



Dialogue with MD and DMD

My message this year, which is also my first dialogue with our investors, is: Vision Century's corporate objective is and will be guided by a growth-oriented approach to delivering shareholder value and producing marketplace wins in China, as well as in our core business areas.

The approach gives us a sharp and realistic focus on efficiency, market expertise and value enhancement, and this approach has been backed by actions.

The Vision (Shenzhen) Business Park project commenced in 2000 which was before the take-over of the Company by the new management. We gave a jump start to finance, project and market planning by bringing in the expertise and professional personnel of Ascendas Pte Ltd., which is Asia's leading developer, manager and marketer of science, business and industrial parks with a S\$1.2 billion property portfolio in Singapore, India, China and the Philippines.

We turned this piece of reclaimed land into a business park of international scale incorporating the "work-live-play" community enhancement concept, which is a concept shared by all reputable international business parks and a business model that delivers quality and market success.

We completed this in 6 months' time and Phase 1 of the park, now with an occupancy rate of 86%, commenced operations in March 2001. Phase 2 broke ground in November 2001.

In other business areas, we anticipated market challenges, faced up to the realities, and took painful but necessary steps to deal with them. Actions taken included restructuring of and divesting off non-core and non-performing assets.

There was a handful of IT projects which were inherited by the present management, and inevitably, performances of these projects were adversely affected by the global dot-com crash beginning the year 2000.

We discontinued those loss-sustaining ones in the portfolio and are in the process of reinvigorating those that look promising and can be incorporated into our new portfolio of technology services. We will also proactively source new opportunities in the market to strengthen our business breadth and depth.





Dialogue with MD and DMD

Our investment strategy is: we do not follow any technology hype and we do not swim against the tide to make new ventures that do not add value to the Group's overall businesses. The direction we are pursuing, as our portfolio name plainly tells, is we build solid structures and provide services that add value not only to our customers, but also to our shareholders.

Moving into the new year, we are further encouraged by the prospects of gaining further strength from our common commitment to Vision Century's growth-oriented approach and to our long-term commitment to the China market. We will drive this momentum through strategic acquisitions, expansion of funding sources, and broadening the base of our core competencies.

Last but not least, I would like to emphasise that our dialogue with shareholders is always open because the Company and its management people would like to show you that we will always be where the action is and we will always be at its centre to drive profitable growth for our Company to go forward.

Chua Tiow Chye
Managing Director



Dialogue with MD and DMD

From a purely objective financial perspective, our financial results of 2001 were not satisfactory. But since the 'newly re-vitalised Company' was formed only in March 2001 with people directing its growth coming on board between the second and third quarter of 2001, from an agenda-setting perspective, our performance in 2001 was commendable.

And we have done more than setting a tactical agenda. We have set a long-term growth agenda, putting into it strong profitability components. With new management direction and several financially promising projects in place, we have proved we could grow and we could grow to be a leader in our specialised field.

Vision Century is a new company. We have a new management team, a new organisation structure, a new business and operation mission, a new set of corporate values and a new growth strategy.

What is also *new* is that we have shifted from a product-focused, asset-based business geared to satisfying demand, to a market-focused, customer-friendly, service-driven organisation that *creates* demand. Where once we 'sold' products to our customers, we now provide and create solutions to meet real customer needs.

This Company is no longer a property developer which perceives itself as merely a seller of products. We are an ally of both our customers and business partners. We work with them to address their total needs and to provide total business solutions. The result is business activities and approaches that support and complement each other.

While our old, product-focused way of doing business gave us recurrent revenue (but that was highly susceptible to overall macro market performance as our 2001 results may have shown), our new approach gives rise to new opportunities and boosts investor confidence.

Taking a retrospective look at what our people at Vision Century have achieved over the past 9 months makes it all the more satisfying for me to report that we have re-steered the business to its right and forward-going course.





Dialogue with MD and DMD

We have secured several marketplace wins. A very promising one is our business park projects which will grow based on a five-year development blueprint. We aim to develop a pan-China business park network in major China cities. We have built our first exemplary business park model in Shenzhen and Beijing is another of our targeted locations. With the finalisation of a joint venture soon with Tsinghua Science Park Development Centre to develop a 40,000 sqm science park project located in the south-eastern part of Tsinghua Science Park, our thoroughly planned business park network will come one giant step to fruition.

Another exciting development is the potential of acquisition opportunities of technology service providers. This will set us in a very pertinent context of the development of China's high technology sector - the size (in terms of kilometres) of China's telecommunications network being the second largest in the world and its Internet commercial revenue expected to develop growth peaks from 2002 onwards, hitting US\$11.7 billion in 2004 (sources: IDC & Gartner Research).

This is the beginning of our journey and the course was set during 2001. Being a member on board this fast-moving vessel, I am pleased to report that we are right on track and will reach our destinations with rewarding results.

Chan Wing Ming, Charles

Deputy Managing Director