

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF RESULTS 02

			F	C	R THE YEAR	END	ED (31 M	IARCE	H 200
RESULTS				3.	Other revenue and gains					
The Board of Directors is pleased to announce the audited its subsidiaries (the "Group") for the year ended 31 March 200 as follows:-	consolidate 2 together	ed results of the C with the compar	Company and ative figures						2002 HK\$`000	2001 HK\$`000
	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)		Interest income Insurance claims Foreign exchange gains, net Unrealised holding gains on short term Negative goodwill recognised as income				1,261 1,965 166 48 3,794 2,388	1,742 211 712 18 3,793
					Others				9,622	5,128 11,604
TURNOVER Cost of sales		1,500,079 (1,368,308)	981,227 (874,928)		Profit from operating activities				=	
Gross profit		131,771	106,299	4.	The Group's profit from operating activ	ities is arrived at aft-	er charging/(c	rediting):		
Other revenue and gains Selling expenses	3	9,622 (4,856)	11,604 (1,651)						2002	2001
Administrative expenses		(33,717)	(29,867)						HK\$'000	HK\$'000
Surplus/(deficit) arising from revaluation of investment properties		1,440	(48,120)		Goodwill: Amortisation for the year				1,032 4,550	2,249
Provision for impairment of fixed assets Other operating expenses		(10,187) (10,216)	(5,385)		Impairment arising during the year				5,582	2,249
PROFIT FROM OPERATING ACTIVITIES	4	83,857	32,880		Depreciation Gain on disposal of short term listed in	vastmants			94,349	84,528 (131)
Finance costs Share of profits and losses of associates	5	(20,910)	(35,726)		Loss on disposal of an investment proper Dividend income from listed investment	erty			(11)	995
PROFIT/(LOSS) BEFORE TAX		62,939	(2,841)	5.	Finance costs	•			(11)	
Tax	6	(16,733)	(9,094)						2002	2001
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		46,206	(11,935)						HK\$'000	HK\$'000
Minority interests NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		(25,966)	7,662		Interest on bank loans and overdrafts wi Interest on bank loans wholly repayable		in five years		20,958	16,130 4,699
ATTRIBUTABLE TO SHAREHOLDERS		20,240	(4,273)		Interest on other loans Interest on convertible notes				427 —	2,068 4,045
DIVIDENDS	7				Premium on redemption of convertible r Interest on finance leases	otes			1,688	5,093 4,037
Interim Proposed final		2,927 2,927	_		Total interest Less: Interest capitalised				23,073 (2,163)	36,072 (346)
Proposed final		5,854							20,910	35,726
EARNINGS/(LOSS) PER SHARE	8			6.	Tax				_	
Basic	0	2.77 cents	(0.58 cent)		Hong Kong profits tax has been provided Kong during the year. Taxes on profits a applicable tax rates prevailing in the arc	at the rate of 16% (2	2001: 16%) or	the estimated	assessable profits a	rising in Hong
Diluted		N/A	N/A		applicable tax rates prevailing in the are practices in respect thereof.	as in which the Grou	up operates, b	ased on existi	ing legislation, inter	pretations and
Notes:									2002	2001
 Impact of new and revised Hong Kong Statements of Standard According The following recently-issued and revised Hong Kong Statements of Statements of Statements of Statements are effective for the first time for the current year's final forms. 	unting Pract indard Accou	ice nting Practice ("SSA	Ps") and related		B 6				HK\$'000	HK\$'000
 SSAP 9 (Revised): "Events after the balance sheet date" 	ncial stateme	nts:			Provision for tax in respect of profit for People's Republic of China:	the year.			2.550	5.369
 SSAP 14 (Revised): "Leases" SSAP 18 (Revised): "Revenue" 					Hong Kong Elsewhere Underprovision/(overprovision) in prior	vear:			11,166	5,572
 SSAP 26: "Segment reporting" 					People's Republic of China: Hong Kong	year.			(210)	457
 SSAP 28: "Provisions, contingent liabilities and contingent assets SSAP 29: "Intangible assets" 					Elsewhere				(138)	(504)
 SSAP 30: "Business combinations" SSAP 31: "Impairment of assets" 					Deferred tax				3,365	(1,800)
 SSAP 32: "Consolidated financial statements and accounting for 									16,733	9,094
 Interpretation 12: "Business combinations - subsequent adjustment of fair values and goodwill initially reported" Interpretation 13: "Goodwill - continuing requirements for goodwill and negative goodwill previously eliminated 					Dividends					
against/credited to reserves"									2002 HK\$'000	2001 HK\$`000
These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of the SSAP and Interpretation which have had a significant effect on the financial statements, are summarised as follows:					Interim - 0.4 HK cent (2001: Nil) per o	rdinary chara			2,927	HK3 000
SSAP 30 prescribes the accounting treatment for business combinations, including the determination of the date of acquisition, the method for determining the fair values of the assets and liabilities acquired, and the treatment of goodwill					Proposed final - 0.4 HK cent (2001: Nil) per ordinary share			2,927	
acquisition, the method for determining the fair values of the assets and liabilities acquired, and the treatment of goodwill or negative goodwill arising on acquisition. The SSAP requires the disclosure of goodwill arising on acquisition. The SSAP requires the disclosure of goodwill is mortised to the consolidated profit and loss account over its estimated useful life. Negative goodwill is recognised in the consolidated profit and loss account over its estimated useful life. Negative goodwill is recognised in the consolidated profit and one gative goodwill arising from acquisitions in previous years which remains eliminated againstredited to consolidated an egative goodwill arising from acquisitions in previous years which remains eliminated againstredited to consolidated									5,854	_
					The proposed final dividend for the yea general meeting.	r is subject to the ap	proval of the	Company's sl	hareholders at forthe	coming annual
reserves. The adoption of the SSAP and Interpretation has resulted in a prior year adjustment. The prior year adjustment so arising has resulted in negative goodwill previously credited to the capital reserve of HKSS2,933,000 as at 1 April 2001, being restated as the cost of the negative goodwill as at that date. The cumulative amount of negative goodwill that would have been recognised in the consolidated profit and loss account under the new accounting policy, of HKSS3,439,000 as at 1 April 2001, has been restated as the balance of accumulated recognition as income as at					During the year, the Group adopted the revised SSAP 9 "Events after the balance sheet date". The effect of this change in accounting policy as at 31 March 2002, is that the current year's proposed final dividend of HK\$2,927,000 has been included in the proposed final dividend of reserve account within the capital and reserves section of the balance sheet at that date,					
that date.					whereas in previous years it would have been recognised as a current liability at the balance sheet date. 8. Earnings/(loss) per share					
The effect of this change in accounting policy on the consolidated profit and loss account for the current year was to increase the negative goodwill recognised as income by HKSS,794,000. The net amount of negative goodwill recognised as income of HKSS3,439,000 as at 1 April 2001 has been adjusted to the					The calculation of basic carnings/(loss) per share is based on the net profit attributable to shareholders for the year of HK\$20,240,000 (2001: net loss of HK\$4,273,000 as restated) and the weighted average of 731,865,903 (2001: 731,865,903) ordinary shares in issue during the year.					
balance of retained profits as at that date. 2. Segment information					Diluted earnings/(loss) per share has not during these years had an anti-dilutive of	been shown for either	er year as the irnings/(loss)	share options per share for l	and convertible not both years.	es outstanding
(a) Business segments				9.	Reserves					
E&M engineering and Machinery Property					Sh. premi		Statutory	Exchange fluctuation	Retained profits/ (Accumulated	
Foundation building leasing and investment and 1	roperty	rellegated Pliii'	Concelliant		acco HK\$'0	unt reserve	reserves HK\$'000	reserve HK\$'000	losses) HK\$'000	Total HK\$'000
piling construction trading management de 2002 2001 2002 2001 2002 2001 2002 2001 1 HK\$000 HK\$000 HK\$000 HK\$000 HK\$000 HK\$000 HK\$000 HK\$	002 2001 2		01 2002 2001	At	1 April 2000: As previously reported 508,5	577 92,953	3,158	3,691	(11,594)	596,785
					Prior year adjustments:					

(a) Business segme								
	Foundation piling 2002 2001		trading 2002 2001	Property investment and management 2002 2001 HK\$'000 HK\$'000	Property development 2002 2001 HK\$'000 HK\$'000	Unallocated 2002 2001 HK\$'000 HK\$'000	Eliminations 2002 2001 HK\$'000 HK\$'000	Consolidated 2002 2001 HK\$'000 HK\$'000
Segment revenue: Sales to external customers Intersegment sales Total	1,016,791 664,322		24,110 38,450 20,190 11,898 44,300 50,348	91,294 94,097	74,023 65,798 — — — — — — — — — — — — — — — — — — —		(20,850) (12,558)	1,500,079 981,227 — — 1,500,079 981,227
Segment results Interest income Dividend income	75,248 45,702	13,206 19,885	(16,618) (7,004	36,953 (4,500)	8,385 5,353	(34,589) (28,298)	==	82,585 31,138 1,261 1,742 11 —
Profit from operating activities Finance costs Share of profits and losses of associates Profit/(loss) before tax						(8) 5		83,857 32,880 (20,910) (35,726) (8) 5 62,939 (2,841)
Tax Profit/(loss) before minority interests Minority interests								(16,733) (9,094) 46,206 (11,935) (25,966) 7,662
Net profit/(loss) from ordinary activities attributable to shareholders								20,240 (4,273)
(b) Geographical so		g Kong 2001 HK\$'000		where te PRC 2001 HK\$'000	Unall 2002 HK\$`000	ocated 2001 HK\$`000	Co: 2002 HK\$'000	
Segment revenue: Sales to external customers Segment results	71,027	825,188 56,083	46,147	3,353	(34,589)	(28,298)	1,500,079 82,585	

	Share premium account HK\$'000	Capital reserve HK\$'000	Statutory reserves HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000	Total HK\$`000	i
At 1 April 2000:							f
As previously reported Prior year adjustments: SSAP 30 - restatement to non-current assets section of consolidated balance sheet of negative goodwill on acquisition of	508,577	92,953	3,158	3,691	(11,594)	596,785	S S S S S S S S S S S S S S S S S S S
subsidiaries	_	(92,953)	_	_	49,646	(43,307)	c
As restated	508,577		3,158	3,691	38,052	553,478	I
Exchange realignments Net loss for the year (as restated)	_	_	_	(520)	(4,273)	(520) (4,273)	A
At 31 March 2001	508,577	\equiv	3,158	3,171	33,779	548,685	a
At 1 April 2001:							I
As previously reported Prior year adjustments: SSAP 30 - restatement to non-current assets section of consolidated	508,577	92,953	3,158	3,171	(19,660)	588,199	1
balance sheet of negative goodwill on acquisition of subsidiaries		(02.052)			52 420	(39,514)	I N S
		(92,953)			53,439		7
As restated	508,577	_	3,158	3,171	33,779	548,685	A
Exchange realignments	_	_	_	549		549	F
Net profit for the year Interim dividend	_	_	_	_	20,240 (2,927)	20,240 (2,927)	I
Proposed final dividend	_	_	_	_	(2,927)	(2,927)	I
Transfer from retained profits			240		(240)		Î
At 31 March 2002	508,577		3,398	3,720	47,925	563,620	4
DIVIDEND							F
The Board has resolved	to declare a	final divid	dend of 0.4	HK cent (2000/01: Nil) per	share to	

The Board has resolved to declare a final dividend of 0.4 HK cent (2000/01: Nil) per share to shareholders whose names appear on the Company's register of members on the close of 28 August, 2002. The final dividend will be paid on or before 6 September, 2002. This, together with the interim dividend of 0.4 HK cent (2000/01: Nil) per share already paid to shareholders on 18 January 2002, will bring the year's total dividend to 0.8 HK cent.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 21 August 2002 to 28 August 2002, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tengis Limited, at 4F Hutchison House, 10 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on 20 August 2002. BUSINESS REVIEW

For the year under review, the Group recorded a turnover of HK\$1,500 million, representing ar increase of 53 per cent. (2001: HK\$981 million), and a consolidated net profit attributable to shareholders of HK\$20.2 million, a healthy turnaround as compared to a loss of HK\$4.3 million last year.

Hong Kong Market Hong Kong Market

Hong Kong's economy is going through a fundamental structural change and many industries are in the stage of adjustment and consolidation. Companies downsizing and restructuring exercise have seriously affected the labour market and unemployment rate has surged from 4.4% at the end of 2000 to a recent high of 7.4%. The 10-month freeze of the Home Ownership Scheme flats since September 2001 and the sluggish property market have undoubtedly cast extra burden to the construction sector. Against such a bleak backdrop, the Group still managed to make a profit for the year under review. Foundation Piling

Foundation Filing

Foundation Piling is the Group's core business in Hong Kong. During the year under review, turnover of the foundation division was HK\$1,017 million while net contribution amounted to over HK\$75 million. Approximately 30% of the Group's contracts during the year under review were from the public sector while the remaining were from the private sector. The Group's major contracts on hand include, inter alia, Hong Kong Housing Authority's project in Fanling Area 36 Phases 3 and 4 and Lei Muk Shue Estate Phase 4. In view of the prolonged downturn of Hong Kong's economy, the Group has taken corresponding measures to safeguard its competitiveness in the market.

taken corresponding measures to sateguard its competitiveness in the market.

Other Construction Related Sectors

During the year under review, the turnover of the Group's electrical and mechanical division and building division increased by 1.5 times to HKS295 million while operating profit amounted to HKS13 million. With the flexibility in their operating structure, the Group still expects stable and profitable returns from the divisions despite a dull setting of the property market.

It has been another harrowing year for the tower cranes market and the prospect for recovery remains remote. As a result, the Group's machinery hiring and trading arm still suffered a loss. For the period under review, the Group has written down the value of its tower cranes by HK\$10.2 million. As planned, the Group has started to downsize its fleet of tower cranes, reduce costs and expand into other construction equipment product lines.

The Group's principal activities in the PRC comprises property investment and development in Shanghai and Tianjin, both of which are municipalities directly under the Central Government.

Property Development The Group continues to concentrate to position itself as a medium size developer in Shanghai with major focus in the domestic residential market. The pre-sale of the Group's domestic residential development project in Changning, Shanghai — Tiffany Court has been very successful and 80% of the units have been sold. As planned, the project will be completed in December 2002 and majority of the profit will be reflected in the financial year ending 31 March 2003. To further capture the fast growing property market, the Group has just secured a site in Shanghai's Putuo area for the development of a 180,000 sqm residential complex. It is expected Phase 1 of the project will commence early next year while pre-sale is expected to be in early 2004.

Property Investment

Tianjin is among one of the top percentage GDP growth cities in China. The city has attracted more new players in recent years which signify opportunities and competition. In order to maintain its leading position, the Group has just renovated Tianjin International Building's main lobby with state of the art design. The feedbacks from the tenants, who are mostly banks and multinational firms, were overwhelming. Applying the same management concept, the Group's service apartments in Shanghai, China Garden and Aidu, are also being constantly upgraded. As a result, the Group's investment properties in Shanghai and Tianjin have continued to enjoy steady recurrent income and satisfactory occupancy rates.

FINANCIAL REVIEW

FINANCIAL REVIEW

The Group continues to adopt a prudent financing policy and sustain a sound capital structure. As at 31 March 2002, the Group's cash on hand amounted to HK\$159 million while total assets and net assets were approximately HK\$1,863 million and HK\$640 million respectively. Working capital has further improved by about 1.5 times to HK\$94 million as at 31 March 2002.

The Group's net borrowings were HK\$312 million as compared to HK\$284 million in the previous period while total liabilities to total assets gearing ratio maintained at the prudent level of 39.6 per cent. as compared to 35.4 per cent. last year. As at 31 March 2002, contingent liabilities were HK\$195 million in relation to guarantees of performance bonds while certain of the Group's fixed assets with a book value of approximately HK\$330 million have been pledged to secure certain banking facilities of the Group. The Group's bank borrowings were mostly denominated in Hong Kong dollars but Renminibi loan facilities have also been arranged for its PRC subsidiaries. Currency exposure in the Renminib borrowings has been hedged by the Group's Renminibi assets and revenue as generated by its PRC properties.

PROSPECTS After a decade of frenzied growth, Hong Kong's property sector is thrown into one of its worst downturns. Although it still plays a major role in Hong Kong's economic matrix, it is apparent that its overall influence on the economic environment is incomparable to its good old days and any recovery will be gradual. Despite the government's recent resumption of the sale of Home Ownership Scheme flats and its proactive support in infrastructure projects, the impact has been sporadic and a recovery of the construction industry is unlikely to take root until a medium term. To remain competitive, the Group will continue to strengthen its operation efficiency and technical expertise to ensure optimum performance. Shangha's economy has followed an express track in recent years and is expected to continue with such momentum. It has demonstrated itself as a vibrant, colourful metropolitan city which is catching the stepting of enterprises and investors all over the world. Besides being the most densely nounled city.

such momentum. It has demonstrated itself as a viorant, colourful metropolitan city winch is catching that attention of enterprises and investors all over the world. Besides being the most densely populated city in the PRC, its GDP is also among the highest in the country. With such assets together with its well regulated real estate market, fast developing infrastructure network and affordable mortgages, the potential of Shanghai's property market is immense. To capture such opportunities, the Groups' strategy is to invest more of its resources in this promising city.

All in all, the Group is of the view that Hong Kong is its base camp and will remain as the key player of the Group's turnover in the short run. Thus, the Group will strive to sustain its leading position in the foundation market. Shanghai, on the other hand, is the Group's growth driver. With the PRC's entry into WTO, the rules of the game will be amended and many foreign firms will come into play to tap this oasis. Since the Group hand already built a foothold in the PRC, its market knowledge and experience will definitely be its competitive edge.

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 2002. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Fringe benefits which include provident fund, medical insurance and training are provided. In addition, share options may also be granted in accordance to the terms of the Group's approved share option scheme.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to all our staff for their dedication, hard work and contribution especially during such challenging period. In addition, we would also like to thank all our shareholders for their support of the Group.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of the Stock Exchange of Hong Kong throughout the year ended 31 March 2002, except that the independent non-executive directors of the Company were not appointed for specific terms as required by paragraph 7 of the Code. Independent non-executive directors are subject to retirement by rotation and re-election at the annual general meeting of the Company, in accordance with the provisions of the Company's bye-laws. AUDIT COMMITTEE The Group's Audit Committee has reviewed with management the accounting principles

practices adopted by the Group and discussed the auditing, internal control and financial reporting matters including the review of the Group's audited results for the year ended 31 March 2002.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

A detailed results announcement containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange's website in due course.

On behalf of the Board CHEUNG FRANCIS Chairman

By Order of the Board Chan Kit Yan Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Marina Room II, 2nd Floor, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong at 4:00 p.m. on Wednesday, 28 August 2002 for the following purposes:

- To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2002.
- To approve final dividend for the year ended 31 March 2002. To re-elect retiring Director and authorize the Board of Directors to fix the remuneration of the Directors.
- To re-appoint Messrs. Ernst & Young as Auditors for the ensuing year and authorize the Directors to fix their remuneration.
 - To consider and, if thought fit, pass with or without modification, the following proposed resolutions as ordinary resolutions by way of special business:
 - A. To grant a general mandate to the Directors to repurchase fully paid up issued shares of the Company up to 10% of the aggregate nominal amount of the share capital of the Company in
- To grant a general mandate to the Directors to allot, issue, grant and deal with shares and escurities of the Company up to a maximum of 20% of the aggregate nominal amount of share capital of the Company in issue;
- Conditional upon the passing of Resolution 5A and without prejudice to the authority granted by Resolution 5B, to grant an additional mandate to the Directors to allot, issue, grant and deal with additional securities of the Company up to the aggregate nominal amount of securities repurchased by the Company pursuant to the mandate granted under Resolution 5A;
- D. To approve and adopt new share option scheme; and
- Conditional upon the unconditional passing of Resolution 5D, to terminate the existing share option scheme.
- To consider and, if thought fit, pass the following proposed resolution as a Special Resolution by way of special business:-
- "THAT "泰昇集廟有限公司" be adopted as the Company's Chinese name for the purpose of the Company's registration in Hong Kong."

Hong Kong, 5 July 2002

Hong Kong, 5 July 2002

- Any member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's principal office in Hong Kong at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.