy Chairman
王心闊先生·副主席

BUSINESS REVIEW

Overall review

As the impact of the slow down of the Hong Kong building industry in the past few years still remained, although there was a steady growth in the electricity and steam power market in the Mainland and the market of EC120 helicopters in 2005, the Group's turnover dropped from HK\$645,024,000 for 2004 by 6% to HK\$608,145,000 for 2005. Nevertheless, by virtue of the total commitment from all the staff of the Group in improving cost effectiveness and the co-operation from all parties concerned, the Group posted a profit of HK\$29,988,000 for the year, representing even a growth of 67% as compared to HK\$17,904,000 for 2004. Profit attributable to equity holders of the parent amounted to HK\$26,054,000 (2004: HK\$13,564,000). Basic earnings per share was HK¢0.70 (2004: HK¢0.36).

Facade contracting works

The depressed market environment of the construction segment in Hong Kong bottomed out in 2004 and therefore aggregate value of new contracts secured in 2004 amounted to only HK\$340,000,000. In order not to rely singly on Hong Kong market, the Group has in recent years exerted tremendous efforts on overseas market developments which apparently have yielded good results. In 2005, value of new contracts increased significantly to HK\$850,000,000 of which more than 50% are outside of Hong Kong. Projects executed during 2005 were mainly those secured in 2004 and accordingly, the turnover for 2005 was only HK\$450,431,000 (2004: HK\$523,464,000). Apart from adopting stringent cost controls, the Group performed well on final accounts and

業務回顧

整體回顧

鑒於過去幾年香港建築業放緩之影響仍然持續，雖然二零零五年國內電力及蒸汽市場及EC120直升機市場均有平穩增長，本集團的總營業額仍從二零零四年的645,024,000港元下降6%至二零零五年的608,145,000港元。縱使如此，憑藉本集團全體員工全力以赴提升成本效益及各有關方面的配合，全年錄得利潤29,988,000港元，與二零零四年的17,904,000港元相比，反而有達67%之升幅。本公司股東應佔利潤為26,054,000港元（二零零四年：13,564,000港元）；每股基本盈利為0.70港仙（二零零四年：0.36港仙）。

大廈外牆裝飾工程

由於香港建築業市況到二零零四年為谷底之年，所以二零零四年取得的新工程合約總額只有340,000,000港元。為了改變對香港單一市場的依賴，本集團近年來大力開拓海外市場的努力到二零零五年顯見成效，二零零五年共取得新工程合約總額大幅攀升至850,000,000港元，其中香港以外之工程已佔50%以上。二零零五年所實施的工程主要為二零零四年投得之合約，因此營業額僅為450,431,000港元（二零零四年：523,464,000港元）。除了一貫的嚴格成本控制外，本集團在若干工程的結算和收款上採取強力措施獲得成效；同時，就

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their collections in respect of certain projects. Furthermore, certain contract money receivables, which were previously provided for in view of their uncertain collectibility, were recovered during the year and the provisions were written back. Overall speaking, the facade contracting works were able to generate to the Group a profit contribution of HK\$16,265,000 for 2005, representing an increase of 6% as compared to that of 2004 in the amount of HK\$15,383,000.

During the year under review, the Group has performed well in term of business developments. In addition to continuing growth achieved in Hong Kong and Mainland China, the Group has successfully pursued market developments in Macau, the U.S., Japan, Southeast Asia and the Middle East and is poised to secure projects progressively.

As set out above, value of new contracts secured during 2005 amounted to HK\$850,000,000, including the following major projects:

1. No. 92-94 Queen's Road Central, Hong Kong
2. The Proposed Skyplaza Building at Hong Kong International Airport, Lantau Island, Hong Kong
3. Galaxy Starworld Hotel, Macau
4. Independent Commission Against Corruption Headquarters Building, North Point, Hong Kong
5. Union Square Tower T20, KIL 11080, Hong Kong
6. Venetian Macau at Cotai, Macau
7. Tokyo Station Yaesu Project Tower, Japan
8. 新之城Property Development, Jiangmen, China
9. World Market Center, Las Vegas, U.S.A.
10. Sands Podium and Tower, Macau
11. Science Park Phase II (Area C), Block 18 and 19, Pak Shek Kok, Hong Kong

某些原預計難以收回的工程應收款而作出之撥備因款項於年內收回而得以回撥；總括而言大廈外牆工程業務在二零零五年為本集團提供16,265,000港元盈利貢獻，（二零零四年：15,383,000港元），增幅達6%。

在業務發展上，本集團在回顧一年內取得卓越成績。本集團除在香港及國內取得穩定發展外，並已在澳門、美國、日本、東南亞、中東成功進行市場開發並已取得進展陸續取得工程合約。

正如上述，二零零五年之新工程合約總額高達850,000,000港元，其中包括以下重大項目：

1. 香港皇后大道中92-94號僑商大廈
2. 香港赤鱸角航天廣場
3. 澳門銀河星際酒店
4. 香港北角廉政公署大樓
5. 香港九龍站第5, 6及7期二十座
6. 澳門威尼斯人賭場COTAI酒店
7. 日本東京站八重洲北座
8. 中國江門新之城發展項目
9. 美國拉斯維加斯WORLD MARKET CENTER
10. 澳門金沙賭場加建裙樓部份
11. 香港白石角科學園二期C, 18及19號

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It can be seen from the above new contracts that the overseas contracts are on the rise and account for more than 50% of the total contract value. Hence, the Group is able not to rely on one single market and is in a better position to achieve steady growth. As at 31 December 2005, the remaining value of contracts in hand has returned to a healthy level in the amount of HK\$840,000,000 (2004: HK\$474,000,000).

Generation and sale of electricity and steam power

During the year, Hangzhou Sealand Electric Power Company Limited ("Hangzhou Sealand") continued to enjoy a steady growth. The volume of electricity and steam power generation increased by 7% and 19%, respectively. Turnover for 2005 amounted to HK\$154,306,000 (2004: HK\$121,062,000) with increases in the sales of electricity and steam power by 20% and 30% to HK\$36,796,000 (2004: HK\$30,747,000) and HK\$117,510,000 (2004: HK\$90,315,000), respectively. Although the cost of coal maintained at a high level in the first half of 2005, it dropped sharply in the second half of the year. In addition, electricity generating units with higher thermal efficiency were used which further reduce the cost of sales. Hangzhou Sealand's gross profit increased by 110% from HK\$7,568,000 for 2004 to HK\$15,927,000 for 2005. During the year, Hangzhou Sealand received government grants amounted to HK\$2,073,000 (2004: HK\$3,606,000) which were recorded as other income in the consolidated financial statements. By virtue of its past experience, the hard work of its staff members and the full support from the local government, Hangzhou Sealand was able to deliver a segment profit of HK\$20,467,000 (2004: HK\$15,604,000) to the Group for the year.

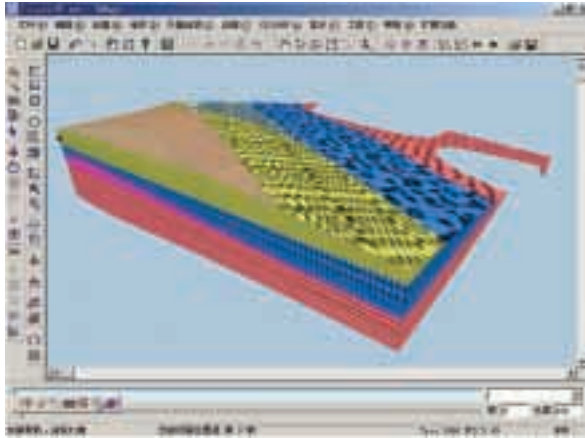
由上述之新工程合約可見，海外工程項目的比重日益重要，佔總合約金額一半以上，從而使本集團擺脫了對單一市場的依賴性，更利於本集團的平穩發展。截至二零零五年十二月三十一日，手頭未完成工程總額已回復到一個健康的水平，高達840,000,000港元（二零零四年：474,000,000港元）。

生產及銷售電力及蒸汽

年內，杭州海聯熱電有限公司（「杭州海聯」）繼續平穩發展，發電量及供熱量分別有7%及19%的增長。二零零五年度的總營業額達154,306,000港元（二零零四年：121,062,000港元），其中電力及蒸汽銷售額分別增加20%及30%至36,796,000港元（二零零四年：30,747,000港元）及117,510,000港元（二零零四年：90,315,000港元）。儘管煤炭價格於二零零五年上半年仍維持於高水平，惟下半年則大幅下跌。而且，使用了熱效率較高的發電機組，使銷售成本進一步下降。杭州海聯的毛利從二零零四年的7,568,000港元上升110%至二零零五年的15,927,000港元。年內，杭州海聯收到政府補助金為2,073,000港元（二零零四年：3,606,000港元），並於綜合財務報表中以其他收入列賬。憑藉杭州海聯過去的經驗、全體員工的努力及當地政府的大力扶助下，杭州海聯於這一年為本集團按業務分類提供20,467,000港元（二零零四年：15,604,000港元）的溢利貢獻。

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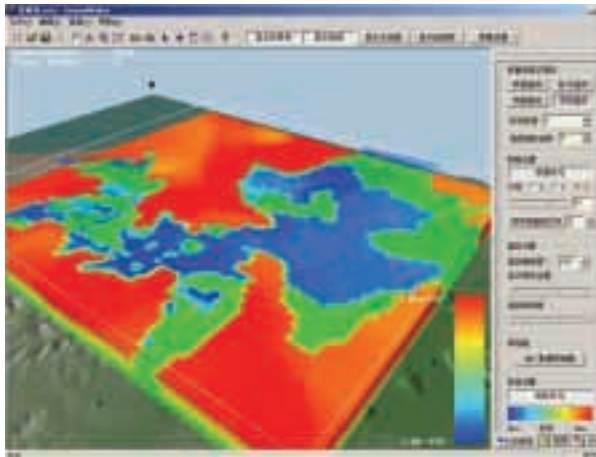
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Geological application 地理應用



Digital Map 電子地圖



Stream visible analysis system 流域可視性分析系統



Application in City Planning 城市規化應用



Y-12 Multi-purposes Aircraft 運12飛機

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EC-120 Helicopter EC-120直升機

Aero-technology

During the year, the order for EC120 helicopters has increased due to the hard effort to open the market in the Mainland. Its sale contributed HK\$3,408,000 (2004: HK\$498,000) to the Group's turnover. However, having considered the profit and cashflow forecast of Project EC120, the Group made a provision for impairment of HK\$3,000,000 (2004: HK\$4,000,000) against the financial asset thereunder. Together with the accrued income in respect of an exclusive distributorship of certain helicopter engines as mentioned below, the aero-technology business recorded a segment profit of HK\$2,586,000 (2004: loss of HK\$775,000) to the Group for the year.

During the year, in respect of helicopter engines for which the Company owns the exclusive distributorship for the first 20 helicopter engines produced by an independent third party for the three years ending 31 December 2006, the Group has recorded for the year a profit of approximately HK\$3,120,000 (2004: HK\$3,120,000), as included in other income.

During the year, CATIC Siwei Co., Ltd. ("CATIC Siwei"), an associate which is engaged in the provision of aero-photographic services in the Mainland, recorded turnover of approximately RMB22,744,000, representing a decrease of 32% as compared to RMB33,644,000 for last year. China Nav Info Co., Ltd. ("China Nav-Info"), an associate which is engaged in the business of utilising geographical information system and global positioning system technologies to manufacture location-based navigation products and provide related services, recorded turnover of approximately

航空技術

由於年內致力開發國內市場，EC120直升機之訂單有所增加，其銷售為本集團營業額帶來3,408,000港元（二零零四年：498,000港元）的貢獻，惟經考慮項目EC120的未來溢利及現金流入預測，本集團於本年度就該項目財務資產作出虧損撥備3,000,000港元（二零零四年：4,000,000港元）。連同如下文所述之若干直升機引擎獨家分銷權之收入後，航空技術業務全年為本集團按業務分類錄得2,586,000港元的溢利（二零零四年：775,000港元的虧損）。

年內，就本公司擁有截至二零零六年十二月三十一日止三年間由一獨立第三者生產之首20台直升機引擎之獨家分銷權之直升機引擎，本集團於本年內錄得收益約3,120,000港元（二零零四年：3,120,000港元），並已包括在其他收入內。

於年內，四維航空遙感有限公司（「四維遙感」）（一家在國內提供空中攝影服務之聯營公司）錄得約22,744,000元人民幣之營業額，較去年的33,644,000元人民幣減少了32%。北京四維圖新導航信息技術有限公司（「北京四維」）（一家從事利用全球衛星定位系統及地理資訊系統技術生產定位導航產品及提供相關服務業務的聯營公司）錄得約88,304,000元人民幣之營業額，較去年的26,551,000元人民幣增加了233%。雖

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RMB88,304,000, representing an increase of 233% as compared to RMB26,551,000 for last year. Although these two associates are in the hi-tech sector requiring higher initial setup costs, the Group started to derive earnings from them during the year.

Others

The Group acquired 26.42% shareholding in Sino Gas Group Limited ("Sino Gas") (formerly known as Millennium Group Limited ("Millennium")) in January 2005 which was treated as an associate of the Group. Sino Gas is a Hong Kong listed company and is principally engaged in the trading of conversion parts and gas station equipment and the operation of natural gas station after its business restructuring. In line with the strengthening of the PRC economy and growing demand of vehicles usage for compressed natural gas ("CNG"), Sino Gas has managed to open up eight new cities and leveraging on the supply by the two West to East pipelines across the PRC to meet the increasing vehicles demand for CNG as a cheaper and cleaner substitute of petroleum. During the year, Sino Gas recorded turnover of approximately HK\$119,688,000.

PROSPECTS

2005 is a year of critical importance to future business developments of facade contracting works. The Group has successfully expanded its operations from Hong Kong and Mainland China into overseas markets and accordingly has positioned itself to better cushion the adverse impact as may be brought by the cyclical nature of the building industry of different territories and to achieve steady long-term growth. The Group remains committed in its Hong Kong home base and continues to capitalise on its long established market position to secure major projects. In major cities in Mainland China, the Group will closely monitor and select quality projects prudently. The Group will focus on overseas markets such as Macau, the U.S. and the Middle East Gulf Area, and is confident to continue to take advantage of its strong production capabilities and competitive pricing to win more contracts.

In 2005, there was a steady economic growth in the Mainland. The demand for electricity and steam power in Yuhang District also rose continuously which had created an environmental advantage for Hangzhou Sealand to increase its profit. Based

然該兩家聯營公司屬高科技行業，所需初期開發費用較高，不過本集團於本年度已開始能自該等公司獲得收益。

其他

本集團於二零零五年一月購入中油潔能集團有限公司(「中油潔能」)(前為豐泰集團國際有限公司(「豐泰」))26.42%之股權，並將之作為本集團的一家聯營公司。中油潔能乃一家香港上市公司，於業務重整後，其主要業務為買賣轉換零件及加氣站設備及經營天然氣加氣站。隨著中國經濟加強及汽車對壓縮天然氣(「CNG」)使用量之要求增長，中油潔能已成功打入八個新城市，並利用兩條西氣東輸管道橫跨全國增加供應，以應付汽車對CNG作為石油較廉宜且較清潔之代用品日益增加之需求。年內，中油潔能錄得約119,688,000港元之營業額。

前景

二零零五年對大廈外牆業務未來發展是至為重要的一年。本集團已成功從香港及國內邁進海外市場，大大減低各地區的建築業市況可能出現的週期性不利影響，有助業務的長遠穩健發展。本集團會繼續以香港為基地，以多年來已建立的市場地位爭取大型工程項目；在國內大城市亦密切留意及慎重選擇優質項目；將專注澳門、美國及中東海灣地區等的海外市場，並有信心繼續以強大生產能力及具競爭性之價格取得更多工程合約。

二零零五年，國內經濟平穩發展，余杭區熱電用戶的需求量亦繼續上升，為杭州海聯提高利潤創造了外部條件。杭州海聯在擴大生產能力的基礎上，將繼續通過降低

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on the expanding electricity and steam power generation capacity, Hangzhou Sealand will continue to raise its profit sharply by measures such as reducing the cost of coal, improving the operational efficiency, increasing the selling price of coal and implementing quality management etc. As a result, its contribution to the Group's profit will also be increased largely.

Having been undergoing market consolidation for more than two years, the market for helicopters bounced upwards in 2005. For the Mainland market, the sale of EC120 helicopters had a big break-through by reaching a number of eight in sales volume. For the international market, although the quantity of delivery of EC120 helicopters remained low, the quantity of delivery in the coming years will be highly increased by reference to the international order situation. Its contribution to the Group's profit will therefore be highly improved.

Both of CATIC Siwei and China Nav-Info turned to be profitable in 2005. Steady growth is expected in the coming years. The Group will continue to develop this business in order to groom them to become a core business in the future. Sino Gas, as the market leader in the PRC, will continue to develop its CNG refueling station to meet the growing demand, particularly the buses and taxis markets. Therefore, the Group has confidence in the future development of the business.

China is going to host the Beijing Olympics in 2008 and the Shanghai Expo in 2010. Run-up preparation work for these events and the growth of an affluent consumer sector will increase the demand for intelligent electronic devices and the relating products, which would be able to bring in better financial performance to the Group.

APPRECIATION

I would like to take this opportunity to express my appreciation to my fellow directors and all our staff for their support, hard work and dedication over the past year.

By Order of the Board
Fu Shula
Chairman

Hong Kong, 25 April 2006

煤炭價格、提高產能效率、提高煤渣售價、優化管理等方式大幅提升利潤，因此，對本集團的溢利貢獻也有大幅增加。

經過兩年多的市場鞏固期後，二零零五年直升機市場有所回升，EC120飛機國內銷售部份有了較大突破，實現八架份銷售。國際市場部份，雖然EC120飛機交貨數量仍較少，但根據國際訂單情況，未來幾年，交貨數量將大大增加，對本集團之溢利貢獻將有較大程度提升。

四維遙感及北京圖新於二零零五年皆轉虧為盈，預期未來幾年亦會有穩定增長。本集團會繼續積極發展此項業務，使之成為核心業務之一。中油潔能作為中國市場之領導者，會繼續全力開發其CNG力氣站業務，以應付增長中之需求，尤其是公共汽車及計程車市場。因此，本集團深信其業務會有更大的發展空間。

中國將分別於二零零八年在北京舉辦奧運會及於二零一零年在上海舉行世界博覽會，該等工程之前期準備工作及加上國內消費力愈趨強勁將能帶動消費者對電子智能產品及其周邊產品的需求從而能為本集團帶來更佳的財務表現。

致謝

本人謹此向各董事及全體職員在過去一年所作出之重大貢獻、努力不懈及盡忠職守表示深切謝意。

承董事會命
主席
付舒拉

香港，二零零六年四月二十五日