

本人欣然提呈泰昇集團控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零零三年三月三十一日止年度之年報。在回顧之年度內，本集團錄得營業額逾1,225,000,000港元（二零零一／零二年：1,500,000,000港元），而股東應佔綜合純利則約為15,500,000港元（二零零一／零二年：19,500,000港元）。

股息

董事局認為應將更多之盈利保留作內部資源。因此，董事局議決不會就截至二零零三年三月三十一日止年度派付末期股息（二零零一／零二年：0.4港仙）。截至二零零二年九月三十日止六個月並無派付中期股息（二零零一／零二年：0.4港仙）。

業務回顧

回顧過去一年，香港經濟仍處於結構轉形及在調整中，失業率繼續上升，通縮持續，市民消費意慾低迷。受到要削減龐大財赤而採取之預算案措施，以及爆發非典型肺炎之影響，政府為減少物業市場供應之九項救市措施，只為市場氣氛帶來短暫刺激。

本集團於一九九零年代中期制定進軍中國，並以上海及天津為重點之策略，有效地將香港經濟低迷對本集團的影響減至最低。經過多年累積之專業知識、市場經驗及聯繫，本集團現時已在中國建立了雄厚之業務根基。現時上海之經濟增長持續強勁，而天津市政府明確支持加快天津之發展，因此，本集團對其業務策略能帶領集團邁向成功充滿信心。

I am pleased to present the annual report of Tysan Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 March 2003. For the year under review, the Group recorded a turnover of over HK\$1,225 million (2001/02: HK\$1,500 million), and a consolidated net profit attributable to shareholders of approximately HK\$15.5 million (2001/02: HK\$19.5 million).

DIVIDEND

The Board considered that more earnings should be retained for internal resources. As such, it was resolved that no recommendation for the payment of a final dividend would be made for the year ended 31 March 2003 (2001/02: 0.4 HK cent). No interim dividend was paid for the six months ended 30 September 2002 (2001/02: 0.4 HK cent).

BUSINESS REVIEW

During the year under review, structural change and consolidation of the Hong Kong economy continued with rising unemployment, continuing deflation and weak sentiment. The government's nine-point package aimed at reducing supply in the property market only sparked a short-lived revival in sentiment, which was dampened by the budgetary measures aimed at reducing the huge budget deficit and the outbreak of SARS.

Our strategic decision back in the mid-1990s in expanding into the PRC, with our major focus in Shanghai and Tianjin, has proven to be valuable in enabling the Group to weather the downward economic cycle in Hong Kong. Our PRC business is now firmly established on a strong foundation built on years of expertise, market experience and connections. With the continued strong growth in Shanghai and the Tianjin municipal government's open support in accelerating the development of Tianjin, we are confident that our business strategy is on the right track to success.

香港市場

地基打樁

地基打樁為本集團在香港之核心業務。於回顧年度，地基業務方面之營業額逾632,000,000港元，而其盈利貢獻淨額則約為32,000,000港元。該部門之合約，來自私人機構的約佔70%，其餘則來自公營部門。本集團在場地勘探工程類別由第一組承建商提升為第二組承建商，使本集團投標工程時可不受金額限制，顯示本集團之能力獲進一步認許。本集團手上之主要合約包括紅磡灣九龍內地段第11110號、海輝道九龍內地段第11158號及馬頭角。本集團亦積極參予政府之學校改善計劃，承建例如拔萃、協恩、喇沙、聖心、聖約瑟、聖瑪利及南島學校等工程。本集團經常對地基部門之營運進行檢討，確保其達致最佳表現，並能夠在目前市況下維持競爭力。

其他建築相關業務

於回顧年度，本集團樓宇建築及機電工程部門之營業額增加至約361,000,000港元，而其對經營溢利之貢獻則增加至約16,000,000港元。儘管建築業市況淡靜，本集團相信該兩個部門將可繼續帶來穩定收益。

本集團之機械租賃及貿易業務，在去年仍然面對重重挑戰。於回顧年度，機械租賃及貿易部門錄得虧損約9,000,000港元。本地塔式吊機市場依然疲弱，然而在機械貿易方面，尤其是與韓國及台灣之貿易，則有一定改善。本集團將繼續縮減其較陳舊機隊之規模，削減成本，並擴展其他建築相關產品業務。

中國市場

物業投資及管理

本集團之投資物業，在天津之天津國際大廈及上海之出租公寓華園及愛都，在本集團提供全面、有效率及細心周到之物業管理服務下，繼續深受歡迎，並持續享有穩定之經常性收入及理想之入住率。在非典型肺炎爆發期間，本集團積極主動，採取額外防護措施，保障租戶之健康及安全。

Hong Kong Market

Foundation Piling

Foundation piling is the Group's core business in Hong Kong. During the year under review, the foundation division recorded a turnover of over HK\$632 million and a net contribution of about HK\$32 million. About 70 per cent. of the division's contracts were from the private sector with the balance from the public sector. Our ability is further recognized with our being upgraded from Group I to Group II contractor under the Ground Investigation Field Works category, which enables us to tender for jobs of unlimited value. Our major contracts on hand include Hunghom Bay KIL11110, Hoi Fai Road KIL11158 and Ma Tau Kok. We have also been active in the government's school improvement programme, undertaking works for schools such as DBS, Heep Yunn, La Salle, Sacred Heart, St. Joseph, St. Mary and South Island School. Our foundation division is constantly being reviewed to ensure that optimal performance and competitiveness are maintained under the current market condition.

Other Construction Related Businesses

During the year under review, the turnover of the Group's building construction and E&M engineering divisions increased to approximately HK\$361 million, whilst their contribution to operating profit increased to approximately HK\$16 million. We believe that the two divisions will continue to generate steady returns despite the lacklustre construction industry.

It has been another challenging year for the Group's machinery hiring and trading business. During the period under review, the machinery leasing and trading arm suffered a loss of about HK\$9 million. While the local tower cranes market remained weak, there has been some improvement in machinery trading particularly with Korea and Taiwan. The Group will continue to downsize its older fleet, reduce its costs and expand into other construction related product lines.

PRC Market

Property Investment and Management

With our comprehensive, efficient and highly personal property management services, the Group's investment properties, namely Tianjin International Building in Tianjin and China Garden and Aidu Apartment in Shanghai, have continued to be popular and enjoyed steady recurrent income and satisfactory occupancy rates. During the SARS outbreak, we have adopted a pro-active approach in implementing additional measures to safeguard the health and well-being of our tenants.

基於上海已確立其身為一個國際都會之地位，而天津市政府又大力支持天津市之發展，本集團對其在兩地之出租公寓之收益及入住率，仍然信心十足。

物業發展

本集團之策略定位是要成為上海一家具一定規模之物業發展商，並專注發展上海之本地住宅市場，這個取向結果非常成功。於回顧年度內，本集團已悉數售清在長寧區之住宅發展項目泰榮苑之所有單位。本集團認為，近期對物業市場過熱之關注，僅涉及上海之高檔住宅市場。由於本集團在普陀區之中價住宅發展項目之對象為當地生活日益豐裕之白領人士，其薪酬水平反映著上海不斷趨升之經濟，因此本集團認為上海物業市場之任何調整將不會對該項目有影響（或只會有輕微影響）。預期本集團位於普陀區之發展項目的第一期工程將於二零零三年底動工，並將於二零零四年下半年開始推出預售。

憑藉本集團在上海發展物業所公認之專業知識及經驗，配合對天津市場之了解及關係，本集團預期將於二零零三年底前落實一項在天津之發展項目。

財務回顧

本集團繼續採取審慎之財務政策及維持穩健之資本結構。於二零零三年三月三十一日，本集團持有現金約達141,000,000港元，而資產總值及資產淨值分別約為1,718,000,000港元及647,000,000港元。營運資金增加75%至二零零三年三月三十一日逾156,000,000港元。

於回顧年度內，鑒於利率偏低，本集團籌得150,000,000港元之三年期銀團貸款，主要用以償還於二零零一年六月所籌得而成本較高之100,000,000港元銀團貸款。此次銀團貸款由中國工商銀行（亞洲）有限公司及法國巴黎銀行安排，受到各銀行歡迎，而更重要者，是顯示了本集團之整體財力及銀行對本集團之信心。

As Shanghai has firmly established itself as a metropolitan city while the Tianjin municipal government is supportive of Tianjin's development, we remain confident of the returns and occupancy of our service apartments in these two cities.

Property Development

The Group's strategy in positioning itself as a respectable property developer in Shanghai with a focus on the domestic residential market has proven to be very successful. During the year under review, all units in Tiffany Court, our residential development in Changning district, were completely sold. We are of the view that the recent concern of an overheated property market is only relevant to Shanghai's high-end residential market. Any correction will thus have little or no effect on our mid-range priced residential development in Putuo, as it will be targeting at the increasingly affluent local white-collars, whose salary levels mirror Shanghai's growing economy. It is expected that development of Phase I of our Putuo project will commence in late 2003 and that pre-sale will commence in the second half of 2004.

Armed with recognised expertise and experience in property development in Shanghai and our market knowledge and connections in Tianjin, the Group expects to land firm on a development project in Tianjin before the end of 2003.

FINANCIAL REVIEW

The Group continues to adopt a prudent financial policy and maintains a healthy capital structure. As at 31 March 2003, the Group's cash on hand amounted to around HK\$141 million, with total assets and net assets amounting to approximately HK\$1,718 million and HK\$647 million respectively. Working capital has improved by 75 per cent. to over HK\$156 million as at 31 March 2003.

During the year under review, the Group, in view of the prevailing relatively low interest rates, had raised a HK\$150 million 3-year term loan mainly to refinance its higher cost HK\$100 million term loan raised in June 2001. The facility, arranged by Industrial and Commercial Bank of China (Asia) Limited and BNP Paribas, was well received and more importantly, signifies the overall financial strength of and the bankers' confidence in the Group.

本集團之借貸淨額由上個財政年度之312,000,000港元減少至二零零三年三月三十一日之約191,000,000港元。總負債與總資產比率維持於32.4%之穩健水平，而去年則為39.8%。

於二零零三年三月三十一日，有關履約保證書之或然負債約為156,000,000港元(二零零一／零二年：195,000,000港元)，而本集團總賬面淨值近256,000,000港元(二零零一／零二年：330,000,000港元)之若干固定資產，已作為本集團若干銀行融資之抵押。本集團之銀行借款大部份以港元為單位，然而本集團亦有為其中國附屬公司安排人民幣貸款融資。人民幣借款之貨幣風險，是以本集團之人民幣資產和中國物業所帶來之收入所對沖。

前景

香港在非典型肺炎爆發後，令原本受經濟困難所引致之缺乏信心情況再受打擊，然而本集團相信危中有機。因非典型肺炎之出現，引起對舊式樓宇之衛生標準及設計方面之關注，以及要求加快舊社區重建及檢討市區規劃之呼聲。本集團之技術專長及在香港建築界之競爭力，不僅令我們可在目前之市況下維持領先優勢，亦令本集團擁有極佳條件，掌握行將出現之商機。

上海經濟增長衝力預期將可持續。在二零零二年，該市本地生產總值以雙位數增長，超越全國之8%水平。上海政府重視商業之取態，其市民一般而言擁有較高質素，加上有妥善規管之營商環境，本集團相信上海仍充滿尚未開發之潛力。本集團以上海中檔住宅市場為目標之策略，讓其在市場佔得空間。本集團非常有信心其日後在上海之項目將會繼續帶來可觀回報。

遠在一九九零年代中期，當本集團踏足天津收購天津國際大廈時，本集團已深信以天津之地理位置優勢，具有發展潛力。吾等認為，市政府公開承諾加快發展天津，將會帶來可觀之商機，可供本集團開拓。

The Group's net borrowings were approximately HK\$191 million as at 31 March 2003, a decrease from HK\$312 million in the preceding financial year. The total liabilities to total assets gearing ratio maintained at a prudent level of 32.4 per cent. as compared with 39.8 per cent. in the previous year.

As at 31 March 2003, there were contingent liabilities of about HK\$156 million (2001/02: HK\$195 million) in relation to guarantees for performance bonds, while certain of the Group's fixed assets with an aggregate net book value of nearly HK\$256 million (2001/02: HK\$330 million) have been pledged to secure certain banking facilities of the Group. The Group's bank borrowings were mostly dominated in Hong Kong dollars but Renminbi loan facilities have also been arranged for its PRC subsidiaries. Currency exposure in the Renminbi borrowings has been hedged by the Group's Renminbi assets and revenue as generated from its PRC properties.

PROSPECTS

The lack of confidence resulting from the economic difficulties in Hong Kong has been further aggravated by the SARS outbreak. Nevertheless, we believe that opportunities are present in every crisis. As a result of SARS, there has been increasing concerns over sanitary standards and design of older buildings, and calls for speedier redevelopment of older communities and review of urban planning. Not only do our technical expertise and our competitiveness in the Hong Kong construction sector enable us to maintain a leading position in the current market situation, we are also well placed to tap the upcoming business opportunities.

The growth in the economy of Shanghai is expected to sustain its momentum. Its double-digit GDP growth in 2002 surpassed the national level of 8 per cent. With the pro-business attitude of its government and generally, its high calibre people and a well-regulated business environment, we believe that Shanghai is still full of unexplored potential. Our strategic decision in targeting the mid-range local residential market in Shanghai has given us a niche in the market. We are confident that our future projects in Shanghai will continue to generate promising returns.

Back in the mid-1990s when we set foot in Tianjin with the acquisition of Tianjin International Building, we were already a believer in the potential of the city, given its geographical location. We are of the view that the municipal government's open pledge in accelerating the development of Tianjin will open up attractive opportunities which we may explore.

本集團看好中國經濟將會持續強勁增長，並希望香港市場會逐漸復甦，而香港經濟將可重回升軌。本集團對將可維持其在香港地產業之領導地位，及同時充分受惠於本集團在中國已穩佔之市場均充滿信心。

聘用及薪酬政策

於二零零三年三月三十一日，本集團，包括其位於香港及中國之所有附屬公司及合營企業，合共聘用約1,000名僱員。本集團之薪酬政策，主要根據現行市場薪金水平及各公司及有關僱員之表現而釐定。本集團亦會提供其他福利，包括公積金、醫療保險及培訓等。此外，僱員並可根據本集團經批准之購股權計劃條款獲授購股權。

致謝及董事局之變動

黎德正先生已辭任本公司執行董事一職，由二零零三年七月八日起榮休。本人謹代表董事局、管理層及員工，就黎先生過往對本集團作出之寶貴貢獻及指導表達由衷謝意，謹祝黎先生退休生活豐盛愉快。

另外，吾等歡迎趙展鴻先生及黃琦先生加入董事局，擔任本公司之執行董事，由二零零三年七月八日起生效。趙先生於一九九四年七月加盟本集團，為本集團地產工程部之執行董事兼總經理。黃先生於一九九六年十月加盟本集團，為本集團中國部之總經理及本集團機電工程部之董事兼總經理。

本人謹代表董事局，對全體員工在過去一年竭誠服務、努力不懈及貢獻良多，致以衷心感謝。吾等亦感謝全體股東對本集團之支持。

承董事局命

張舜堯
主席

香港，二零零三年七月八日

We are optimistic about the continued robust growth of the PRC economy and hope that with time, the Hong Kong market will recover and that Hong Kong will emerge as a healthier economy. We are confident that we will be able to maintain our leading position in the Hong Kong foundation industry and at the same time fully benefit from our niche in the PRC market.

EMPLOYMENT AND REMUNERATION POLICIES

The Group, including its subsidiaries and joint ventures in Hong Kong and the PRC, employed approximately 1,000 employees as at 31 March 2003. The Group's remuneration policies are primarily based on prevailing market wages and the performance of respective companies and individuals concerned. Fringe benefits, including provident fund, medical insurance and training, are provided. In addition, share options may be granted in accordance with the terms of the Group's approved share option scheme.

APPRECIATION AND CHANGE IN THE BOARD OF DIRECTORS

Mr. Henry Lai has retired from his position as executive director of the Company with effect from 8 July 2003. On behalf of the Board, management and staff, I would like to express our heartfelt gratitude to Mr. Lai for his invaluable contribution and guidance to the Group over the years, and would like to wish him a very happy and fruitful retirement.

On the other hand, we would like to extend a warm welcome to Mr. Chiu Chin Hung and Mr. Wong Kay for joining the Board as executive directors of the Company with effect from 8 July 2003. Mr. Chiu joined the Group in July 1994 and is the Executive Director and General Manager of the Group's foundation division. Mr. Wong joined the Group in October 1996 and is the General Manager of the Group's PRC division as well as the Director and General Manager of the Group's E&M division.

On behalf of the Board, I would like to express my sincere gratitude to all our staff for their dedication, hard work and contribution in the past year. We would also like to thank all our shareholders for their support for the Group.

On behalf of the Board

FRANCIS CHEUNG
Chairman

Hong Kong, 8 July 2003