

2002 was a year of both change and progress as we continued with the execution of our strategy of growing the three core businesses – business park, residential real estate development and technology services (with special emphasis to those relating to the integration and connectivity of real estate) – in China. We divested more non-core assets at fair values so that the resultant financial resource released could be channeled to support the strategy. While there are still several non-core assets to be divested, we believe that the Group is now more well-placed than ever before to concentrate its attention in extracting acceptable yields from the three core businesses.

Reflecting the focus of investing in China, the Group's book value of investments in that country increased by 27%, from HK\$1.56 billion as at 31 December 2001 to HK\$1.98 billion as at 31 December 2002. Barring unforeseen circumstances, the Group expects that its investments in China will continue to grow in 2003 and beyond. Likewise, although the investments in China produced only 6% of the Group's 2002 turnover, we expect that such investments will contribute an increasing share.

### Business Park

#### Vision (Shenzhen) Business Park

Phase 1 of Vision (Shenzhen) Business Park ("VSBP") comprises two 5-storey buildings with a gross floor area of 23,500 sqm. As at 31 December 2002, there were 23 multi-national and local high-tech companies working in the park. During the year, we continuously sought ways to upgrade the service levels to our clients operating in the park. We consistently aim to allow them to run their businesses smoothly and efficiently and to enjoy our "Work-Live-Play" concept which differentiates us from other parks.

We now provide a well-equipped recreational centre and an outdoor basketball court for our tenants' enjoyment. We hope that the new recreational facilities would better cater to the needs of the people working in the park.

二零零二年是轉變及取得進展的一年，因為本集團繼續在中國推行發展三項核心業務的策略－商業園、住宅房地產發展及科技服務（特別強調該等關於綜合及聯繫房地產的服務）。本集團以公平值減持更多的非核心資產，使回籠的財務資源能調撥至支援該策略。目前尚餘若干項非核心資產有待減持，本集團相信會較以往處於更佳位置，將集中精力從三項核心業務中賺取合理收益。

就反映於中國的重點投資，本集團於國內的投資賬面值由二零零一年十二月三十一日之港幣1,560,000,000元增至二零零二年十二月三十一日之港幣1,980,000,000元，增幅達27%。如無不可預見的情況，本集團預計在中國的投資將自二零零三年起繼續增長。此外，儘管在中國的投資只佔本集團二零零二年營業額的6%，本集團預期該等投資的貢獻比例將日益增加。

### 商業園

#### 深圳威新軟件科技園

深圳威新軟件科技園第一期由兩幢5層高大廈組成，建築樓面面積達23,500平方米。於二零零二年十二月三十一日，有23家跨國及內地高科技公司在園內運作。於年內，我們一直致力為園內之客戶尋求提高園內服務質素的方法，旨在令彼等的業務得以有效地暢順運作，並享受我們不同於其他園區之「工作、生活、休閒」三位一體的概念。

科技園設施完備的康樂中心及戶外籃球場現已開放予園內的租戶使用。我們希望全新的康樂設施，能滿足在園內工作之人士的需要。

The Group is committed to maintaining the highest standards of property management. We believe that this requires us to be constantly innovative so that we can deliver the best products and services at competitive prices to our customers. In this context, we are preparing to obtain the property management ISO 9000 so as to ensure that we consistently deliver high quality services.

Our Phase 2 development plans were submitted to the Shenzhen authorities in late 2001 and we are still awaiting the issuance of construction permit. We are monitoring the position closely and taking the opportunity to reassess the project in the light of the changing environment.

### Vision Huaqing (Beijing) Development Co. Ltd.

Vision Huaqing (Beijing) Development Co. Ltd. (“VHDL”) was incorporated in Beijing on 1 July 2002 as the Group’s joint venture company with Beijing Tsinghua Science Park Construction Co. Ltd. VHDL will undertake the development of Vision International Centre (“VIC”) located at the south east corner of the Tsinghua Science Park which is the core development of Zongguancun, Haidian district, Beijing.

VIC will be built on a prime 8,200 sqm site. Upon completion, a thirteen storey building will provide about 39,000 sqm gross floor area with two basement levels for 200 car parking lots and ancillary facilities. The building will have a glass curtain wall to enhance its image as a distinctive landmark in the Tsinghua Science Park. The building is scheduled to break ground in April 2003 and to be completed by July 2004.

### Marketing

The Group has collaborated with Ascendas Pte Ltd, one of its substantial shareholders, and participated in the international exhibition in France in March 2002, road show in USA in June 2002, and also participated in the Nasscom exhibition at Chennai and the Nasscom conference in Mumbai in September 2002.

本集團承諾維持高質素的物業管理服務。我們相信這需要我們保持創意，使我們能以具競爭力的價格提供最優質的產品及服務予客戶。為此，我們準備申請ISO9000優質物業管理證書，以確保我們一直提供高質素服務。

第二期項目發展規劃已於二零零一年下半年呈交深圳有關政府部門，我們仍在等待有關部門發出動工許可證。我們正密切跟進此事，並藉此機會根據不斷變化的形勢再評估此項目。

### 威新華清(北京)置業發展有限公司

威新華清(北京)置業發展有限公司(「威新華清」)於二零零二年七月一日在北京註冊成立，這家與北京清華科技園建設股份有限公司共同組建之合營公司將負責發展位於清華科技園(北京海淀區中關村之核心發展項目)東南隅之威新國際大廈。

威新國際大廈位於佔地8,200平方米之黃金地段。竣工後，13層高的威新國際大廈將提供39,000平方米的建築樓面面積、兩層有200個車位的地庫及配套設施。大廈將裝配玻璃幕牆以提升其作為清華科技園內別樹一幟的地標形象。大廈將於二零零三年四月動土，二零零四年七月落成。

### 市場推廣

本集團與騰飛私人有限公司(本集團之主要股東之一)合作，在二零零二年三月於法國參加國際展覽會、在二零零二年六月於美國路演，及於二零零二年九月參與印度國家軟件與服務協會(NASSCOM)在馬達拉斯舉行的國際展覽會及在孟買舉行的印度國家軟件與服務協會會議。

### Real Estate Business

#### Hong Kong Property Projects

The Group faced intense competition during the year as it sought to sell down its three development projects in Hong Kong. The sluggish Hong Kong economy with high unemployment and the oversupply in the residential property sector caused market confidence to decline. Notwithstanding the government's rescue package introduced in November 2002 to restore confidence, sentiments remained bearish.

The Group commenced sales of Elite Court in March 2002. This is a wholly owned residential and commercial development situated at No. 33 Centre Street, Sai Ying Pun, Hong Kong. With a total gross floor area of about 36,200 square feet, construction was completed and occupation permit was obtained in March 2002. About 30% of the flats had been sold since the formal launch.

Up to 31 December 2002, the Group sold 96% of the total 330 units of Greenery Place, Yuen Long, despite fierce competition in the Yuen Long district. Our third project, Harbourview Garden in Kowloon City, sold 28 out of 34 units.

During the year, the Group completed the sale of an office floor at Shun Tak Centre, this being a non-core asset.

An appeal has been filed with the Lands Department for a reduction in the land premium relating to the Hung Hom KIL10663 site. The Group is reviewing the financial viability of the project, which, inter alia, is dependent on the amount of land premium.

Laford Centre in Lai Chi Kok, in which the Group holds about 40% interest, continued to generate recurrent rental income. The Group is seeking to divest its interest in this non-core asset and it was agreed in December 2002 with the other shareholders that this industrial/office building be put up for sale. Intensive marketing activities have started.

### 房地產業務

#### 香港物業項目

於年內，本集團在尋求出售香港的三個地產發展項目過程中，面對激烈的競爭。香港經濟低迷，加上失業率高企及住宅物業供應過剩，致使市場信心下跌。儘管政府於二零零二年十一月推出一籃子救市方案，但市場氣氛仍然悲觀。

本集團於二零零二年三月開售座落於香港西營盤正街33號的雅賢軒，此乃本集團全資擁有之住宅及商業發展物業，總建築樓面面積約為36,200平方呎。已於二零零二年三月竣工並取得入伙紙，約30%的單位自正式公開發售後已經售出。

截至二零零二年十二月三十一日止，儘管元朗區競爭異常激烈，本集團已售出元朗翠韻華庭總數330個單位的96%。本集團第三項項目，位於九龍城之維景雅軒，34個單位中已售出28個單位。

於年內，本集團完成出售信德中心內的一層寫字樓。此乃一項非核心資產。

本集團已就紅磡九龍內地段10663號之扣減補地價事宜向地政總署提出上訴。本集團正研究該項目之財務可行性，這將取決於（其中包括）補地價之金額。

本集團持有約40%權益之荔枝角勵豐中心，繼續產生經常性租金收入。本集團打算減持此非核心資產，並與其他股東於二零零二年十二月達成共識，將此工業／辦公大樓放盤出售。緊密的市場推廣活動已經開始。

## China Property Projects

### *Scenic Place, Beijing*

Scenic Place is located in the Xuan Wu District and it is sited between the West Second Ring Road and the West Third Ring Road. When completely built, this site can produce a total gross floor area of over 340,000 sqm. The construction works for Phase 1 commenced in 2000. Phase 1 comprises three tower blocks and has a total gross floor area of about 99,000 sqm with 788 flats of varying sizes. The marketing of Phase 1 was launched in early 2002 and about 20% of the flats was sold by the end of 2002. As at 31 December 2002, the external facade works of the three towers were almost completed. The construction of Phase 1 of the project is expected to be completed in June 2003. We believe that the Olympic Games 2008 to be staged in Beijing and China's WTO entry will help to strengthen demand for residential properties in the near term.

### *The Ninth, Zhongshan, Dalian*

The Ninth, Zhongshan is situated at the core area of Zhongshan District, which is the central business district of Dalian. This development will have a total gross floor area of about 60,000 sqm for 432 elegant residential units and a comprehensive clubhouse. The twin-towers, one 30-storey high and the other 32-storey, will offer magnificent views of Dalian and its coastline. Marketing of the project is scheduled to commence in April 2003. The construction of basement works started in January 2003 and the project is expected to be completed by early 2004.

## Technology Services

The Infocomm Technology Group ("ITG") is the latest addition and, together with the business park and the commercial and residential groups, makes up the third core business. ITG will provide a connection between the physical spaces and digital knowledge contents to both corporate and individual clients. ITG is expected to complement and upgrade the total service of the Group's business park and commercial and residential groups.

ITG has two major lines of business: provide nation-wide enterprise network solutions to corporations and provide a variety of education-related programs and services to corporations and individuals in management skills, IT and language learning. Today, ITG comprises a portfolio of four companies: Nova Network Holdings Limited ("Nova Network"), The 8th Network Corporation, CC-Edu Holdings Limited ("CC-Edu") and Beijing Golden Voyage Electronic Technology Company Limited ("Beijing Golden Voyage").

## 中國物業項目

### *北京蝶翠華庭*

蝶翠華庭座落於宣武區，位處西二環路及西三環路之間。竣工後，可供應總建築樓面面積超過340,000平方米，第一期建築工程於二零零零年展開。蝶翠華庭第一期由三幢大樓組成，共有788個大小不同面積的單位，總建築樓面面積約為99,000平方米。第一期單位已於二零零二年初展開市場推廣，截至二零零二年底，約售出單位數目之20%。於二零零二年十二月三十一日，三幢大樓之外牆工程接近完成。預期項目之第一期工程將於二零零三年六月竣工。本集團相信，二零零八年奧林匹克運動會於北京舉辦及中國加入世貿組織有助增加短期內的住宅物業需求。

### *大連中山九號*

中山九號位於中山區核心地帶，為大連的商業中心區。此發展項目將提供總建築樓面面積約60,000平方米予432個高尚住宅單位及綜合會所。該兩幢大樓（一幢30層高及另一幢32層高）將可飽覽大連的怡人景緻及沿海風光。項目計劃於二零零三年四月展開市場推廣。地庫建築工程於二零零三年一月動工，項目預計二零零四年初完工。

## 科技服務

資訊科技部（「ITG」）乃最新設置的一個部門，加上商業園以及商業及住宅部，ITG為第三核心業務。ITG將為企業及個人客戶提供實際空間與數碼知識內容之聯繫。ITG將補充及提升本集團之商業園及商業及住宅集團之整體服務。

ITG有兩項主要業務，一為向企業提供全國企業網絡解決方案，另為向企業及個人提供有關管理技巧、資訊科技及語言學習之多種教育課程及服務。ITG現由4家公司組成：Nova Network Holdings Limited（「南凌科技」）、The 8th Network Corporation、CC-Edu Holdings Limited（「CC-Edu」）及北京金海航電子技術有限公司（「北京金海航」）。

Nova Network provides enterprise network solutions, including managed hosting, virtual private network, VoIP, video conferencing and leased line services. It not only enables enterprise to run their network related services more efficiently and effectively, but also reduces their telecommunication costs when they have multiple locations inside or outside China. Currently Nova Network is headquartered in Shenzhen and has operations in Dongguan, Beijing, Heilongjiang and Shanghai.

The 8th Network Corporation specializes in corporate training, targeting principally at the small and medium enterprises. It works closely with the corporate customers to define their training needs, tailor-make a training program, deliver customized materials, provide qualified trainers, and conduct post-training evaluation and follow-up support. It is headquartered in Beijing and has a sales office in Shanghai.

CC-Edu develops and distributes IT and English learning contents to pre-school, K-12 schools and also operates an English language training center in Shenzhen. CC-Edu has long-term relationship with several provinces in China to supplement its IT text books with customized CD ROM for students. The exclusive relationship and bundling arrangement is a relatively unique way to distribute digital contents in China. CC-Edu opened its first training center in Shenzhen in March 2002. The first product was to provide high quality English language training to office workers. The program consists of self-learning modules in computer laboratory, small group tutorials with teachers of native speakers, and a nurturing environment to encourage role-playing to simulate real life experience with native speakers. The customers are mostly white collar workers who wish to upgrade their standard of the English language and corporations which are interested to train their employees to use English in business communication.

Beijing Golden Voyage develops and distributes e-learning platform to educational institutions and corporations. The e-learning platform is an easy tool for educational and business entities to establish their own intra-net and/or internet learning environment. The platform also provides tools for the instructors to prepare multimedia courses. In early 2002, Beijing Golden Voyage became a distributor of Brio data mining system. It also develops management data mining systems for large enterprises. It is headquartered in Beijing and has a sales office in Shenyang.

南凌科技提供企業網絡方案，包括主機托管、虛擬私人網絡、網路語音電話、視像會議及專線租用服務。這不單協助企業更迅速有效地運作網絡相關服務，並協助在中國內外多處地點設有辦事處之公司減低通訊成本。南凌科技總部現設於深圳，並在東莞、北京、黑龍江及上海擁有業務。

The 8th Network Corporation主攻企業培訓，目標為中小型企業。藉著與企業客戶緊密合作，釐定其培訓需要、度身訂造培訓計劃、提供自訂的培訓教材、高質素導師、進行培訓後評估及後續支援。其總部設於北京，另於上海設有銷售辦事處。

CC-Edu開發及推廣學前及幼稚園至高中之資訊科技及英語學習課程，並於深圳經營英語培訓中心。CC-Edu與中國多個省份有長期合作關係，為學生提供資訊科技教科書並配備精心設計之電腦唯讀光碟。這種特殊關係及光碟與教科書結合安排，令其在中國分銷數碼內容產品時獨具優勢。於二零零二年三月，CC-Edu於深圳之首間培訓中心開幕，其首項工作是為辦公室人員提供高質素英語培訓。該計劃包括在電腦實驗室內的自學模式、由母語為英語之教師作小組導修、以及藉角色扮演營造氣氛，模擬現實生活與英語為母語之人士溝通。顧客多為有意提高英語水平之白領人士及意欲培訓員工於商業場合使用英語溝通之企業。

北京金海航為企業及教育機構開發及推廣電子學習平台。此電子學習平台提供一個簡易的工具予教育及商業機構，以建立其內聯網及／或互聯網學習環境。平台另為準備多媒體課程之教員提供工具。北京金海航於二零零二年初已成為Brio數據挖掘系統分銷商，並為大型企業開發管理層之數據挖掘系統。北京金海航總部設於北京，並於瀋陽設有銷售辦事處。

Nova Network, The 8th Network Corporation and CC-Edu (collectively they formed CyberCity Investments Limited) were acquired as recently as in May 2002. Their operations have since been consolidated while the process of repositioning and restructuring them for profitable performance continues. This process requires aggressive management so that values can be added or created and synergies and economies of scale realized.

### Future Prospects

With 81% or about HK\$2 billion worth of its total assets domiciled in China, the Group's prospects for 2003 and beyond will depend on its ability to extract satisfactory returns from its investments there. Although the major economies of the world remain weak and there is war in the Middle East, fears of possible terrorist strikes and heightened tension in the Korean Peninsula, the China economy continues to perform well, amid the process of reforms and modernisation. China reported a 8% growth in GDP for 2002 and seems confident of realising the impressive target of 7.9% economic growth set for 2003.

The Group will continue with its strategy of investing more financial and other resources in China. One of the priorities for 2003 is to strengthen Group's organization so that the expanding investments in China can be properly and adequately managed. It is expected that our activities in China will contribute a larger proportion of the Group's turnover in 2003 than in 2002.

The Group will strengthen its business development activities so that it is in a position to identify attractive new investment opportunities for growth in all the three core business. In general, we favour new investments in the cities where we now operate so that we can leverage on our existing organizations and the strong network of relationships.

南凌科技、The 8th Network Corporation及CC-Edu(共同組成CyberCity Investments Limited)於二零零二年五月被本集團收購。並進行重新定位及重組，其營運自此得以鞏固，以求業績持續增長。此過程須依賴進取的管理，藉此增加或創造回報及實現協同作用及規模經濟。

### 未來展望

鑑於本集團在中國的資產佔總資產的81%或約港幣2,000,000,000元，自二零零三年起，本集團前景將取決於是否能從中國的投資賺取可觀的回報。儘管全球主要經濟持續疲弱、中東爆發戰爭、對於恐怖襲擊的恐慌及朝鮮半島局勢緊張，中國的經濟表現仍因改革進程及現代化推動下繼續向好。中國在二零零二年仍能錄得8%的國內生產總值年增長，並有信心如期於二零零三年實現7.9%的強勁經濟增長。

本集團將繼續其在中國投資更多資金及其他資源的策略。其中二零零三年首要任務是加強本集團的組織，使在開拓中國的投資時，可以更恰當及有效地管理。本集團預期於二零零三年來自中國的營業額將較二零零二年大幅上升。

本集團將加強其業務發展活動，為其三項核心業務物色具吸引力的新投資機會。本集團會利用現有的組織及堅實的網絡關係，在現有業務的城市進行新的投資。

With business parks under its management in Shenzhen and Beijing, the Group will continue to seek development and management opportunities in similar properties in gateway cities in China. The goal is to create a network of business parks across China to tap economies of scale, synergies and connectivity while establishing a reputation for a world-class standard of property management and services dedicated to business parks. The Group is ready to offer consultancy services to third party owners of business parks who are desirous of a high standard of professional property management and international marketing. Likewise, the Group is looking out for suitable residential and commercial development opportunities in China.

As China transforms itself into a modern economy accompanied by political stability, the demand potential for a wide range of information and technology services is immense. The Group aims to capture a share of this growing market. The push of e-government so that operations of government agencies can be streamlined has opened up opportunities for many network solutions providers. Many provincial governments have already sought to network their various offices together to improve the standard of public services.

In addition to e-government, state-owned and private enterprises will have to embrace themselves for the onslaught of foreign competitors with China's entry into the WTO. Demand for corporate training in management and administration is expected to grow rapidly. The 8th Network Corporation is partnering certain training institutions to bring short-term executive courses to China. Beijing Golden Voyage will be positioned to be an e-learning platform provider to local enterprises to meet their in-house training needs. The demand for English language learning is tremendous. CC-Edu has an exclusive 9-year licensing agreement with Edusoft, one of the leading English training companies in the world, to operate training centers in China. The Group's first center in Shenzhen is now reputed after less than one year of operation to offer high quality, innovative and effective training.

除於深圳及北京所管理的商業園外，本集團將會繼續於中國主要對外開放城市物色開發及管理類似物業的機會。目標是構建一個橫跨中國的商業園網絡，以發展規模經濟、協同作用及聯繫，同時建立具世界級水平之商業園物業管理及服務聲譽。本集團準備向追求高水平專業物業管理及國際市場推廣其他商業園提供顧問服務。另外，本集團正於中國發掘合適之住宅及商用項目開發機會。

鑑於中國轉型為現代經濟體系，加上政治穩定，中國對各式各樣的資訊及科技服務之潛在需求鉅大。本集團旨在捕捉此正值增長之市場佔有額。為簡化政府機關的運作，中國推行電子政務，此為不少網絡方案供應商帶來商機。若干省政府已開始為聯繫不同辦公室而建立網絡，從而改善公共服務的水平。

除電子政務外，國有及私有企業將要裝備自己，以迎接中國加入世貿組織後所帶來的外商挑戰。有關管理及行政之企業培訓需求預期會急速增長。The 8th Network Corporation夥拍若干培訓學院，於中國開辦短期行政人員課程。北京金海航將定位為就本土企業內部培訓需要，向彼等提供電子學習平台之供應商。學習英語之需求龐大。故此CC-Edu與全球其中一家首屈一指之英語培訓公司Edusoft訂立一項為期9年之獨家許可協議，於中國開辦培訓中心。本集團首個培訓中心設於深圳，並於不足一年內便獲讚譽為一家高質量、具創意及成效的培訓中心。