

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code : 687)

### ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2016

The board of directors (the “Board”) of Tysan Holdings Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2016 together with the comparative figures for the year ended 31 March 2015 as follows:

#### Consolidated Statement of Profit or Loss

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>REVENUE</b>	2	<b>4,057,316</b>	4,836,413
Cost of sales		<u>(3,132,343)</u>	<u>(3,977,313)</u>
Gross profit		<b>924,973</b>	859,100
Other income and gains, net	3	<b>146,411</b>	42,319
Selling expenses		<b>(50,767)</b>	(42,431)
Administrative expenses		<b>(54,627)</b>	(46,889)
Changes in fair value of investment properties		<b>32,390</b>	33,121
Other expenses, net		<b>(35,047)</b>	(7,303)
Finance costs	4	<b>(11,496)</b>	(14,706)
<b>PROFIT BEFORE TAX</b>	5	<b>951,837</b>	823,211
Income tax expense	6	<b>(439,329)</b>	(317,045)
<b>PROFIT FOR THE YEAR</b>		<b><u>512,508</u></b>	<u>506,166</u>
Attributable to:			
Ordinary equity holders of the Company		<b>396,874</b>	399,394
Non-controlling interests		<b>115,634</b>	106,772
		<b><u>512,508</u></b>	<u>506,166</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	8		
Basic		<b><u>HK45.37 cents</u></b>	<u>HK45.66 cents</u>
Diluted		<b><u>N/A</u></b>	<u>N/A</u>

## Consolidated Statement of Comprehensive Income

	<b>2016</b>	2015
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>512,508</b>	506,166
<b>OTHER COMPREHENSIVE INCOME/(EXPENSES)</b>		
Other comprehensive income/(expenses) to be reclassified to profit or loss in subsequent periods:		
Exchange difference on translation of foreign operations	(107,381)	851
Release of exchange difference upon disposal of subsidiaries	(36,527)	—
Release of exchange difference upon liquidation of a subsidiary	(500)	(7,492)
	<hr/>	<hr/>
<b>OTHER COMPREHENSIVE EXPENSES FOR THE YEAR, NET OF TAX</b>	<b>(144,408)</b>	(6,641)
	<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>368,100</b>	499,525
	<hr/> <hr/>	<hr/> <hr/>
Attributable to:		
Ordinary equity holders of the Company	252,466	394,550
Non-controlling interests	115,634	104,975
	<hr/>	<hr/>
	<b>368,100</b>	499,525
	<hr/> <hr/>	<hr/> <hr/>

## Consolidated Statement of Financial Position

	<i>Notes</i>	<b>2016</b> <b><i>HK\$'000</i></b>	2015 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>333,405</b>	391,967
Investment properties		<b>172,636</b>	618,317
Properties under development		—	1,210,048
Prepayments, deposits and other receivables		<b>1,386</b>	1,918
Interests in an associate	9	—	—
Other assets		<b>1,350</b>	1,350
Available-for-sale investment		<b>1,197</b>	1,249
Derivative financial instrument		<b>8,533</b>	—
Deferred tax assets		<b>49,133</b>	55,829
		<hr/>	<hr/>
Total non-current assets		<b>567,640</b>	2,280,678
<b>CURRENT ASSETS</b>			
Properties under development		<b>1,772,959</b>	65,506
Inventories		<b>23,551</b>	14,182
Properties held for sale		<b>302,596</b>	646,659
Amounts due from customers for contract works		<b>116,625</b>	160,041
Trade and retention receivables	10	<b>727,243</b>	1,016,641
Prepayments, deposits and other receivables		<b>283,542</b>	70,490
Tax prepaid		<b>7,480</b>	2,175
Time deposits		<b>1,303,589</b>	746,432
Restricted cash		—	24,000
Cash and bank balances		<b>502,830</b>	541,064
		<hr/>	<hr/>
Total current assets		<b>5,040,415</b>	3,287,190

## Consolidated Statement of Financial Position (continued)

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and retention payables and accruals	11	<b>634,734</b>	923,682
Other payables, deposits received and receipts in advance		<b>40,155</b>	56,658
Amounts due to customers for contract works		<b>660,898</b>	686,495
Deposits received		<b>214,233</b>	110,378
Interest-bearing bank borrowings		<b>198,568</b>	143,278
Tax payable		<b>279,206</b>	266,870
		<hr/>	<hr/>
Total current liabilities		<b>2,027,794</b>	2,187,361
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>3,012,621</b>	1,099,829
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS</b>			
<b>CURRENT LIABILITIES</b>		<b>3,580,261</b>	3,380,507
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Accrual	11	<b>4,387</b>	—
Interest-bearing bank borrowings		<b>658,378</b>	224,621
Deferred tax liabilities		<b>140,304</b>	223,317
		<hr/>	<hr/>
Total non-current liabilities		<b>803,069</b>	447,938
		<hr/>	<hr/>
Net assets		<b>2,777,192</b>	2,932,569
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
Equity attributable to ordinary equity holders of the Company			
Issued capital		<b>87,466</b>	87,466
Reserves		<b>2,600,937</b>	2,654,608
		<hr/>	<hr/>
		<b>2,688,403</b>	2,742,074
Non-controlling interests		<b>88,789</b>	190,495
		<hr/>	<hr/>
Total equity		<b>2,777,192</b>	2,932,569
		<hr/> <hr/>	<hr/> <hr/>

**Notes:**

**1. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES AND ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

- (a) The Group has adopted the following revised standards for the first time for the current year’s financial statements.

Amendments to HKAS 19                      *Defined Benefit Plans: Employee Contributions*  
*Annual Improvements to 2010-2012 Cycle*  
*Annual Improvements to 2011-2013 Cycle*

The adoption of the above revised standards has had no significant financial effect on these financial statements.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

- (b) The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	<i>Financial Instruments</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>5</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i> <sup>1</sup>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> <sup>1</sup>
HKFRS 14	<i>Regulatory Deferral Accounts</i> <sup>4</sup>
HKFRS 15	<i>Revenue from Contracts with Customers</i> <sup>2</sup>
HKFRS 16	<i>Leases</i> <sup>3</sup>
Amendments to HKAS 1	<i>Disclosure Initiative</i> <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> <sup>1</sup>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i> <sup>1</sup>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i> <sup>1</sup>
<i>Annual Improvements 2012-2014 Cycle</i>	Amendments to a number of HKFRSs <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>4</sup> Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

<sup>5</sup> No mandatory effective date is determined but is available for early adoption

**1. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES AND ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)**

(b) (continued)

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

- (i) the materiality requirements in HKAS 1;
- (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
- (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
- (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate in a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The Group expects to adopt the amendments from 1 April 2016. The amendments are not expected to have any significant impact on the Group’s financial statements.

## 2. OPERATING SEGMENT INFORMATION

2016	Foundation piling <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property investment and management <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Segment revenue:</b>						
Sales to external customers	3,018,427	959,964	26,177	52,748	—	4,057,316
Intersegment sales	—	194	—	964	(1,158)	—
Other income and gains, net	5,340	3,701	114,386	2,136	—	125,563
Total	<u>3,023,767</u>	<u>963,859</u>	<u>140,563</u>	<u>55,848</u>	<u>(1,158)</u>	<u>4,182,879</u>
<b>Segment results</b>	<u>393,907</u>	<u>515,014</u>	<u>123,973</u>	<u>(90,409)</u>		942,485
Interest income						15,546
Fair value gains on derivative instruments - transaction not qualifying as hedge						5,302
Finance costs						(11,496)
Profit before tax						951,837
Income tax expense						(439,329)
Profit for the year						<u>512,508</u>

## 2. OPERATING SEGMENT INFORMATION (continued)

2016	Foundation piling <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property investment and management <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Assets and liabilities</b>					
Segment assets	<u>1,171,984</u>	<u>2,480,806</u>	<u>322,895</u>	<u>263,635</u>	4,239,320
Unallocated					<u>1,368,735</u>
					<u>5,608,055</u>
Segment liabilities	<u>1,104,147</u>	<u>420,554</u>	<u>6,428</u>	<u>23,278</u>	1,554,407
Unallocated					<u>1,276,456</u>
					<u>2,830,863</u>
<b>Other segment information:</b>					
Depreciation	58,814	838	36	20,265	79,953
Impairment of trade receivables	—	—	—	4	4
Impairment/(write-back of impairment) of other receivables, net	—	—	(194)	293	99
Loss/(gain) on disposal and write-off of items of property, plant and equipment	4,891	131	—	(2,118)	2,904
Gain on disposal of subsidiaries, net	—	—	(112,852)	—	(112,852)
Changes in fair value of investment properties	—	(32,390)	—	—	(32,390)
Capital expenditure	<u>23,206</u>	<u>2,785</u>	<u>—</u>	<u>4,263</u>	<u>30,254</u>



## 2. OPERATING SEGMENT INFORMATION (continued)

2015	Foundation piling <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property investment and management <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Segment revenue:</b>					
Sales to external customers	3,752,214	991,260	13,128	79,811	4,836,413
Intersegment sales	—	—	—	—	—
Other income and gains	5,079	8,751	781	1,268	15,879
<b>Total</b>	<u>3,757,293</u>	<u>1,000,011</u>	<u>13,909</u>	<u>81,079</u>	<u>4,852,292</u>
<b>Segment results</b>	<u>320,938</u>	<u>580,102</u>	<u>(40,356)</u>	<u>(49,207)</u>	811,477
Interest income					26,211
Fair value gains on derivative instruments - transaction not qualifying as hedge					229
Finance costs					(14,706)
Profit before tax					823,211
Income tax expense					(317,045)
Profit for the year					<u>506,166</u>

## 2. OPERATING SEGMENT INFORMATION (continued)

2015	Foundation piling <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property investment and management <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Assets and liabilities</b>					
Segment assets	<u>1,611,410</u>	<u>2,209,243</u>	<u>662,224</u>	<u>280,555</u>	4,763,432
Unallocated					<u>804,436</u>
					<u>5,567,868</u>
Segment liabilities	<u>1,408,780</u>	<u>332,232</u>	<u>24,619</u>	<u>11,582</u>	1,777,213
Unallocated					<u>858,086</u>
					<u>2,635,299</u>
<b>Other segment information:</b>					
Depreciation	56,742	1,120	288	20,763	78,913
Impairment of items of property, plant and equipment	—	—	—	2,000	2,000
Impairment of trade receivables	—	—	—	387	387
Impairment of other receivables	—	—	1,069	—	1,069
Loss/(gain) on disposal and write-off of items of property, plant and equipment	406	(62)	113	(277)	180
Loss on disposal of an investment property	—	—	161	—	161
Loss on disposal of subsidiaries	—	—	91	699	790
Changes in fair value of investment properties	—	(60,815)	27,694	—	(33,121)
Capital expenditure	<u>62,497</u>	<u>1,027</u>	<u>54,971</u>	<u>19,234</u>	<u>137,729</u>

## 2. OPERATING SEGMENT INFORMATION (continued)

### Geographical information

#### (a) Revenue from external customers

	Hong Kong		Macau		Elsewhere in the PRC		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Sales to external customers	<u>3,053,602</u>	<u>3,507,933</u>	<u>17,573</u>	<u>324,695</u>	<u>986,141</u>	<u>1,003,785</u>	<u>4,057,316</u>	<u>4,836,413</u>

The revenue information above is based on the locations of the customers.

#### (b) Non-current assets

	Hong Kong		Macau		Elsewhere in the PRC		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	<u>336,734</u>	<u>388,601</u>	<u>—</u>	<u>108</u>	<u>181,773</u>	<u>1,836,140</u>	<u>518,507</u>	<u>2,224,849</u>

The non-current assets information above is based on the locations of the assets and excludes deferred tax assets.

### Information about a major customer

Revenue of approximately HK\$1,130,196,000 (2015: HK\$662,183,000) was derived from sales by the foundation piling segment to a single customer.

### 3. OTHER INCOME AND GAINS, NET

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Other income and gains, net:		
Interest income	15,546	26,211
Insurance claims	4,164	3,458
Subsidy income*	226	165
Foreign exchange gains, net	—	6,731
Fair value gains on derivative instruments - transaction not qualifying as hedge	5,302	229
Management service income	413	676
Gain on disposal of subsidiaries, net (note 15)	112,852	—
Others	7,908	4,849
	<u>146,411</u>	<u>42,319</u>

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

### 4. FINANCE COSTS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interest on bank borrowings and overdrafts	16,860	14,706
Less: Interest capitalised in properties under development	(5,364)	—
	<u>11,496</u>	<u>14,706</u>

### 5. PROFIT BEFORE TAX

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Depreciation	79,953	78,913
Impairment of items of property, plant and equipment	—	2,000
Impairment of trade receivables	4	387
Impairment of other receivables, net	99	1,069
Loss on disposal and write-off of items of property, plant and equipment	2,904	180
Loss on disposal of an investment property	—	161
Loss/(gain) on disposal of subsidiaries, net	(112,852)	790
Fair value gains on derivative instruments - transaction not qualifying as hedge	(5,302)	(229)
Impairment of an amount due from an associate	11	14
	<u>11</u>	<u>14</u>

## 6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere in the People's Republic of China ("PRC") have been calculated at the applicable tax rates prevailing in the areas in which the Group operates.

	<b>2016</b>	2015
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Current:		
Provision for tax in respect of profit for the year:		
PRC:		
Hong Kong	<b>48,947</b>	18,371
Elsewhere	<b>345,075</b>	335,623
	<b>394,022</b>	353,994
Overprovision in the prior years:		
PRC:		
Hong Kong	<b>(79)</b>	(39)
Elsewhere	<b>—</b>	(178)
	<b>(79)</b>	(217)
Deferred tax	<b>45,386</b>	(36,732)
Total tax charge for the year	<b>439,329</b>	317,045

## 7. DIVIDENDS

	<b>2016</b>	2015
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Dividends paid during the year:		
Final in respect of the financial year ended 31 March 2015 – HK15.0 cents (year ended 31 March 2014: HK10.0 cents) per ordinary share	<b>131,200</b>	87,467
Interim – HK20.0 cents (2015: HK5.0 cents) per ordinary share	<b>174,933</b>	43,733
	<b>306,133</b>	131,200
Proposed final dividend:		
Final – Nil (2015: HK15.0 cents per ordinary share)	<b>—</b>	131,200

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$396,874,000 (2015: HK\$399,394,000), and the number of ordinary shares of 874,665,903 (2015: 874,665,903) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2016 and 2015.

## 9. INTERESTS IN AN ASSOCIATE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Share of net assets	—	—
Amount due from an associate	384	373
	<u>384</u>	<u>373</u>
Less: Impairment	(384)	(373)
	<u>—</u>	<u>—</u>

The amount due from an associate is unsecured, interest-free and has no fixed terms of repayment.

## 10. TRADE AND RETENTION RECEIVABLES

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables:		
Within 90 days	415,191	629,061
91 to 180 days	5,205	117
181 to 360 days	3,535	10,388
Over 360 days	12,619	2,180
	<u>436,550</u>	<u>641,746</u>
Retention receivables	290,693	374,895
	<u>727,243</u>	<u>1,016,641</u>

Included in the trade and retention receivables is an amount due from a related company of HK\$572,000 (2015: HK\$254,000), which is repayable on credit terms similar to those offered to the major customers of the Group.

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 30 days, and are subject to periodic review by management.

## 11. TRADE AND RETENTION PAYABLES AND ACCRUALS

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade payables:		
Within 90 days	193,460	296,839
91 to 180 days	273	1,849
Over 180 days	531	1,560
	<u>194,264</u>	300,248
Retention payables	190,870	184,246
Accruals	253,987	439,188
	<u>639,121</u>	923,682
Less: Accrual classified as non-current liabilities	<u>(4,387)</u>	—
	<u><u>634,734</u></u>	<u><u>923,682</u></u>

## 12. CONTINGENT LIABILITIES

- (a) At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Guarantees in respect of performance bonds in relation to subsidiaries	<u>195,469</u>	<u>416,775</u>

- (b) As at 31 March 2016, the Group provided guarantees in respect of mortgage facilities granted by Shenyang Housing Fund Management Center relating to the mortgage loans arranged for purchases of certain properties developed by a subsidiary of the Company and the outstanding mortgage loans under these guarantees amounted to HK\$14,277,000 (2015: Nil).

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of the relevant ownership certificates.

The fair value of the guarantees is not significant and the directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principal together with the accrued interest and penalty and therefore no provision has been made for these guarantees in the financial statements.

### 13. COMMITMENTS

	<b>2016</b>	2015
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
(a) Property, plant and equipment and investment properties:		
- contracted, but not provided for	<u>—</u>	<u>6,586</u>
(b) Construction works relating to properties under development:		
- contracted, but not provided for	<u><b>393,734</b></u>	<u>878,527</u>
(c) Commitments under non-cancellable operating leases for land and buildings to make payments:		
- Within one year	<u><b>17,597</b></u>	58,700
- In the second to fifth years, inclusive	<u><b>13,602</b></u>	<u>3,267</u>
	<u><b>31,199</b></u>	<u>61,967</u>

### 14. ACQUISITION OF ADDITIONAL INTERESTS IN A SUBSIDIARY

On 18 March 2015, Tysan Property Development & Investment Limited (“TPDIL”), a wholly-owned subsidiary of the Company, and the non-controlling shareholder of Sparkle Key Limited, entered into a sale and purchase agreement pursuant to which, TPDIL acquired a 3% equity interest in Sparkle Key Limited from the non-controlling shareholder and the interest-free shareholder’s loan of HK\$10,800,000 owing by Sparkle Key Limited to the non-controlling shareholder at a cash consideration of HK\$15,000,000 (of which HK\$4,200,000 was for the acquisition of the equity interest in Sparkle Key Limited and HK\$10,800,000 was for the settlement of the shareholder’s loan) (“Sparkle Key Acquisition”). The Sparkle Key Acquisition was completed on 18 March 2015.

Upon the completion of the Sparkle Key Acquisition, Sparkle Key Limited became an indirectly wholly-owned subsidiary of the Company. The Sparkle Key Acquisition did not result in any change in control by the Company over Sparkle Key Limited and such acquisition was accounted for as an equity transaction. Accordingly, the debit balance of HK\$3,246,000, between the consideration of HK\$15,000,000, and the aggregate of the carrying amount of non-controlling interest of HK\$954,000 and the loan from the then non-controlling shareholder of HK\$10,800,000, was recorded in the retained profits in the equity for the year ended 31 March 2015.



## 15. DISPOSAL OF SUBSIDIARIES

### (a) Disposal of Hiat Investment Limited

On 11 December 2015, the Group and an independent third party (the “Hiat Investment Purchaser”), entered into a sale and purchase agreement pursuant to which, the Hiat Investment Purchaser acquired the entire equity interest in Hiat Investment Limited and the interest-free shareholder’s loan of HK\$23,495,000 owing by Hiat Investment Limited to the Group at a total consideration of RMB87,500,000 (equivalent to HK\$105,577,000) (the “Hiat Investment Disposal”). The Hiat Investment Disposal was completed on 11 December 2015. Hiat Investment Limited was principally engaged in property leasing and management business in Shanghai and the registered owner of the whole of Block B and twenty-five car parks of Aidu Apartment located in Shanghai for residential use.

During the year ended 31 March 2016, a cash consideration of RMB83,000,000 (equivalent to HK\$100,192,000) was received. A consideration of RMB4,000,000 (equivalent to HK\$4,787,000) was received subsequent to the end of the reporting period. According to the terms of the sale and purchase agreement, the remaining consideration of RMB500,000 (equivalent to HK\$598,000) will be settled in December 2016.

	<b>2016</b> <b>HK\$'000</b>
Net assets disposed of:	
Property, plant and equipment	43
Investment properties	134,812
Prepayments, deposits and other receivables	153
Cash and bank balances	63
Trade payables and accruals	(132)
Other payables	(3)
Deferred tax liabilities	(13,456)
Loan from the Group	(23,495)
	<hr/>
	97,985
Release of exchange fluctuation reserve	(13,898)
Loan from the Group assigned	23,495
Loss on disposal of a subsidiary	(2,005)
	<hr/>
	105,577
	<hr/> <hr/>
Satisfied by:	
Cash consideration	100,192
Other receivables	5,385
	<hr/>
Total consideration	105,577
	<hr/> <hr/>

## 15. DISPOSAL OF SUBSIDIARIES (continued)

### (a) Disposal of Hiat Investment Limited (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the Hiat Investment Disposal during the year ended 31 March 2016 is as follows:

	<b>2016</b> <b>HK\$'000</b>
Cash consideration	100,192
Cash and bank balances disposed of	(63)
	<hr/>
Net inflow of cash and cash equivalents in respect of the Hiat Investment Disposal	<u>100,129</u>

### (b) Disposal of Shanghai China Garden International Real Estate Development & Management Company Limited

On 17 November 2015, the Group and an independent third party (the “Shanghai China Garden Purchaser”), entered into a sale and purchase agreement, pursuant to which the Shanghai China Garden Purchaser acquired the entire equity interest in Shanghai China Garden International Real Estate Development & Management Company Limited (“Shanghai China Garden”) at a consideration of RMB318,527,000 (equivalent to HK\$375,767,000) (the “Shanghai China Garden Disposal”). The Shanghai China Garden Disposal was completed on 1 February 2016. Shanghai China Garden was principally engaged in property leasing and management business in Shanghai and was the registered owner of the residential properties known as “China Garden” in Shanghai.

During the year ended 31 March 2016, a cash consideration of RMB141,750,000 (equivalent to HK\$164,218,000) was received. A consideration of RMB145,877,000 (equivalent to HK\$174,571,000) was received subsequent to the end of the reporting period. According to the terms of the sale and purchase agreement, the remaining consideration of RMB30,900,000 (equivalent to HK\$36,978,000) will be settled within five business days after the Group provides the Shanghai China Garden Purchaser with a copy of the documentary evidence showing that the Group has paid the tax and duty to the PRC authority in respect of the Shanghai China Garden Disposal.

## 15. DISPOSAL OF SUBSIDIARIES (continued)

- (b) Disposal of Shanghai China Garden International Real Estate Development & Management Company Limited (continued)

	<b>2016</b> <b>HK\$'000</b>
Net assets disposed of:	
Property, plant and equipment	48
Investment properties	353,910
Inventories	9
Prepayments, deposits and other receivables	95
Cash and bank balances	14,265
Trade payables and accruals	(3,137)
Other payables, deposits received and receipt in advance	(7,045)
Deferred tax liabilities	(74,606)
	<hr/>
	283,539
Release of exchange fluctuation reserve	(22,629)
Gain on disposal of a subsidiary	114,857
	<hr/>
	375,767
	<hr/> <hr/>
Satisfied by:	
Cash consideration	164,218
Other receivables	211,549
	<hr/>
Total consideration	375,767
	<hr/> <hr/>

An analysis of the net inflow of cash and cash equivalents in respect of the Shanghai China Garden Disposal during the year ended 31 March 2016 is as follows:

	<b>2016</b> <b>HK\$'000</b>
Cash consideration	164,218
Cash and bank balances disposed of	(14,265)
	<hr/>
Net inflow of cash and cash equivalents in respect of the Shanghai China Garden Disposal	149,953
	<hr/> <hr/>

Further details of the Shanghai China Garden Disposal were disclosed in the Company's announcement dated 17 November 2015.

## 15. DISPOSAL OF SUBSIDIARIES (continued)

### (c) Disposal of Tremend Yield Limited

On 11 December 2014, TPDIL, a wholly-owned subsidiary of the Company, entered into a disposal agreement to dispose of all of its equity interest in Tremend Yield Limited and the rights and benefits in the interest-free shareholder's loan of HK\$6,404,000 owing by Tremend Yield Limited to TPDIL, at a cash consideration of HK\$21,875,000, to Mr. Fung Chiu Chak, Victor ("Mr. Fung") (the "Tremend Yield Disposal"). The Tremend Yield Disposal was completed on 19 December 2014. Tremend Yield Limited was a property investment company whose main asset was a shop in Tai Kok Tsui, Kowloon for commercial use.

	2015 HK\$'000
Net assets disposed of:	
Investment property	22,530
Deposits	1
Bank balances	279
Accruals	(24)
Other payables and deposits received	(167)
Tax payable	(93)
Deferred tax liability	(560)
Loan from the Group	(6,404)
	<hr/>
	15,562
Loan from the Group assigned	6,404
Loss on disposal of a subsidiary	(91)
	<hr/>
	21,875
	<hr/> <hr/>
Satisfied by:	
Cash consideration	21,875
	<hr/> <hr/>

An analysis of the net inflow of cash and cash equivalents in respect of the Tremend Yield Disposal during the year ended 31 March 2015 is as follows:

	2015 HK\$'000
Cash consideration	21,875
Bank balances disposed of	(279)
	<hr/>
Net inflow of cash and cash equivalents in respect of the Tremend Yield Disposal	21,596
	<hr/> <hr/>

Further details of the Tremend Yield Disposal were disclosed in the Company's announcement dated 11 December 2014.

## 15. DISPOSAL OF SUBSIDIARIES (continued)

### (d) Disposal of Tysan Engineering Company Limited

On 11 December 2014, Tysan Construction Company Limited (“TCCL”), a wholly-owned subsidiary of the Company, entered into a disposal agreement to dispose of all of its equity interest in Tysan Engineering Company Limited (“TECL”) and the rights and benefits in the interest-free shareholder’s loan of HK\$6,433,000 owing by TECL to TCCL, at a cash consideration of HK\$5,794,000, to Mr. Fung (the “Tysan Engineering Disposal”). The Tysan Engineering Disposal was completed on 19 December 2014. TECL and its subsidiaries are principally engaged in the provision of electrical and mechanical engineering services. Immediately after the completion of the Tysan Engineering Disposal, TECL, which is controlled by Mr. Fung, became a related company of the Group.

	2015 HK\$’000
Net assets disposed of:	
Amounts due from customers for contract works	6,857
Trade receivables	4,619
Prepayments, deposits and other receivables	90
Bank balances	1,534
Trade payables and accruals	(2,514)
Other payables	(162)
Amounts due to customers for contract works	(748)
Interest-bearing bank borrowing	(400)
Loan from the Group	(6,433)
Loan from a non-controlling shareholder	(2,757)
Non-controlling interests	(26)
	<u>60</u>
Loan from the Group assigned	6,433
Loss on disposal of subsidiaries	(699)
	<u>5,794</u>
Satisfied by:	
Cash consideration	<u>5,794</u>

An analysis of the net inflow of cash and cash equivalents in respect of the Tysan Engineering Disposal during the year ended 31 March 2015 is as follows:

	2015 HK\$’000
Cash consideration	5,794
Bank balances disposed of	(1,534)
Net inflow of cash and cash equivalents in respect of the Tysan Engineering Disposal	<u>4,260</u>

Further details of the Tysan Engineering Disposal were disclosed in the Company’s announcement dated 11 December 2014.

## **DIVIDEND**

The Board has resolved not to recommend any final dividend (year ended 31 March 2015: HK\$0.15 per share). An interim dividend of HK\$0.20 per share was declared for the six months ended 30 September 2015 (period ended 30 September 2014: HK\$0.05 per share).

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Friday, 19 August 2016 to Tuesday, 23 August 2016 (both dates inclusive) during which period no transfer of share will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming annual general meeting. In order to be entitled to attend and vote at the forthcoming annual general meeting, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Branch Registrars in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 18 August 2016.

## **BUSINESS REVIEW**

### **Hong Kong Market**

#### ***Foundation Piling***

Turnover of the Group's foundation division decreased by 20% to HK\$3,018 million for the year under review. Its net contribution increased by 22% to HK\$394 million as compared to HK\$321 million last year, driven by increased construction activities and public spending on infrastructure. The Group's major contracts on hand include, inter alia, the Passenger Clearance Building for the HK-Zhuhai-Macau Bridge, public housing developments in Pak Tin Estates and Wong Tai Sin, private residential developments in Tseung Kwan O and North Point, and commercial development in Wong Chuk Hang, Kwun Tong, Pak Shek Kok and Yuen Long. EBITDA for the foundation piling segment increased by 19%, from HK\$381 million to HK\$455 million for the year under review. The overall EBITDA margin for the segment increased by 5% from 10% to 15% for the year ended 31 March 2016.

### **PRC Market**

#### ***Property Development***

##### *The Waterfront*

During the year under review, the Group's residential project in Shanghai, The Waterfront, recognised a revenue of HK\$466 million as compared to HK\$569 million in the same period last year and contribution to profit of HK\$302 million (2015: HK\$414 million).

The unsold area of The Waterfront as at 31 March 2016 is outlined below:

- Residential: about 1,000 sqm;
- Car Park: about 31 car park units;
- Non-Residential: about 4,800 sqm, representing primarily street front retail shops and a historic building.

At the end of March 2016, the Shanghai Government issued tightening policies to cool the overheated property market, including raising the minimum down-payment for the second home purchase with unit size below 140 square meters and tightening the qualifications threshold for non-local buyers to purchase home. The residential market remains stable after the introduction of these tightening policies. With a relatively small inventory in a unique development, we do not expect this Government policy to be an additional significant challenge.

#### *The Riverside*

The Group's residential project in Tianjin, The Riverside, comprises 6 towers with a total gross floor area ("GFA") of about 75,000 sqm.

For the year under review, a revenue of HK\$488 million was recognised as compared to HK\$418 million in the same period last year and contribution to profit increased from HK\$166 million of last year to HK\$228 million.

The unsold area of The Riverside as at 31 March 2016 is outlined below:

- Residential: about 7,600 sqm;
- Car Park: about 164 car park units;
- Non-Residential: about 3,900 sqm, representing primarily street front retail shops and The Riverside's clubhouse.

The market sentiment of the high-end market in Tianjin was positive in the beginning of 2016. Buyers' confidence was strong due to the supportive policies rolled out by the Central Government for the real estate market. The rising demand for the first-time home buyers and upgraders helped to maintain a positive market sentiment in the first quarter of 2016.

#### *The Pinnacle*

The site in Shenyang is located at Huanggu District with a site area of about 41,209 sqm and a GFA of about 165,000 sqm. The Pinnacle comprises both residential and commercial development. Pre-sale of the residential units started in the second half of 2015 and construction works are expected to be completed around mid 2016. The first batch of the sold units is expected to be handed over starting from September 2016.

The unsold area of The Pinnacle as at 31 March 2016 is outlined below:

- Residential: About 96,200 sqm;
- Car Park: About 1,049 car park units;
- Non-Residential: About 62,665 sqm, representing primarily street front retail shops, The Pinnacle's clubhouse, and a commercial building with a podium.

EBITDA for the property development segment decreased by 12%, from HK\$603 million to HK\$528 million for the year under review. The overall EBITDA margin decreased by 6% from 61% to 55% for the year ended 31 March 2016.

The confidence of the buyers was strengthened by the positive sentiment of the new home market across the country and supportive policies for the housing market. The Shenyang Government rolled out a series of supportive policies at the end of March 2016 to stimulate the demand for new homes, such as relaxation of using housing provident fund for home purchase, reduction of deed tax and provision of subsidies to the current students of universities and secondary vocational schools as well as the fresh graduates for home purchase.

### ***Property Investment and Management***

The Group has realized some of its investment properties and turnover of the property investment division increased from HK\$13 million of last year to HK\$26 million during the year under review. Disposal of the service apartment business at Aidu Apartment and China Garden in Shanghai were completed in December 2015 and in February 2016 respectively.

## **PROSPECTS**

The Board notes that, in the joint announcement dated 19 April 2016 ("Joint Announcement"), HNA Finance I Co., Ltd. ("HNA Finance I") and the Company jointly announced that HNA Finance I and Tides Holdings II Ltd. have entered into an agreement to acquire approximately 66% of the issued shares of the Company. It was stated in the Joint Announcement that upon completion of the Tides Transaction, HNA Finance I will become the controlling shareholder of the Company. It was also stated that HNA Finance I intends that the Group will continue with the Group's existing businesses and that subject to market conditions, HNA Finance I also intends to provide funds, personnel, technology and other resources to support the Group's investment in and development of new projects, and raise the number of projects, asset value and brand recognition to a higher level, including by actively seeking potential business investment and development projects in the PRC and overseas. HNA Finance I also stated that it has no intention to terminate any employment of the employees of the Group or to make significant changes to any employment. For further details, please refer to the Joint Announcement.



## **FINANCIAL REVIEW**

The Group continues to adopt a prudent financing policy and sustain a sound capital structure with healthy cashflow. As at 31 March 2016, the Group's cash on hand was approximately HK\$1,806 million (31 March 2015: HK\$1,311 million) while total assets and net assets (after deducting non-controlling interests) were approximately HK\$5,608 million (31 March 2015: HK\$5,568 million) and HK\$2,688 million (31 March 2015: HK\$2,742 million), respectively. As at 31 March 2016, the Group's working capital amounted to HK\$3,013 million. As at 31 March 2016, the Group did not have any net debt and recorded a net cash balance of HK\$949 million, while the Group recorded a net cash balance HK\$944 million as at 31 March 2015. Contingent liabilities in relation to guarantees of performance bonds decreased from HK\$417 million as at 31 March 2015 to HK\$195 million as at 31 March 2016 while guarantees for end user mortgage loans amounted to HK\$14 million. Certain of the Group's assets with a book value of approximately HK\$175 million have been pledged to secure certain banking facilities of the Group. The Group's bank borrowings were primarily denominated in Hong Kong dollars, with a few loan facilities in Euro. Currency exposure has been monitored and forward contracts will be considered as required.

## **EMPLOYMENT AND REMUNERATION POLICIES**

The Group, including its subsidiaries in Hong Kong, Macau and the PRC, employed approximately 1,348 employees as at 31 March 2016. 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 to the terms of the Group's approved share option scheme.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES**

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

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

In the opinion of the directors of the Company, the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") and Corporate Governance Report contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 March 2016 except for the following deviations:

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

Non-executive directors of the Company and 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 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 and independent non-executive directors of the Company do not have to be appointed for a specific term.

***CG Code Provision A4.2 stipulates that 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 of the Company shall retire from office by rotation provided that notwithstanding anything therein. The chairman of the Board (the “Chairman”) and the managing director of the Company (the “Managing Director”) shall not be subject to retirement by rotation or taken into account in determining the number of directors to retire. As continuity 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 and the Managing Director should not be subject to retirement by rotation.

**Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of the Company’s directors, they all confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 March 2016.

**AUDIT COMMITTEE**

The Group’s Audit Committee comprises four members, namely, Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George and Mr. Li Kit Chee, who are independent non-executive directors of the Company. The Committee conducted a review with the management such accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters including the review of the Group’s consolidated results and financial statements for the year ended 31 March 2016.

The Committee has also met with the external auditors of the Company, Messrs. Ernst & Young, and reviewed the accounting principles and practices adopted by the Group and the annual results of the Group for the year.

## **REVIEW OF PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group's results for the year ended 31 March 2016 as set out in this preliminary announcement have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this preliminary announcement.

## **APPRECIATION**

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

On behalf of the Board  
**TYSAN HOLDINGS LIMITED**  
**WANG TIANBING**  
*Chairman*

Hong Kong, 29 June 2016

*As at the date of this announcement, the executive Directors of the Company are Mr. Fung Chiu Chak, Victor; Mr. Chiu Chin Hung and Mr. Lau Kin Fai; the non-executive Directors of the Company are Mr. Wang Tianbing, Mr. Stuart Morrison Grant, Mr. Justin Wai and Mr. Law Yiu Fat Richard; and the independent non-executive Directors of the Company are Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George and Mr. Li Kit Chee.*

*The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*Company website: [www.tysan.com](http://www.tysan.com)*