

Business Review and Prospects

The Group's turnover for the year was HK\$217,720,000, representing an increase of 24.4% as compared to HK\$175,033,000 of last year.

The Group recorded a net profit attributable to shareholders of HK\$52,358,000 for the year, representing an increase of 43.6% as compared to HK\$36,462,000 of last year.

The consolidated profit from operating activities before minority interests, tax and share of profits and losses of jointly controlled entities (also without taking into accounts of unallocated expenses, finance costs, interest and dividend income), for the year was HK\$62,686,000. In which, the cement company in Vietnam shared a profit of HK\$41,440,000, whereas the Saigon Trade Centre together with other investment properties of the Group shared a profit of HK\$9,414,000 and the remaining of HK\$11,832,000 profit came mainly from investment activities of the Group.

業務回顧及展望

本集團本年度之營業額為217,720,000港元，相比去年同期之營業額175,033,000港元上升24.4%。

本集團本年度錄得股東應佔綜合淨溢利52,358,000港元，對比上年同期錄得之36,462,000港元上升43.6%。

本年度來自營運之綜合溢利(未扣除少數股東權益、稅項及應佔共同控制機構溢利及虧損，及未計入未分配費用、融資成本，利息及股息收入)共錄得62,686,000港元。其中越南水泥廠佔溢利41,440,000港元，西貢貿易中心連同其他投資物業佔溢利9,414,000港元，餘下11,832,000港元溢利主要來自本集團其他投資活動。

Cement business

The turnover of the Group contributed from its cement operation in Vietnam was HK\$173,780,000 for the year, representing an increase of 6% as compared to last year. Sales quantity of cement and clinker in Vietnam for the year also recorded a growth of 6% to 590,000 tonnes as compared to last year. Local demand for cement remained robust throughout the year. As a result of the modification of the production lines and a temporarily unstable power supply during the year, growth of the production output was limited. Also, the average production cost for the year slightly increased as well, partly also attributed to the increase in price of coal and fuel oil.

Foreseeing the year 2003, along with the completion of the expansion plan of the production lines in the first half of the year, the total production output of cement and clinker for 2003 shall be expected to reach 700,000 tonnes. On the other hand, the average production cost shall also be lowered as a result of an increase in efficiency brought by the modification. With expecting that the construction activities in Vietnam shall remain strong in a foreseeable future, the Group is optimistic to the prospect of its cement business in Vietnam.

水泥業務

於本年度，越南之水泥業務對本集團之營業額貢獻為173,780,000港元，相比去年同期錄得6%之增長。本年度越南水泥及熟料之銷售量對比上年度同期亦錄得6%之增長至590,000噸。本地水泥之需求於本年度內仍然強勁。於年內，由於水泥生產線之改造及電力供應出現短暫不穩定情況，而導致生產量之增長受到窒礙。另外，加上煤及油等燃料價格之上升，亦造成水泥及熟料之全年平均生產成本有輕微的上漲。

展望二零零三年，隨著水泥廠改造生產線計劃於上半年完成，預計二零零三年全年之水泥及熟料生產量可達700,000噸。另一方面，平均生產成本亦預期可因完成改造後所帶來之效率改善而有所下降。因預期越南之建設工程及發展於可見將來依然蓬勃，本集團對於其越南之水泥業務前景表示樂觀。

Saigon Trade Center and other investment properties

According to statistics of the government, although Vietnam's GDP growth has reached 7% in 2002, it was mainly driven by domestic investments, in particular industrial production (including oil and gas production) and construction activity. The total amount of foreign direct investments, on the other hand, drastically decreased as compared to 2001. Besides, the expected increasing inflow of foreign investments from the implementation of the US-Vietnam Bilateral Trade Agreement a year ago has not yet been materialized.

As a result of the lack of significant inflow of foreign investments in Vietnam, the demand for office spaces in Ho Chi Minh City remained stagnant in 2002. The leasing situation of the Saigon Trade Center ("STC") of the Group also has not much improved. The occupancy rate of the STC as at 31 December 2002 only slightly increased to 54% from 52% of last year. However, the average rental rate recorded an increase as compared to last year. Although the pace for the leasing situation is expected to remain slow, the net cash inflow to the Group from STC has been seen increasing for the year.

In early 2002, the Group has acquired certain residential properties in a prime location in Shanghai, the PRC for investment purpose. A substantial portion of the properties has been leased out with achieving a yield of 7-8% per annum on average. For the Group's other investment properties situated in Hong Kong and the PRC, all of the properties were leased out and thus it has safeguarded a constant and stable cashflow to the Group.

西貢貿易中心及其他物業投資

根據越南政府之統計數字，於二零零二年越南之國民生產總值達致7%增長。惟其主要由本地投資所帶動，特別來自工業生產(包括石油與天然氣生產)及建設工程等活動所帶動。相反，外國直接投資金額對比二零零一年度卻出現頗大之跌幅。另外，雖然美越雙邊貿易協議已落實超過一年，但預期大幅增加之外國投資卻尚未見出現。

因缺乏顯著之外國投資流入，市場對越南胡志明市出租寫字樓之需求於二零零二年度仍然呆滯。本集團之西貢貿易中心出租情況亦無重大改善。於二零零二年十二月三十一日，西貢貿易中心錄得之出租率為54%。對比上年之52%只微升2%。惟平均租金對比上年度卻有所上升。雖然出租情況之發展步伐仍預期較為緩慢，但西貢貿易中心對本集團之淨現金流入貢獻於年內卻有明顯之上升。

於二零零二年初，本集團收購了若干位於中國上海一黃金地段之住宅物業，作為投資用途。該等物業之大部份面積已經租出，並取得約7-8%之平均年回報率。至於本集團位於香港及中國之其他投資物業亦已經全部租出，並為本集團帶來較平穩及固定之現金流入。

Vigconic

On January 2002, the Group entered a connected transaction by acquiring a 10% stake in a biotechnology company, Vigconic International Co., Ltd ("Vigconic"). Vigconic is developing several kinds of health products, which principally focus on curing and/or relieving pains in AIDS, cancer, Hepatitis B. Vigconic is also conducting research on a health product which is believed to have an anti-ageing function. Those products are under a clinical testing stage and most of them have demonstrated an encouraging preliminary result. Also seeing this, the Group believes it is a right timing to increase its investment in the business and thus on March 2003 has further acquired 65% interest in Vigconic. As a result of the acquisition, Vigconic becomes a principal subsidiary of the Group and its business therefore also becomes one of the mainstream's businesses of the Group. Although the business of Vigconic is still in a beginning stage, the Group has high expectation and confidence on its future development.

Dividend

In view of the Group having achieved a stable income and constant cash flow, the board of directors recommended a final dividend of HK 6 cents per share to the shareholders, together with the interim dividend of HK 4 cents per share which therefore having resulted in a total dividend for the year 2002 to be HK 10 cents per share.

On behalf of the Board of directors, I would like to thank for the effort and support of the management and the staff of the Group.

維康力

於二零零二年一月，本集團作出一項關連交易，收購了一間生物科技公司——維康力(國際)有限公司(「維康力」)之10%股權。維康力現時正研究發展數種保健產品，其主要針對愛滋病、癌病、乙型肝炎之治療及減低其痛楚。另外，維康力正在研究及發展抗衰老的保健產品。該等產品目前仍在臨床實驗階段，但大部份產品之初步實驗結果表現令人鼓舞。亦有見及此，本集團相信目前乃適當時候增加此方面之投資。因此，於二零零三年三月，本集團進一步收購維康力65%股權。在收購完成後，維康力成為本集團之主要附屬公司及其業務亦成為本集團主要業務之一。雖然維康力之業務目前仍處於最初階段，本集團對其未來發展充滿期望及信心。

股息

有見本集團達致較平穩之收入及現金流入，董事會建議派發末期股息每股港幣6仙予各股東，連同本年度之中期股息每股港幣4仙，令本年度全年之股息共每股港幣10仙。

最後，本人僅代表董事會對本集團之管理層及各員工對本集團之貢獻及支持表示謝意。