

The Group recorded the pro forma combined net loss of HK\$666,142,000 for the year ended 31 December 2000. A profit of HK\$794 million was recorded for the previous financial year. As a result of the Group's adoption of SSAP 24 of the Hong Kong Society of Accountants in dealing with the accounting of the Groups' holding of shares in TCL International Holdings Limited ("TCL") and given the shares of TCL had been so volatile over the past two years, the profit and loss accounts of the Group were affected dramatically. As disclosed in the Company's financial statement for the year ended 31 December 1999, the closing price of TCL's shares as at 31 December 1999 was HK\$5.45 each and thus resulted in a huge unrealised holding gain for the Group when compared with its book costs of the Group. However, the closing price of TCL's shares as at 31 December 2000 was HK\$1.78 each, the Group had to make an appropriate provision to the profit and loss account for the financial year ended 31 December 2000.

The Group disposed of a total of 80,000,000 shares of TCL at HK\$3.35 on 12 June 2000 by a placement through Cazenove Asia Limited and raised HK\$261 million in net proceeds. Part of the net proceeds was used in repaying major debts of the Group and therefore substantially reduced interest expenses of the Group, consequently the financial situation of the Group has improved significantly. Subsequent to the disposal the Group still holds 100,000,000 shares of TCL.

本集團截至二零零零年十二月三十一日止之年度業績錄得港幣666,142,000元之虧損。上年度同期溢利為7.94億元。因本集團依據香港會計師公會之標準會計準則第24條處理本集團持有之TCL國際控股有限公司(「TCL」)股份，而TCL股份價格於過往兩年之波動較大，所以對本集團之年度損益帳做成重大之影響。按本公司一九九九年十二月三十一日之財政報告所示，TCL於一九九九年年底之收市價為港幣5.45元，與本集團持有TCL之成本對比產生重大之未兌現溢利。然而TCL於二零零零年年底之收市價為港幣1.78元，因此本集團於二零零零年年度之損益帳內亦須作出相應之撥備。

本集團於二零零零年六月十二日透過嘉誠證券有限公司以港幣3.35元之價格配售了共80,000,000股TCL股份，共獲得港幣2.61億元之淨現金所得。部份所得已用作清還本集團之主要負債。除減低龐大利息支出外，本集團之財務狀亦得到重大之改善。本集團目前仍持有100,000,000股TCL股份。

For the year ended 31 December 2000, the Group's cement plant in Vietnam recorded an annual sales of cement of 357,000 tonnes, representing an increase of over 50% as compared to that of last year. The cement plant has almost achieved the breakeven level. Disregarding any depreciation charge, the cement plant has already been able to generate a remarkable cash inflow to the Group. Apart from the award of ISO9002 certificate to the cement plant in May 2000, an obvious increase in domestic demand of cement in Vietnam, especially since the second quarter in year 2000, has also boosted the sales of cement. Thanks to the significant increase in the Vietnamese government's spending on construction projects, such as industrial parks, highways, bridges, residential quarters, drainage and ditches and more generous bank lendings on house building and renovations, demand for cement increase tremendously.

According to Vietnam Union of Cement Producers, the domestic demand of cement in Vietnam was slightly higher than the domestic supply, which are 13.67 million tonnes and 13.65 million tonnes respectively, for the year 2000. The forecasted domestic demand is 15.5 million tonnes for the year 2001. Also, the cement price has shown a slight increase starting from the first quarter of 2001. It is expected that the cement production and sales for the year 2001 of the Group's cement plant is able to reach 550,000 tonnes which is of the original designed full capacity.

截至二零零零年十二月三十一日止之年度，本集團於越南水泥廠之水泥銷售量已增至357,000噸，對比上年度上升超過50%。水泥廠已接近達至收支平衡。除去折舊計算，已可為本集團帶來可觀之現金流入。除本集團於去年5月獲授予ISO9002證書對銷售有所幫助外，越南對水泥之整體需求在去年第二季度亦開始有較明顯之上升。主要因為政府開展一系列之建設，包括興建工業村、公路、橋樑、住宅宿舍及渠務建設等。另外，較寬鬆之銀行借貸政策及利息下調亦令房屋之翻新及修建工程迅速增加。

根據越南水泥生產商聯會之統計，去年全越南水泥之需求已經微超過國內之總生產，分別為1367萬噸及1365萬噸，預計本年之需求為1550萬噸。水泥價格於二零零一年第一季度亦已開始有所上漲。展望二零零一年本集團水泥廠之水泥生產及銷售量均可達致本集團原先設計之基本產量550,000噸。

Though the investment environment of Vietnam is seen to improve as compared to that of the first half of 2000, foreign investments are cautious, instead of active. Leasing situation of the Group's Saigon Trade Center has improved slowly. A 10% increase in leasing rate was recorded as at 31 December 2000 when compared with that as at 30 June 2000. The leasing situation of the Saigon Trade Center is expected to improve at a steady pace.

In conclusion, the Group's 550,000 tonnes cement plant and the 600,000 square feet Saigon Trade Center have now been the main sources of the Group's income and cash flow. In the foreseeable future, the two major investments are expected to improve steadily and bring in profits and significant cash flow to the Group. In view of this expectation, the Group has, through a scheme of arrangement in organizational structure, changed the ultimate holding company of the Group to a company registered in Bermuda, Luks Industrial (Group) Limited on 4 April 2001.

On behalf of the Board of directors, I would like to thank the management and the staff of the Group for their effort and support.

越南之投資環境較二零零零年上半年已有了改善，但外來投資未見活躍，仍然十分謹慎。本集團西貢貿易中心之出租情況於下半年雖有了改善，比對上半年之出租率祇有10%之增長。展望二零零一年西貢貿易中心之出租情況會是穩步的增長。

總括來說，本集團於越南之投資，主要有年產55萬噸的水泥廠及600,000平方呎的商業大廈，現已成為本集團之主要收入及現金來源。展望可見之將來，越南兩項主要投資之業務發展將會有平穩之增長，及為本集團帶來利潤及可觀之現金流入。亦因此，為集團長遠之發展及利益設想，本集團已透過一項架構重組計劃成功於二零零一年四月四日將集團之控股公司改為於一間百慕達註冊成立之公司，陸氏實業(集團)有限公司。

本人謹代表董事局同人向本集團管理人員及全體員工之辛勤努力表示感謝！