

Business Park Sector

Vision (Shenzhen) Business Park (“VSBP”)

Despite strong competition, the existing phase 1 of VSBP achieved a record occupancy of 93% as at 31 December 2003, up from 74% a year ago. Phase 1 offered a total office space of 23,500 sqm, which was occupied by 33 tenants comprising multi-national corporations and local high-tech companies. During the year, existing recreational facilities and activities for our tenants were upgraded and new ones added. This was in line with our policy of offering a “work-play” environment to all those who worked in the park.

Our phase 1 property was awarded the ISO 9000 certification (Property Management) in September 2003. This is further testament to the consistent and high quality international standard of services we provide to all our tenants.

The Shenzhen authorities approved our phase 2 development plans on 31 March 2003, some 18 months after the plans were submitted. We have started the process of securing the necessary permits for construction. At the same time, we are assessing the development of the phase 3 site of 254,088 sqm with a developable area of 408,180 sqm.

Vision Huaqing (Beijing) Development Co., Ltd. (“VHDL”)

VHDL is a joint venture company between the Group and Beijing Tsinghua Science Park Construction Co. Ltd., a subsidiary of the prestigious Tsinghua University in Beijing. The joint venture company is undertaking the development and construction of Vision International Centre, a high quality and state-of-the-art business park facility located within the Tsinghua Science Park in Zongguancun, Haidian District, Beijing. Construction work on the 13-storey building commenced in June 2003 and is scheduled to complete in July 2004. Upon completion, it will yield a gross floor area about 30,000 sqm of fully wired-up space, suitable to multi-national corporations and domestic companies engaged in technology and IT-related business; research-based activities in biomedical and pharmaceutical; and education related to technology, multi-media and animation. In addition, there will be two basements of 9,000 sqm to accommodate some 200 car-park lots.

商業園業務

深圳威新軟件科技園（「深圳威新」）

儘管競爭激烈，深圳威新現有第一期之出租率於二零零三年十二月三十一日仍由去年之74%升至93%之新高。第一期提供之辦公大樓總面積達23,500平方米，由33家跨國公司及內地高科技公司租用。於回顧年內，本公司已為租戶新增及更新現有之康樂設施及活動，此舉體現了本公司為所有在科技園內工作之人士提供「工作及休閒」環境之政策。

本集團之第一期物業已於二零零三年九月獲取物業管理ISO9000證書。這是本集團向所有租戶提供優質及具國際水平服務之又一明證。

第二期項目發展規劃在提呈審批約十八個月後，已於二零零三年三月三十一日獲深圳有關政府部門批准。本集團已開展申領建築工程所需許可證之程序。同時，我們現正評估面積達254,088平方米，並有可發展面積達408,180平方米之第三期土地發展。

威新華清（北京）置業發展有限公司（「威新華清」）

威新華清乃本集團與著名學府北京清華大學之附屬公司北京清華科技園建設股份有限公司成立之合營公司。該合營公司負責發展及興建位於北京海澱區中關村清華科技園內之新型優質商業園區內之威新國際大廈。該幢樓高13層之大廈已於二零零三年六月動工，定於二零零四年七月竣工。落成後，該大廈之總樓面面積約達30,000平方米，所有單位之線路均配備齊全，適合從事科技及資訊科技相關業務、生物醫藥研究以及科技、多媒體及動畫製作相關教育活動之跨國公司及國內公司使用。此外，該大廈亦會建兩層佔地9,000平方米之地庫，可容納約200個泊車位。

When completed, the building will offer an international standard of property management, with a comprehensive range of value-added facilities and amenities available to all its occupants.

To reach out to as many high-quality prospects globally as possible, we have appointed Ascendas Services Pte Ltd. and Jones Lang LaSalle to strengthen our marketing thrust. Notwithstanding the intense competition in the office sector in Beijing, we are confident of securing an early anchor tenant before the completion of construction.

Real Estate Development

Property Projects in China

The Group presently has two high-rise residential projects held for development in China, one in Beijing and the other in Dalian. The marketing and construction of both projects were hampered by the outbreak of SARS during March to June of 2003.

The construction of 3 blocks under phase 1 of Scenic Place in XuanWu District, Beijing was completed. As at 31 December 2003, the Group had entered into agreements to sell 421 of the 788 units. Over 200 units have been handed over to the purchasers.

An enhanced plot ratio of 3.5 times, up from 2.74 times, was secured in October 2003. This will enable the construction of an additional 94,000 sqm of gross floor area. The Group is planning to submit a new scheme for the development of the remaining site, which will yield an estimated 297,000 sqm of residential area, 26,000 sqm of serviced apartment, 13,000 sqm of commercial/retail area.

落成後，該大廈將提供符合國際水準之物業管理服務，並將為所有租戶提供一整套完備的增值設備及設施。

為最大限度地吸納國際性的優質租戶，本集團已委任Ascendas Services Pte Ltd.及仲量聯行為代理，以加強本集團之市場推廣力。儘管北京之辦公室租務市場競爭激烈，本集團仍有信心在建築工程完成前尋求具知名度之商戶。

房地產發展

中國物業項目

目前，本集團在中國擁有兩個興建中之高層住宅項目，一個位於北京，一個位於大連。兩個項目之市場推廣及建築工程均因二零零三年三月至六月爆發非典型肺炎而受到影響。

北京宣武區蝶翠華庭第一期三幢樓宇之建築工程已經完成。於二零零三年十二月三十一日，本集團已分別訂立協議出售該項目788個單位中之421個。超過200個單位已交付予買家。

於二零零三年十月，蝶翠華庭項目之地積比率由2.74倍提高至3.5倍，從而使建築工程可額外多建94,000平方米之建築樓面面積。本集團現計劃就餘下工地之發展提出新計劃，使預計之住宅面積提高至297,000平方米、酒店服務式公寓提高至26,000平方米及商業／零售面積提高至13,000平方米。

The marketing of the Dalian project, named The Ninth•ZhongShan, started in May 2003. As at 31 December 2003, the Group had entered into agreements to sell 114 of the 432 elegant apartments. This development is superbly located at the core area of ZhongShan District, which is the central business district of Dalian. The twin-tower, one 30-storey and the other 32-storey, will offer panoramic views of Dalian and its coastline. This project is now expected to be completed by May 2004. Given its prime location, high quality construction and a comprehensive club facility, the Group is confident of selling more units during 2004.

Completed Residential Projects in Hong Kong

The Group faced intense competition and challenging market conditions during the first nine months of the year as it sought to sell down its three completed residential projects in Hong Kong, namely Elite Court in Sai Ying Pun, Harbourview Garden in Kowloon City and Greenery Place in Yuen Long. The capital values of real estate across the board continued to fall during those months of the year, reflecting Hong Kong's problems of record high unemployment, weak economy and poor business sentiments, aggravated by the SARS outbreak. However, market sentiments improved towards the final months of 2003 when the volume of transactions and prices recovered.

During the year, the Group entered into an agreement to sell Laford Centre – an industrial/office building – in Lai Chi Kok. The sale of the Group's 40% shareholding in this non-core asset was completed in July 2003.

大連項目中山九號已於二零零三年五月起展開市場推廣活動。於二零零三年十二月三十一日，本集團已分別訂立協議出售該項目432個高級公寓單位中之114個。該發展項目位於中山區核心地帶，為大連之商業中心區。該兩幢大樓（一幢30層高及另一幢32層高）將提供大連市及沿海怡人之全景。該項目目前預計將於二零零四年五月竣工。因該項目地處黃金地段且建築質量優越，加上建有設備齊全之會所設施，本集團有信心於二零零四年售出更多單位。

香港之已建成住宅項目

於本年首九個月，本集團在出售三個香港之已建成住宅項目（即西營盤之雅賢軒、九龍城之維景雅軒及元朗之翠韻華庭）時，面對激烈競爭及充滿挑戰之市況。由於香港面對失業率高企、經濟疲弱及市況低迷等問題，加上受非典型肺炎影響，房地產資本值於本年度之有關月份繼續全面下跌。然而，隨著二零零三年最後數月交投量及價格回升，市場情況亦因而有所改善。

年內，本集團訂立協議出售位於荔枝角之工業／辦公大樓之勵豐中心。此項本集團擁有40%股權之非核心資產之銷售已於二零零三年七月完成。

Infocomm Technology Services

The Infocomm Technology Group has two main activities:

(a) Enterprise Network Solution Services

The main entity which provides enterprise network solution services to corporations is Nova Network Group (“Nova Network”). Among its principal services include managed hosting, virtual private network, VoIP, video conferencing and lease line services. Headquartered in Shenzhen with offices and data centers in Beijing, Dongguan and Harbin, Nova Network enables enterprises to run their network-related services more efficiently and effectively. Its network solutions help companies with multiple locations in and out of China to reduce their telecommunication costs.

(b) Education and Training Services

There are two entities which offer education and training services. These services are intended to enhance the performance for individuals and corporations. The products include e-learning platform, digital contents, English learning, management and skill sets.

The 8th Network Corporation (“8th Network”) specializes in corporate training to meet the needs of China state-owned enterprises and the small and medium-sized companies. 8th Network works closely with 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.

資訊科技服務

資訊科技部有兩項主要服務：

(a) 企業網絡解決方案服務

為企業提供企業網絡解決方案服務之主要公司為南凌科技集團（「南凌科技」）。該公司所提供之主要服務包括主機託管、虛擬私人網絡、網路語音電話、視像會議及專線租用服務。南凌科技總部設於深圳，並在北京、東莞及哈爾濱設有辦事處及數據中心，協助企業更迅速有效地運作網絡相關服務。南凌科技提供之網絡解決方案，可協助在中國內外多處地點設有辦事處之公司減少通訊成本。

(b) 教育及培訓服務

提供教育及培訓服務之實體有兩個，有關服務旨在提升個人及企業之表現，產品包括電子學習平台、數碼內容、英語學習、管理及技能課程。

The 8th Network Corporation（「8th Network」）專長於企業培訓，滿足中國國有企業及中小型企業之需求。8th Network 與企業客戶緊密合作，釐定其培訓需要，度身訂造培訓計劃，提供合適資源推行計劃及高質素導師，並進行培訓後評估及後續支援。

CC-Edu Group (“CC-Edu”) develops and distributes IT and English language contents and other electronic education-related products for pre-school (kindergarten) to high school students. It also operates an English training center in Shenzhen. CC-Edu has long-term relationship with several provinces in China to supplement their IT text books with customized CD ROM for the students. The exclusive relationship and bundling arrangement are a relatively unique means to distribute digital contents in China. Since early 2003, CC-Edu expanded its digital content business to include English learning. By December 2003, CC-Edu had more than 1,700 students registered in the English training center in Shenzhen.

The performance of the Infocomm Technology Group was hard hit by SARS in April and May 2003. The demand for training services fell materially because group gatherings were disallowed in China. Likewise, enrolment at the English training center tumbled. Fortunately, activities started to be restored gradually in June 2003.

The Infocomm business faced many daunting problems and formidable challenges during the year. To stem the operating losses, certain activities were consolidated and restructured to cut cost and improve efficiency. The one-employee sales office in Shanghai was closed. One major decision taken was the sale of loss-making Beijing Golden Voyage Electronic Technology Co., Ltd.. We are continuing to examine ways to improve performance quickly.

FUTURE PROSPECTS

The Group will pursue profit maximization through improvements in operational efficiencies, stringent cost management and optimal allocation of capital and resources. Our priority is to extract higher returns from our portfolio of assets, especially those which have underperformed due to various constraints.

Going forward, in view of the healthy economic outlook of China and the completion of our two residential projects there from which income can be recognized, we are optimistic that the operating results of 2004 will improve, barring unforeseen circumstances.

CC-Edu集團(「CC-Edu」)開發及推廣學前(幼稚園)至高中生之資訊科技及英語學習課程及其他電子教育相關產品，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。此專有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。二零零三年初開始，CC-Edu將其數碼內容業務拓展至英語學習。至二零零三年十二月為止，CC-Edu於深圳之英語培訓中心共有超過1,700位學生。

於二零零三年四月及五月，資訊科技部之業績表現因爆發非典型肺炎而受到嚴重影響。由於國內禁止小組聚集，培訓服務之需求大幅下降。同樣，英語培訓中心的招生數量亦急劇下降。幸而各類活動已於二零零三年六月開始逐步恢復。

資訊科技業務於年內面對不少難題及挑戰。為遏止營運虧損，若干業務均已整合及重組，以削減成本及改善效益。位於上海之一人制銷售辦事處已關閉，而另一項重大決定為出售產生虧損之北京金海航電子技術有限責任公司。本集團現正繼續尋求從速改善業績之方法。

未來展望

本集團將透過改善營運效率、加強成本管理及妥善分配資金及資源，以賺取最豐厚利益。本集團之首要工作是從資產組合中取得更高回報，特別指該等因不同限制而使表現未如理想之資產。

展望未來，由於中國經濟前景穩健，加上本集團完成國內兩項可確認收入之住宅項目，本集團在撇除不可預見之情況下，對二零零四年之經營業績改善持樂觀態度。