TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code : 687)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

For the six months ended 30 September 2009, the Group achieved a profit attributable to equity holders of the Company of HK$192 million (30 September 2008: HK$298 million), representing HK$0.23 per share while turnover amounted to HK$1,069 million (30 September 2008: HK$1,993 million).

Hong Kong Market

Foundation Piling

After achieving a record turnover and profit of HK$740 million and HK$97 million respectively in the last corresponding period, the Group's foundation division recorded a healthy turnover and profit of HK$439 million and HK$47 million for the period under review. Since major infrastructure projects will gradually come into play next year, the Group expects the foundation division to perform well in the second half of the financial year. The Group's major contracts on hand include, inter alia, Chinese University's student hostel site B, City University's Academic and Administration Building, Housing Authority's project at Sai Chuen Road and the second contract awarded from Nan Fung's joint venture project in Pak Shek Kok.

Other Construction Related Sectors

During the period under review, the combined turnover and contribution of the Group's electrical and mechanical engineering division and building construction division were HK$23 million and HK$2 million respectively. As for machinery leasing and trading division, its turnover and profit were HK$10 million and HK$1 million respectively. Though competition in the market remains strong, the Group continues to expect the divisions to achieve profitable returns.

China Market

Property development and investment

For the period under review, the Group recognized revenues and profit of HK$545 million and HK$302 million respectively from its residential project in Shanghai, The Waterfront. In addition to the existing Metro Lines 3 and 4, the new Metro line 7 has just opened to fully reflect The Waterfront's unique feature of direct access to the Metro station. The Group has launched the presale of its lowrise units in November 2009 and has received overwhelming response.

The Group will launch the pre-sale of The Riverside, a residential development along Haihe in Tianjin, comprising six 30-storey towers with a total GFA of approximately 75,000 sqm, in 2010.

The Group's site in Shenyang, located at Huanggu District with a total GFA of approximately 165,000 sqm, is still in the planning stage and is intended to be developed into a quality residential and commercial complex.

During the period under review, the Group's investment properties in Shanghai and Tianjin have continued to enjoy steady recurrent income and satisfactory occupancy rates. Turnover of the property investment division amounted to HK$52 million while contribution to profit (after excluding revaluation and sale of investment properties) amounted to HK$18 million as compared to HK$24 million in the last corresponding period. For the period under review, several units of Aidu service apartment were sold and achieved a profit of HK$6 million.

Prospects

With the stabilization of the global economy and China's stimulus measures, Hong Kong's economy has also undergone a rebound. With the government's implementation of massive infrastructure projects, the outlook of the foundation industry is promising. It is expected that the upcoming foundation works for infrastructure projects from both the public and private sectors will amount to HK$4 billion to 5 billion. Being the leader in the industry, the Group is confident to benefit from the coming opportunities.

Property prices have a strong correlation with income and there is great variance in income between major cities and suburb areas in China. Thus, the performance of property market will vary according to different market segments and by cities. It is apparent that China's stimulus and lending efforts have fueled the stock and property markets and any drastic change in policies may lead to large fluctuations. However, the Group believes that the property market will remain as China's main economic engine and any new tightening policies to be enacted will likely to be mild rather than radical. All in all, the Group is confident in the long term prospect of China's property market and will continue to take the position as boutique developer focusing on mid to high end developments.

Financial Review

The Group continues to adopt a prudent financial policy and maintains a sound capital structure with healthy cashflow. As at 30 September 2009, the Group's cash on hand amounted to about HK$880 million (31 March 2009: HK$279 million) while total assets and net assets (after deducting minority interests) were approximately HK$4,149 million (31 March 2009: HK$3,626 million) and HK$1,392 million (31 March 2009: HK$1,211 million) respectively. As at 30 September 2009, the Group's working capital amounted to HK$429 million (31 March 2009: HK$281 million).

Due to substantial cash received from the sale of The Waterfront, as at 30 September 2009, the Group did not have any net debt gearing and recorded a net cash balance of HK$244 million. As at 31 March 2009, net borrowings and net debt to equity (including minority interests) gearing ratio were HK$361 million and 19% respectively. Contingent liabilities in relation to guarantees in respect of performance bonds decreased from HK$154 million as at 31 March 2009 to HK$86 million as at 30 September 2009. The Group has pledged certain of its assets with an aggregate book value of about HK$423 million to secure certain banking facilities of the Group. The Group's bank borrowings were denominated either in Hong Kong dollars or Renminbi. The currency exposure in the Renminbi borrowings has been hedged by the Group's Renminbi assets and revenue as generated from its PRC properties.

Employment and Remuneration Policies

The Group, including its subsidiaries and joint ventures in Hong Kong and the PRC, employed approximately 1,280 employees as at 30 September 2009. 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 include provident fund, medical insurance and training. In addition, share options may also be granted in accordance with the terms of the Group's approved share option scheme.

Interim Dividend

The Board has resolved to declare an interim dividend of HK1.5 cents (2008: HK1 cent) per ordinary share for the six months ended 30 September 2009. The interim dividend will be payable on 15 January 2010 to shareholders whose names appear on the Company's register of members on 31 December 2009.

Closure of Register of Members

The register of members of the Company will be closed from Tuesday, 29 December 2009 to Thursday, 31 December, 2009, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for entitlement to the interim dividend for the six months ended 30 September 2009, all transfers for shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged for registration with the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 28 December 2009.

Consolidated Income Statement

		Six months ended 30 September	
		2009	2008
	Notes	**HK$'000**	HK$'000
		Unaudited	*Unaudited*
REVENUE	2	**1,068,574**	1,992,588
Cost of sales		**(694,162)**	(1,366,245)
Gross profit		**374,412**	626,343
Other income and gains	3	**13,026**	9,656
Selling expenses		**(6,149)**	(10,235)
Administrative expenses		**(18,549)**	(23,890)
Changes in fair value of investment properties		**57,544**	(26,970)
Other expenses, net		**(1,480)**	(6,535)
Finance costs		**(6,594)**	(11,574)
Share of results of associates		**(220)**	—
PROFIT BEFORE TAX	4	**411,990**	556,795
Tax	5	**(157,387)**	(200,821)
PROFIT FOR THE PERIOD		**254,603**	355,974
Profit attributable to:			
Equity holders of the Company		**192,183**	298,321
Minority interests		**62,420**	57,653
		254,603	355,974
DIVIDEND	6	**12,588**	8,382
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		**22.92** cents	35.61 cents
Diluted		**22.85** cents	35.59 cents

Consolidated Statement of Comprehensive Income

	Six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
	Unaudited	*Unaudited*
PROFIT FOR THE PERIOD	**254,603**	355,974
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations, net of tax	**2,459**	35,398
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**257,062**	391,372
Total comprehensive income attributable to:		
Equity holders of the Company	**191,598**	321,391
Minority interests	**65,464**	69,981
	257,062	391,372

Consolidated Statement of Financial Position

	Notes	**As at 30 September 2009 HK$'000 *Unaudited***	As at 31 March 2009 HK$'000 *Audited*
NON-CURRENT ASSETS			
Property, plant and equipment	8	**168,742**	176,339
Investment properties		**1,259,400**	1,206,160
Prepaid land lease payments		**102,176**	103,566
Properties under development		**324,652**	309,862
Deposit paid for land acquisition		**349,204**	348,835
Interests in associates		**19,135**	—
Other assets		**1,000**	1,000
Deferred tax assets		**44,128**	29,051
Total non-current assets		**2,268,437**	2,174,813
CURRENT ASSETS			
Property under development		**237,659**	270,374
Equity investments at fair value through profit or loss		**3,856**	2,501
Inventories		**27,781**	31,283
Properties held for sale		**328,235**	473,876
Amounts due from customers for contract works		**68,676**	53,818
Trade receivables	9	**294,699**	300,165
Other receivables, prepayments and deposits		**31,696**	33,739
Tax prepaid		**7,948**	7,035
Time deposits		**331,104**	96,477
Restricted cash		**136,164**	56,675
Cash and bank balances		**412,430**	125,416
Total current assets		**1,880,248**	1,451,359
CURRENT LIABILITIES			
Trade payables and accruals	10	**405,122**	406,904
Other payables, deposits received and receipts in advance		**55,614**	55,304
Amounts due to customers for contract works		**108,420**	132,106
Deposits received		**188,502**	34,853
Interest-bearing bank borrowings		**414,301**	396,851
Tax payable		**279,759**	144,464
Total current liabilities		**1,451,718**	1,170,482
NET CURRENT ASSETS		**428,530**	280,877
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,696,967**	2,455,690

Consolidated Statement of Financial Position (Continued)

	Notes	**As at 30 September 2009 HK$'000 *Unaudited***	As at 31 March 2009 HK$'000 *Audited*
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,696,967**	2,455,690
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**221,785**	242,579
Loan from an associate		**24,560**	—
Deferred tax liabilities		**299,756**	278,419
Total non-current liabilities		**546,101**	520,998
Net assets		**2,150,866**	1,934,692
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	11	**83,921**	83,821
Reserves		**1,308,363**	1,127,257
		1,392,284	1,211,078
Minority interests		**758,582**	723,614
Total equity		**2,150,866**	1,934,692

Notes to Unaudited Interim Financial Statements

1. Basis of preparation and accounting policies

The unaudited interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and should be read in conjunction with the annual financial statements for the year ended 31 March 2009.

The accounting policies used in the preparation of the unaudited interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 March 2009.

During this period, the Group has applied for the first time a number of new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for accounting periods commencing on or after 1 April 2009.

HKAS 1 (Revised) "Presentation of Financial Statements" introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

HKFRS 8 "Operating Segments", which replaces HKAS 14 "Segment Reporting", specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined under HKFRS 8 are the same as the business segments previously determined in accordance with HKAS 14.

The adoption of the new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current and prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early adopted any new accounting and financial reporting standards, amendments to existing standards and interpretations which have been issued but are not yet effective.

The unaudited interim financial statements were approved and authorised for issue by the board of directors on 10 December 2009.

2. Segment information

The Group's businesses are structured and managed separately according to the nature of their operations and the products and services they provided. Operating segments are reported in a manner consistent with internal reporting to the Company's key management personnel.

	Foundation piling 2009 HK$'000	E&M engineering and building construction 2009 HK$'000	Machinery hiring and trading 2009 HK$'000	Property investment and management 2009 HK$'000	Property development 2009 HK$'000	Unallocated 2009 HK$'000	Eliminations 2009 HK$'000	Consolidated 2009 HK$'000
Segment revenue:								
Sales to external customers	439,006	22,672	10,206	51,644	545,046	—	—	1,068,574
Intersegment sales	—	—	8	—	—	—	(8)	—
Total	439,006	22,672	10,214	51,644	545,046	—	(8)	1,068,574
Segment results	47,017	2,459	1,151	82,103	302,093	(16,282)	—	418,541
Interest income								171
Dividend income from listed investments								92
Finance costs								(6,594)
Share of results of associates								(220)
Profit before tax								411,990
Tax								(157,387)
Profit for the period								254,603

2. Segment information (Continued)

	Foundation piling 2008 HK$'000	E&M engineering and building construction 2008 HK$'000	Machinery hiring and trading 2008 HK$'000	Property investment and management 2008 HK$'000	Property development 2008 HK$'000	Unallocated 2008 HK$'000	Eliminations 2008 HK$'000	Consolidated 2008 HK$'000
Segment revenue:								
Sales to external customers	739,975	94,077	7,838	52,371	1,098,327	—	—	1,992,588
Intersegment sales	103	78,055	771	—	—	—	(78,929)	—
Total	740,078	172,132	8,609	52,371	1,098,327	—	(78,929)	1,992,588
Segment results	97,367	16,307	(259)	(2,690)	486,155	(29,831)	—	567,049
Interest income								1,047
Dividend income from listed investments								273
Finance costs								(11,574)
Profit before tax								556,795
Tax								(200,821)
Profit for the period								355,974

3. Other income and gains

	Six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
Interest income	**171**	1,048
Insurance claims	**—**	1,716
Fair value gains on equity investments at fair value through profit or loss, net	**1,355**	—
Gain on disposal of investment properties	**6,156**	—
Gain on disposal of items of property, plant and equipment	**1,380**	1,390
Gain on disposal of interests in subsidiaries	**155**	410
Write-back of impairment of trade receivables	**—**	151
Foreign exchange gains, net	**—**	280
Subsidy income *	**2,468**	2,962
Others	**1,341**	1,699
	13,026	9,656

* There are no unfulfilled conditions or contingencies relating to this income

4. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
Depreciation	**23,029**	25,240
Recognition of prepaid land lease payments	**1,390**	1,390
Fair value (gains)/losses on equity investments at fair value through profit or loss, net	**(1,355)**	4,199
Gain on disposal of investment properties	**(6,156)**	—
Gain on disposal of items of property, plant and equipment	**(1,380)**	(1,390)
Gain on disposal of interests in subsidiaries	**(155)**	(410)
Impairment/(write-back of impairment) of trade receivables, net	**140**	(151)
Interest expenses	**7,461**	13,169
Less : Interest capitalized in properties under development	**(867)**	(1,595)
	6,594	11,574

5. Tax

	Six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
Provision for tax in respect of profit for the period:		
PRC:		
Hong Kong	**4,864**	7,139
Elsewhere	**147,535**	197,847
Overprovision in prior period:		
PRC:		
Hong Kong	**—**	(2)
Elsewhere	**(936)**	(1)
	151,463	204,983
Deferred tax charge/(credit) for the period	**5,924**	(4,162)
	157,387	200,821

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere in the People's Republic of China have been calculated at the applicable tax rates prevailing in the areas in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

6. Dividend

	Six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
Interim dividend HK1.5 cents (2008: HK1 cent) per ordinary share	**12,588**	8,382

Notes:

(a) A final dividend of HK1.5 cents per ordinary share, totally approximately HK$12,573,000 for the year ended 31 March 2009 was approved in the Company's Annual General Meeting on 4 August 2009 and paid on 20 August 2009.

(b) An interim dividend in respect of six months ended 30 September 2009 of HK1.5 cents per ordinary share, amounting to HK$12,588,000 was approved at the board meeting on 10 December 2009. The interim dividend has not been recognised as a liability in the consolidated interim financial statements.

7. Earnings per share

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company of HK$192,183,000 (2008: HK$298,321,000), and the weighted average number of 838,532,843 (2008: 837,646,231) ordinary shares in issue during the period.

The calculation of the diluted earnings per share amount for the period ended 30 September 2009 is based on the profit for the period attributable to ordinary equity holders of the Company of HK$192,183,000. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options into ordinary shares during the year of 2,669,386.

8. Property, plant and equipment

During the period, the Group acquired assets with a cost of HK$15,577,000 (2008: HK$29,936,000) to expand its business. Assets with a net book value of HK$124,000 were disposed of by the Group during the six months ended 30 September 2009 (2008: HK$1,531,000) resulting in a net gain on disposal of HK$1,380,000 (2008: HK$1,390,000).

9. Trade receivables

The Group has established credit policies that follow local industry standards. The average normal credit periods offered to trade customers other than for retention receivables are within 90 days, and are subject to periodic review by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

	As at 30 September 2009 HK$'000	As at 31 March 2009 HK$'000
Trade receivables	**294,872**	300,993
Impairment	**(173)**	(828)
	294,699	300,165

9. Trade receivables (Continued)

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date and net of provision, is as follows:

	As at 30 September 2009 HK$'000	As at 31 March 2009 HK$'000
Trade receivables:		
Within 90 days	**188,472**	173,752
91 to 180 days	**287**	245
181 to 360 days	**95**	2,077
Over 360 days	**64**	117
	188,918	176,191
Retention receivables	**105,781**	123,974
	294,699	300,165

Included in the trade receivables are amounts due from associates of HK$1,472,782 (31 March 2009: nil), which are repayable on similar credit terms to those offered to the major customers of the Group.

10. Trade payables and accruals

	As at 30 September 2009 HK$'000	As at 31 March 2009 HK$'000
Trade payables:		
Within 30 days	**207,498**	205,260
31 to 90 days	**604**	1,398
91 to 180 days	**116**	8,071
Over 180 days	**10,681**	4,550
	218,899	219,279
Retention payables	**83,559**	90,728
Accruals	**102,664**	96,897
	405,122	406,904

Included in the trade payables are amounts due to associates of HK$1,785,542 (31 March 2009: nil), which are of similar credit terms to those offered by the associates to their major customers.

11. Share capital

	As at 30 September 2009 HK$'000	As at 31 March 2009 HK$'000
Authorised:		
2,000,000,000 ordinary shares of HK$0.10 each	**200,000**	200,000
Issued and fully paid:		
At 1 April 2009: 838,215,903 ordinary shares of HK$0.10 each	**83,821**	83,746
Issue of 1,000,000 shares under a share option scheme	**100**	75
At 30 September 2009: 839,215,903 ordinary shares	**83,921**	83,821

During the period ended 30 September 2009, share options were exercised resulting in 1,000,000 shares (2008: 750,000) being issued, with exercise proceeds of HK$820,000 (2008: HK$615,000).

12. Contingent liabilities

	As at 30 September 2009 HK$'000	As at 31 March 2009 HK$'000
Guarantees in respect of performance bonds	**86,405**	154,041

13. Commitments

	As at 30 September 2009 HK$'000	As at 31 March 2009 HK$'000
(a) Capital expenditure		
Authorised, but not contracted for	**9,726**	9,479
Contracted, but not provided for	**17,221**	23,446
	26,947	32,925
(b) Commitments under non-cancellable operating leases for land and buildings to make payments:		
Within one year	**8,953**	9,284
In the second to fifth years, inclusive	**7,090**	3,872
	16,043	13,156

In addition, the Group had contracted, but not provided for, commitments in respect of construction works relating to properties under development amounting to HK$213,251,000 as at 30 September 2009 (31 March 2009: HK$257,382,000).

14. Related party transactions

For the six months ended 30 September 2009, compensation to key management personnel of the Group amounted to HK$13,420,000 (2008: HK$13,935,000).

Corporate Governance

During the period under review, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") save for the following deviations:

Code Provision A4.1 stipulates that non-executive directors should be appointed for a specific term subject to re-election.

The independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. As such, the Board is of the view that the non-executive directors of the Company need not be appointed for a specific term.

Code Provision A4.2 stipulates every director should be subject to retirement by rotation at least once every three years.

According to the Bye-laws of the Company, at each annual general meeting, one third of the directors shall retire from office by rotation provided that notwithstanding anything therein. The chairman of the Board and the managing director of the Company shall not be subject to retirement by rotation or taken into account in determining the number of directors to retire. As continuation is a key factor to the successful long term implementation of business plans, the Board believes that the roles of the chairman and the managing director provide the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategy. As such, the Board is of the view that the chairman of the Board and the managing director of the Company should not be subject to retirement by rotation.

Audit Committee

The Group's audit committee comprises three members, Mr. Fan Chor Ho Paul, Mr. Tse Man Bun and Mr. Lung Chee Ming George who are independent non-executive directors of the Company. The Chairman of the Audit Committee is Mr. Fan Chor Ho Paul.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Company, nominate and monitor external auditors and provide advice and comments to the directors.

The unaudited interim financial statements of the Group for the six months ended 30 September 2009 have been reviewed by the Audit Committee.

Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules. Having made specific enquiries, all Directors confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions during the period under review.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period.

By Order of the Board
Tysan Holdings Limited
Francis Cheung
Chairman

Hong Kong, 10 December 2009

As at the date of this announcement, the executive Directors of the Company are Mr. Francis Cheung, Mr. Fung Chiu Chak, Victor, Mr. David Chien, Miss Jennifer Kwok, Mr. Chiu Chin Hung and Mr. Wong Kay; and the independent non-executive Directors of the Company are Mr. Fan Chor Ho, Paul, Mr. Tse Man Bun and Mr. Lung Chee Ming, George.

Company website: www.tysan.com