

Financial Review

The Group's financial situation as at 31 December 2002 improved substantially as compared to last year. The Group's cash and bank balances as at 31 December 2002 amounted to HK\$136,754,000 (2001: HK\$48,433,000). The Group's total borrowings amounted to HK\$136,811,000 (2001: HK\$81,612,000), of which HK\$61,049,000 was repayable within 1 year and HK\$3,478,000 was repayable from 1 to 2 years and HK\$72,284,000 was repayable from 2 to 5 years.

The percentage of the Group's borrowings denominated in HK\$ and Vietnamese Dong ("VND") were 10 % and 90 % respectively. Investments on expanding of the production capacity of the cement plant and the repayment of loans to the holding company resulted in an increase in local banks' borrowings of VND in Vietnam by the cement subsidiary. Of the total borrowings, about 26% were at fixed interest rates. Most of the cash and cash equivalents held by the Group were in HK\$ or US\$.

The gearing ratio, expressed as the percentage of long-term debt to equity, was 8.8 % as at 31 December 2002 (2001: 3.2%).

Significant investments held

As at 31 December 2002, the Group still held 12,000,000 shares of TCL International Holdings Ltd. representing a value of HK\$28,500,000.

財務回顧

本集團之財務狀況對比上年度已獲得重大改善。本集團之現金及銀行結餘於二零零二年十二月三十一日止為136,754,000港元(二零零一年：48,433,000港元)。本集團之總借貸為136,811,000港元(二零零一年：81,612,000港元)，當中有61,049,000港元須於一年內付還，3,478,000港元須於一至兩年內付還及72,284,000港元須於兩至五年內付還。

本集團之借貸主要包括港幣和越南盾所佔比例分別為10%及90%。水泥廠生產線之擴建投資及向母公司歸還借款皆令致水泥公司對越南本地銀行之越南盾借貸增加。總借貸中約26%為固定利率。本集團持有之現金及等同現金主要為港幣及美元。

於二零零二年十二月三十一日，資本負債比率(以長期債務和股本及儲備之百分比)為8.8%(二零零一年：3.2%)。

主要持有投資

於二零零二年十二月三十一日，本集團仍持有TCL國際控股有限公司股份12,000,000股，相等於價值28,500,000港元。

Material acquisitions and disposals

The Group has acquired 10% shareholding in Vigconic International Co., Ltd. ("VI"), a biotechnology company in which Mr. Luk King Tin, the Chairman of the Group, was the major shareholder on 3rd January 2002. The total consideration was HK\$28,610,250 and was financed by internal resources of the Group. Besides, during the financial year, the Group has acquired certain residential property in one of the prime locations of Shanghai in the PRC for a consideration of HK\$42,800,000. The Group intended to hold the said property for investment purpose.

Employees and Remuneration Policy

As at 31 December 2002, the Group had approximately 780 employees. Most of them were in Vietnam. The total staff cost (excluding directors remuneration) was approximately HK\$15,714,000 for the year ended 31 December 2002 (2001: HK\$12,342,000). There was no significant change in the Group's remuneration policy as compared to last financial year.

Details of future plan for material investments

On March 2003, the Group has acquired indirectly a further 65% shareholding in VI subsequent to the acquisition of 10% on January 2002 as described in the above section "Material acquisitions and disposals" and as a result the Group owns an 75% shareholding of VI. The total consideration for the 65% shareholding in VI was HK\$260,000,000, being made up of HK\$60 million in cash and HK\$200,000,000 in the form of a promissory note. Besides, the Group has also granted a facility of upto HK\$30 million to VI to finance its operation.

重大收購及出售

本集團亦已於二零零二年一月三日收購了本集團主席陸擎天先生作為大股東之一間生物科技公司—維康力(國際)有限公司之10%股權，總代價為28,610,250港元，並以本集團內部資源支付。另外，於年度內，本集團亦以總代價42,800,000港元收購了若干位於中國上海其中一黃金地段之住宅物業，本集團持有該等物業作為投資用途。

僱員及薪酬政策

於二零零二年十二月三十一日，本集團總僱員數目約780人，大部份位於越南。於期內，總員工費用(不包括董事酬金)約15,714,000港元(二零零一年：12,342,000港元)。與上年度比較，本集團之薪酬政策並無重大變化。

未來重大投資計劃之詳情

在上面「重大收購及出售」項下所述於二零零二年一月收購維康力10%股權之交易後，本集團於二零零三年三月進一步間接收購維康力65%股權。收購完成後，本集團持有維康力之股權增至75%。收購65%維康力股權交易之總代價為260,000,000港元；其中60,000,000港元以現金支付及200,000,000港元為承兌票據。另外，本集團亦批出一項總額不超過30,000,000港元之備用貸款給予維康力以資助其營運。

Details of charges

As at 31 December 2002, the Group pledged certain fixed assets at a net book value of HK\$213,362,000 and certain of the Group's time deposits of HK\$20,312,000 to secure banking facilities.

Exposure to fluctuations in exchange rates and related hedges

The Group has exposed to the risk of exchange rate's fluctuation in Vietnamese Dong for its investments in Vietnam. The Vietnamese Dong to US\$ had a 2% (2001: 3.9%) devaluation as at 31 December 2002 when compared to that of the previous year, resulting in a foreign exchange loss of HK\$12,251,000 and an exchange difference on translation of the financial statements of foreign subsidiaries of HK\$210,000. As VND is a restricted currency and thus hedging instruments are in lack of. The Group's measures to minimize its exposure to the risk remain the same as disclosed on its annual report for the year ended 31 December 2001.

Details of contingent liability

As at 31 December 2002, the Group has no significant contingent liability (2001: Nil).

抵押詳情

於二零零二年十二月三十一日止，若干固定資產帳面淨值為213,362,000港元及若干定期存款總值為20,312,000港元已抵押予銀行以獲取銀行給予本集團之貸款設施。

匯率波動及有關對沖風險

本集團於越南之投資均面對外匯波動之風險。與去年比較，於二零零二年十二月三十一日越南盾相對美元已有2% (二零零一年：3.9%) 之貶值，以導致本集團錄得12,251,000港元之外匯虧損及210,000港元因演譯外國附屬公司財務報表所帶來之外匯差距。因越南盾並非自由流通之貨幣，所以市場上缺乏對沖工具。本集團所採用以使其外匯風險減至最低之措施，與去年於年報內所述一樣。

或然負債詳情

於二零零二年十二月三十一日，本集團並無任何重大之或然負債(二零零一年：無)。

Final dividend and closure of register

The Directors recommended a final dividend of HK 6 cents (2001: HK 10 cents) per share. The Register of Members will be closed from 24 May 2003 to 28 May 2003, both days inclusive during which period no transfer of shares will be registered. In order to qualify for the final dividend, lodging of all transfers accompanied by the relevant share certificates must be delivered to the Company's Hong Kong Branch Registrar, Tengis Limited by no later than 4:30p.m. on 23 May 2003. The payment date of the dividend is expected to be 6 June 2003.

末期股息及暫停辦理過戶手續

董事會建議派發末期股息每股港幣6仙(二零零一年：港幣10仙)。本公司將於二零零三年五月二十四日至二零零三年五月二十八日(包括首尾兩天)暫停辦理登記過戶手續。如欲享有末期股息，所有過戶文件連同有關股票需不遲於二零零三年五月二十三日下午四時三十分前送達本公司過戶登記處香港分處登捷時有限公司。預期末期股息之派發日為二零零三年六月六日。