

Financial Review

The Group's cash and bank balances as at 31 December 2003 amounted to HK\$142,600,000 (31 December 2002: HK\$136,754,000). The Group's total borrowings amounted to HK\$305,421,000 (31 December 2002: HK\$136,811,000), of which HK\$52,939,000 was repayable within 1 year and HK\$3,333,000 was repayable from 1 to 2 years and HK\$249,149,000 was repayable from 2 to 5 years.

The percentage of the Group's borrowings denominated in HK\$ and Vietnamese Dong ("VND") were 70% and 30% respectively. Of the total borrowings, about 76% were at fixed interest rates. The percentage of cash and cash equivalents held by the Group in HK\$, USD, VND, EUR and AUD were 14%, 54%, 6%, 11% and 8% respectively.

The gearing ratio, expressed as the percentage of long-term debt to equity, was 29% as at 31 December 2003 (31 December 2002: 8.8%).

As a result of the issuance of a 5-year promissory note for the acquisition of 65% of Vigconic (International) Limited ("VI") on March 2003, amounting to HK\$200,000,000, the Group's borrowings and gearing ratio has substantially changed as compared to that of 31 December 2002.

Significant investments held

As at 31 December 2003, the Group has no significant investment held.

財務回顧

本集團之現金及銀行結餘於二零零三年十二月三十一日止為142,600,000港元(於二零零二年十二月三十一日: 136,754,000港元)。本集團之總借貸為305,421,000港元(於二零零二年十二月三十一日: 136,811,000港元)，當中有52,939,000港元須於一年內付還，3,333,000港元須於一至兩年內付還及249,149,000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70%及30%。總借貸中約76%為固定利率。本集團持有之現金及等同現金之港幣、美元、越南盾、歐元及澳元之比例分別為14%、54%、6%、11%及8%。

於二零零三年十二月三十一日，資本負債比率(以長期債務和股本之百分比)為29%(於二零零二年十二月三十一日: 8.8%)。

由於本集團於二零零三年三月發行了一份總值200,000,000港元之5年期承兌票據，用作收購維康力(國際)有限公司(「維康力」)之65%權益，本集團之總借貸額及資本負債比率與二零零二年十二月三十一日之數字比較有重大轉變。

主要持有投資

於二零零三年十二月三十一日，本集團並無持有主要投資。

Material acquisitions and disposals

On March 2003, the Group has acquired indirectly a further 65% shareholding in VI, subsequent to the acquisition of 10% on January 2002 and as a result the Group owns an approximately 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.

Employees and Remuneration Policy

As at 31 December 2003, the Group had approximately 805 employees. Most of them were in Vietnam. The total staff cost (excluding directors remuneration) was approximately HK\$18,958,000 for the year ended 31 December 2003 (31 December 2002: HK\$15,714,000). There was no significant change in the Group's remuneration policy as compared to last financial year.

Details of charges

As at 31 December 2003, the Group pledged certain fixed assets at a net book value of HK\$332,592,000 to secure banking facilities.

重大收購及出售

隨著於二零零二年一月收購了維康力10%股權後，本集團於二零零三年三月進一步間接收購維康力65%股權，令本集團目前持有75%維康力股權。65%股權之總收購代價為260,000,000港元，並以港幣60,000,000現金及發行一份港幣200,000,000元之5年期承兌票據支付。另外，本集團亦向維康力給予最多30,000,000港元之信貸額。

僱員及薪酬政策

於二零零三年十二月三十一日，本集團總僱員數目約805人，大部份位於越南。於期內，總員工費用(不包括董事薪酬)約18,958,000港元(於二零零二年十二月三十一日：15,714,000港元)。與上年度比較，本集團之薪酬政策並無重大變化。

抵押詳情

於二零零三年十二月三十一日止，若干固定資產帳面淨值為332,592,000港元已抵押予銀行以獲取銀行給予本集團之貸款設施。

Exposure to fluctuations in exchange rates and related hedges

The Group has exposed to the risk of exchange rate's fluctuation in Vietnamese Dong ("VND") for its investments in Vietnam. The exchange rate of VND to USD had a 1.7% (31 December 2002: 2.0%) devaluation as at 31 December 2003 when compared to that of the previous year, resulting in a foreign exchange loss of HK\$ 2,728,000 and an exchange difference on translation of the financial statements of foreign subsidiaries of HK\$ 4,474,000. As VND is a restricted currency and thus hedging instruments are in lack of. In order to minimize exposure to the exchange risk, the cement plant makes use of its surplus cashflow and local banks' borrowings of VND to repay loans denominated in USD, especially the loan due to the parent company. Besides, most of the expenditures of the cement plant are in VND. For the Saigon Trade Center, over 90% of the leasing contracts are denominated in USD, whereas most of its expenditures are in VND.

Details of contingent liability

As at 31 December 2003, the Group has no significant contingent liability (31 December 2002: Nil).

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，於二零零三年十二月三十一日越南盾相對美元已有1.7% (於二零零二年十二月三十一日：2.0%) 之貶值，以導致本集團錄得2,728,000港元之外匯虧損及4,474,000港元因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。為使其風險減至最低，水泥廠已盡量將其流動資金盈餘及於當地銀行借貸越南盾以付還其目前之美元借貸，主要為向母公司之借貸。除此之外，水泥廠大部份支出均以越南盾結算。越南西貢貿易中心之租賃合約超過90%以美元結算及其大部份支出均以越南盾結算。

或然負債詳情

於二零零三年十二月三十一日，本集團並無任何重大或然負債 (於二零零二年十二月三十一日：無)。