



## Chairman's Statement

The year 2001 saw significant progress and results in re-directing the Company's business focus, the commencement of the Company's major business park and real estate projects in Mainland China, and initial success of the Company in building a strong foothold in high-growth business areas in the China market.

These significant developments provide insights into the major opportunities open to the Company in the 21st century. In time, we believe the largest revenue opportunity will come from our newly developed business areas in China.



The Company's core competencies in business park and real estate developments, and complementary technology services will enable the Company to establish itself as a leading business and real estate solutions provider in the Greater China region, and to contribute its part in expanding China's influence in the world market.

### Results

During the year, turnover declined approximately 32% to approximately HK\$383 million. This was a creditable performance considering that following the general takeover of Hing Kong Holdings Limited, the Company still had substantial involvement in the Hong Kong property market, the sluggish performance of which made 2001 an extremely difficult year for local developers.

A provision of HK\$106 million was made in addition to an interim provision of HK\$137 million mainly for the devaluation of our investments and property portfolio in Hong Kong. Loss attributable to shareholders for the year was approximately HK\$397 million (2000: HK\$356 million). Loss per share was HK23.8 cents (2000: HK22.6 cents).

In view of the general market situation which had its effect on the results for 2001, the board of directors has resolved not to propose any final dividend for the year ended 31st December 2001.



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### Market Review

During 2001, Hong Kong was hard hit by a broad-based economic downturn. Company downsizing, multinationals' scaling down of their investment plans, coupled with subdued consumer spending, put the economy of Hong Kong on a slow recovery track.

The property market, in particular, saw these downside effects set deeply in. Uncertainties still linger as to how long this economic downturn will persist.

Across the border in China, the nation has taken a quantum leap in its economic growth. In 2001 China posted a GNP growth of 7.3%. Direct foreign investments increased by 14.9% to US\$46.84 billion.

Most importantly, China's entry into the WTO will act as a strong propeller to boost the Chinese economy. Major industries, especially those cited in China's 10th Five-Year Plan for National Economic and Social Development from 2001 to 2005, including information technology, biological science and advanced manufacturing technology, will lead this dynamic, epoch-making growth.

### Business Strategies

We are situated in a highly competitive marketplace. China's entry to the WTO signifies opening of the world's largest untapped market, but alongside these opportunities come challenges. This is because these vast market opportunities are open to all 142 WTO members around the world and all are keen to advance their long-range interests.

The key to Vision Century's future success is we will stay competitive, and we will tap every opportunity that promises high growth potential. We will stay in the forefront to not only benefit from China's growth, but also to drive its growth trend.

We are convinced that with the Company's strategic alliances with key regional players in the field and with our core competencies in providing specialist and integrated business park and real estate solutions, the Company is well placed to capitalise on the vast market opportunities in China following its WTO membership.



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Our drive for establishing a strong business foothold in China accelerated after the Company brought in expertise from its new major shareholders and installed a new management team in March 2001.

Vision Century has highly experienced shareholders, each a leader in its field. Ascendas brings expertise in creating and managing business and high-tech parks. CyberCity Holdings and its principals bring a high degree of technological excellence, and Fraser and Neave offers extensive property development experience.

The new management maps out new directions and brings fresh insight and innovative thinking, and has set a culture with emphasis on aggressively growing Vision Century's businesses and on leveraging Vision Century's unique breadth of human resources, skills and technology. Together these new business strategies and effective measures will place us in a most advantageous position to benefit from and contribute to this China era.

### Future Prospects

During the year, the completion of Phase 1 of Vision (Shenzhen) Business Park followed by ground-breaking of its Phase 2 development, and the construction of a major residential project in Beijing, Scenic Place marked major milestones for the Group's new business direction in and long-term commitment to the China market.

It also marked the Group's initial success as a differentiated real estate developer focusing on the China market, building comprehensive real estate developments, and offering community enhancement services that proffer vibrant, integrated "work-live-place" environments - an inherent attribute and a successful real estate concept shared by world-class quality developments.

The Group's corporate objective is to deliver shareholder value by securing stable returns from its China businesses. This will be achieved through a combination of measures: firstly by shifting our market focus to a much larger China market with substantially greater growth opportunities; secondly by differentiating itself as an innovative business and real estate solutions provider; thirdly by further building upon and leveraging on core competencies of the Group's business parks development, property development and complementary high technology networking and business enabling services; and fourthly by diversifying the nature of income streams.



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Going forward, the Group will concentrate on aggressively tapping opportunities in the China market by building a pan-China network of business parks and world-class residential and commercial developments in Mainland China, and by investing in financially promising high technology projects, especially in business areas to enhance the connectivity and networking competencies of the Group.

With the seeds for its re-vitalisation firmly planted, the Group believes that it is on track to achieve its vision of being a leading innovative provider of business and real estate solutions in Greater China integrating space, technology and services.

Finally, on behalf of the board of directors, I would like to take this opportunity to thank our shareholders for their continuous support and my heartfelt thanks also goes to our management team and our staff members for their hard work and dedication.

**Jiang Xiaoming, Simon**  
*Chairman*

Hong Kong SAR, 27th February 2002