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## **TYSAN HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 687)**

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

The board (the “Board”) of directors (the “Directors”) of Tysan Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2021. During the period under review, the Group recorded a turnover of approximately HK\$1,109 million (period ended 30 June 2020: HK\$1,469 million) and a loss attributable to ordinary equity holders of the Company of about HK\$8 million (period ended 30 June 2020: loss of HK\$92 million), representing loss of about HK\$0.002 per ordinary share of the Company (“Share”) (period ended 30 June 2020: loss of HK\$0.03 per Share).

#### **BUSINESS REVIEW**

##### **Foundation Piling**

For the period under review, turnover of the Group’s foundation piling segment was about HK\$1,088 million (period ended 30 June 2020: HK\$1,451 million) and the segment recorded a profit of approximately HK\$30 million (period ended 30 June 2020: loss of HK\$72 million).

The Group’s major contracts on hand include various private commercial and industrial development projects at New Kowloon Inland Lot No. 6610 at Kai Tak Area 1E Site 1, New Kowloon Inland Lot No. 6591 at Kai Tak Area 4B Site 4, Inland Lot No. 9065 on Gage Street and Graham Street, Tai Po Town Lot No. 157, Sai Sha, Shap Sze Heung, rental housing project at Shek Pai Wan Road and Drainage Services Department Office Building at Cheung Sha Wan Sewage Pumping Station.

## **PROSPECTS**

It is generally expected that the overall economy will improve in the second half of 2021 as the vaccination rate goes up. As a result, we believe that the overall operating environment will continue to improve.

Tender invitations for our foundation piling work have been increasing steadily, driven by both private and public sector projects. As a result, we have secured some meaningful projects during the first half of this year.

In light of the housings shortage in Hong Kong, the Government is expected to expedite various initiatives to increase land supply and residential supply. The Government also intends to speed up its railway development projects and to rehabilitate the city's aging buildings. These will create demand for infrastructure and foundation works over the medium term.

The Group remains in a net cash position. Our strong balance sheet will enable us to make significant new investments when opportunities arise.

## **FINANCIAL REVIEW**

### **Financial position, liquidity and financial resources**

As at 30 June 2021, the Group's cash on hand was about HK\$760 million (31 December 2020: HK\$707 million) while total assets and net assets were about HK\$2,100 million (31 December 2020: HK\$2,267 million) and HK\$1,428 million (31 December 2020: HK\$1,433 million), respectively. Total liabilities were about HK\$672 million (31 December 2020: HK\$834 million), out of which financial liabilities were about HK\$371 million (31 December 2020: HK\$470 million) and the remaining were mainly contract liabilities and current or deferred tax provision.

As at 30 June 2021, the Group had interest-bearing borrowings of about HK\$90 million (31 December 2020: HK\$62 million).

The Group's gearing ratio, calculated on the basis of net debt (including financial liabilities less cash on hand) divided by total equity of the Group, was Nil as at 30 June 2021 as the Group had a net cash position.

### **Funding and treasury policy**

The Group continues to maintain a prudent funding and treasury policy and sustain a sound good capital structure with healthy cash flows. Surplus funds are maintained in the form of deposits with leading banks. Borrowings are denominated in Hong Kong dollar and subject to floating interest rates. Currency exposure is being closely monitored and forward contracts will be considered as required.

## **Capital expenditure and capital commitments**

During the six months ended 30 June 2021, the Group invested about HK\$10 million on purchase of machinery and equipment. As at 30 June 2021, the Group had capital commitments in relation to purchase of machinery and equipment of about HK\$22 million. Capital expenditure is principally financed by internal resources.

## **Pledge of assets**

As at 30 June 2021, an office premise of the Group with a carrying amount of about HK\$134 million was pledged to a bank to secure the instalment loan granted to the Group.

## **Contingent liabilities**

Contingent liabilities in relation to corporate guarantees provided by the Group to banks for issue of performance bonds decreased from about HK\$450 million as at 31 December 2020 to about HK\$407 million as at 30 June 2021. Save for the above, the Group did not have any other material contingent liabilities.

## **REMUNERATION GUIDELINES AND EMPLOYMENT**

The Group, including its subsidiaries in Hong Kong, Macau and Mainland China, employed approximately 803 employees as at 30 June 2021. The Group's remuneration guidelines are primarily based on prevailing market salary levels and the performance of the respective business units 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 of Directors has resolved to declare an interim dividend of HK\$0.01 (period ended 30 June 2020: Nil) per Share for the six months ended 30 June 2021. The interim dividend will be payable on Friday, 24 September 2021 to shareholders whose names appear on the Company's register of members on Tuesday, 7 September 2021.

## **Closure of Register of Members**

The register of members of the Company will be closed from Monday, 6 September 2021 to Tuesday, 7 September 2021 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for entitlement of the interim dividend for the six months ended 30 June 2021, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged for registration with the Company's Branch Registrar in Hong Kong, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 3 September 2021.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2021</b> <i>HK\$'000</i> <i>(Unaudited)</i>	<b>2020</b> <i>HK\$'000</i> <i>(Unaudited)</i>
<b>REVENUE</b>	4	<b>1,109,363</b>	1,469,042
Cost of sales		<u><b>(1,076,613)</b></u>	<u>(1,537,254)</u>
Gross profit/(loss)		<b>32,750</b>	(68,212)
Other income and gains	5	<b>5,163</b>	18,998
Gain on disposal of a subsidiary	15	–	33,930
Administrative expenses		<b>(42,373)</b>	(41,646)
Other expenses, net		<b>(1,959)</b>	(34,715)
Finance costs		<u><b>(706)</b></u>	<u>(3,502)</u>
<b>LOSS BEFORE TAX</b>	6	<b>(7,125)</b>	(95,147)
Income tax credit/(expense)	7	<u><b>(831)</b></u>	<u>3,534</u>
<b>LOSS FOR THE PERIOD</b>		<u><b>(7,956)</b></u>	<u>(91,613)</u>
Attributable to:			
Ordinary equity holders of the Company		<u><b>(7,956)</b></u>	<u>(91,613)</u>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	9		
Basic		<u><b>(HK0.24 cents)</b></u>	<u>(HK2.72 cents)</u>
Diluted		<u><b>(HK0.24 cents)</b></u>	<u>(HK2.72 cents)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>LOSS FOR THE PERIOD</b>	<u><b>(7,956)</b></u>	<u><b>(91,613)</b></u>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange difference on translation of foreign operations	<u><b>188</b></u>	<u><b>21,683</b></u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<u><b>188</b></u>	<u><b>21,683</b></u>
<b>TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD</b>	<u><u><b>(7,768)</b></u></u>	<u><u><b>(69,930)</b></u></u>
Attributable to:		
Ordinary equity holders of the Company	<u><u><b>(7,768)</b></u></u>	<u><u><b>(69,930)</b></u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at <b>30 June</b> <b>2021</b> <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>HK\$'000</i> <i>(Audited)</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	174,447	188,240
Right-of-use assets		98,620	106,704
Prepayments, deposits and other receivables		100	150
Deferred tax assets		3,730	1,760
		<b>276,897</b>	296,854
<b>CURRENT ASSETS</b>			
Inventories		49,602	43,592
Trade receivables	11	196,974	188,977
Contract assets		777,628	1,002,172
Prepayments, deposits and other receivables		38,617	29,063
Tax prepaid		20	40
Cash and cash equivalents		760,446	706,570
		<b>1,823,287</b>	1,970,414
<b>CURRENT LIABILITIES</b>			
Trade and retention payables, accruals and provision	12	479,032	664,560
Other payables, deposits received and receipts in advance		2,519	2,452
Contract liabilities		85,656	72,372
Interest-bearing bank borrowings		34,910	4,762
Lease liabilities		4,745	10,942
Tax payable		250	13,712
		<b>607,112</b>	768,800
<b>NET CURRENT ASSETS</b>		<b>1,216,175</b>	1,201,614

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	<i>Notes</i>	As at <b>30 June</b> <b>2021</b> <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>HK\$'000</i> <i>(Audited)</i>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,493,072</b>	1,498,468
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		55,114	57,654
Lease liabilities		82	274
Deferred tax liabilities		9,989	7,413
Total non-current liabilities		<b>65,185</b>	65,341
Net assets		<b>1,427,887</b>	1,433,127
<b>EQUITY</b>			
Equity attributable to ordinary equity holders of the Company			
Issued capital		336,603	336,603
Reserves		1,091,284	1,096,524
Total equity		<b>1,427,887</b>	1,433,127

## 1. CORPORATE INFORMATION

Tysan Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at 20th Floor, One Island South, No.2 Heung Yip Road, Wong Chuk Hang, Hong Kong. The Company and its subsidiaries (the “Group”) is principally engaged in foundation piling and site investigation and property development and investment business. The Company’s shares (“Shares”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The holding company of the Company is Times Holdings II Limited, a company incorporated in the Cayman Islands and ultimately controlled by The Blackstone Group Inc., which is listed on The New York Stock Exchange and considered as the ultimate holding company of the Company.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

### 2.1 Basis of preparation

The unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange 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 financial statements for the year ended 31 December 2020.

The unaudited condensed interim financial statements have been prepared under historical cost convention. The accounting policies used in the preparation of the unaudited condensed interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2020, except for the changes in accounting policies made after the adoption of the revised Hong Kong Financial Reporting Standards (“HKFRSs”) as further detailed in note 2.2 below.

### 2.2 Amendments to HKFRSs adopted by the Group

In the current period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time for the current period’s financial information.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to HKFRS 16	<i>COVID-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

The adoption of these amendments to HKFRSs has had no significant financial effect on the unaudited condensed interim financial statements of the Group.

The unaudited condensed interim financial statements were approved and authorised for issue by the Board on 20 August 2021.



### 3. SEGMENT INFORMATION

The Group's operating 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. During the period ended 30 June 2021, the financial results of the "Investment" segment of the Group, which were reported as separate segment in prior years' financial statements, are reported under "Corporate and others" segment. Comparative figures of the segment information have been reclassified to conform with the current period's presentation.

#### For the six months ended 30 June 2021

	Foundation piling <i>HK\$'000</i> <i>(Unaudited)</i>	Property development and investment <i>HK\$'000</i> <i>(Unaudited)</i>	Corporate and others <i>HK\$'000</i> <i>(Unaudited)</i>	Elimination <i>HK\$'000</i> <i>(Unaudited)</i>	Consolidated <i>HK\$'000</i> <i>(Unaudited)</i>
<b>Segment revenue:</b>					
Sales to external customers	1,087,523	-	21,840	-	1,109,363
Intersegment sales	-	-	970	(970)	-
Other income and gains	3,852	-	224	-	4,076
	<u>1,091,375</u>	<u>-</u>	<u>23,034</u>	<u>(970)</u>	<u>1,113,439</u>
<b>Segment results</b>	<u>30,078</u>	<u>(2,249)</u>	<u>(35,460)</u>		(7,631)
Interest income					1,087
Finance costs (other than interest on lease liabilities)					<u>(581)</u>
Loss before tax					(7,125)
Income tax expense					<u>(831)</u>
Loss for the period					<u>(7,956)</u>

### 3. SEGMENT INFORMATION (CONT'D)

For the six months ended 30 June 2020

	Foundation piling <i>HK\$'000</i> <i>(Unaudited)</i>	Property development and investment <i>HK\$'000</i> <i>(Unaudited)</i>	Corporate and others <i>HK\$'000</i> <i>(Unaudited)</i>	Elimination <i>HK\$'000</i> <i>(Unaudited)</i>	Consolidated <i>HK\$'000</i> <i>(Unaudited)</i>
<b>Segment revenue:</b>					
Sales to external customers	1,450,899	–	18,143	–	1,469,042
Intersegment sales	–	–	–	–	–
Other income and gains	8,181	1,453	757	–	10,391
	<u>1,459,080</u>	<u>1,453</u>	<u>18,900</u>	<u>–</u>	<u>1,479,433</u>
<b>Segment results</b>	<u>(71,672)</u>	<u>(25,607)</u>	<u>(3,375)</u>		(100,654)
Interest income					8,607
Finance costs (other than interest on lease liabilities)					<u>(3,100)</u>
Loss before tax					(95,147)
Income tax credit					<u>3,534</u>
Loss for the period					<u>(91,613)</u>

### 4. REVENUE

An analysis of revenue is as follows:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b><i>(Unaudited)</i></b>	<b><i>(Unaudited)</i></b>
<i>Revenue from contracts with customers</i>		
Construction services	<b>1,087,523</b>	1,450,899
Machinery engineering services	<b>10,899</b>	12,357
Machinery trading	<b>1,538</b>	30
	<u><b>1,099,960</b></u>	<u>1,463,286</u>
<i>Revenue from other sources</i>		
Gross rental income from machinery leasing	<b>9,403</b>	5,756
	<u><b>1,109,363</b></u>	<u>1,469,042</u>

## 5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income	1,087	8,607
Insurance claims	6	543
Subsidy income*	–	7,386
Gain on disposal of items of property, plant and equipment	2,632	–
Foreign exchange gains, net	13	–
Others	1,425	2,462
	<u>5,163</u>	<u>18,998</u>

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

## 6. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	23,166	26,276
Depreciation of right-of-use assets	8,387	7,054
Loss/(gain) on disposal and write-off of items of property, plant and equipment*	(2,632)	7,536
Loss on disposal and write-off of items of property, plant and equipment included in cost of sales	–	2,701
Impairment of trade receivables*	434	278
Write-off of inventories*	–	272
Foreign exchange differences, net*	(13)	25,085
	<u>(13)</u>	<u>25,085</u>

\* These amounts are included in “Other income and gains” or “Other expenses, net” in the consolidated statement of profit or loss.

## 7. INCOME TAX

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Current:</b>		
Provision for tax in respect of profit for the period:		
PRC:		
Hong Kong	–	157
Elsewhere	<u>32</u>	<u>273</u>
	<b>32</b>	<b>430</b>
Under/(over) provision in the prior years:		
PRC:		
Hong Kong	<b>195</b>	(225)
Elsewhere	<u>–</u>	<u>(1,438)</u>
	<b>195</b>	<b>(1,663)</b>
<b>Deferred tax</b>	<u><b>604</b></u>	<u><b>(2,301)</b></u>
Total tax charge/(credit) for the period	<u><b>831</b></u>	<u><b>(3,534)</b></u>

## 8. DIVIDENDS

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Dividends declared during the period:		
Special dividend – Nil (2020: HK\$0.24 per ordinary share)	(a) <u>–</u>	<u>807,849</u>

*Notes:*

- (a) A special dividend of HK\$0.24 per ordinary share, totaling approximately HK\$807,849,000, was approved by the Board on 23 March 2020, and was paid on 29 April 2020.
- (b) An interim dividend in respect of six months ended 30 June 2021 of HK\$0.01 per ordinary share, totaling approximately HK\$33,660,000, was approved at the board meeting on 20 August 2021 (2020: Nil). The interim dividend has not been recognised as a liability in the unaudited condensed interim financial statements.

## 9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the Company of HK\$7,956,000 (2020: HK\$91,613,000), and the number of ordinary shares of 3,366,035,709 (2020: 3,366,035,709) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the period ended 30 June 2021 in respect of a dilution as the impact of the share options had an anti-dilutive effect in the basic loss per share amounts presented.

The Group had no potentially dilutive ordinary shares in issue during the period ended 30 June 2020.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment with a cost of HK\$9,709,000 (2020: HK\$64,805,000). Property, plant and equipment with a net carrying amount of HK\$336,000 were disposed of by the Group during the six months ended 30 June 2021 (2020: HK\$11,461,000) resulting in a net gain on disposal of HK\$2,632,000 (2020: net loss of HK\$10,237,000).

## 11. TRADE RECEIVABLES

The Group has established credit policies that follow local industry standards. The average normal credit periods offered to trade customers are within 30 days, and are subject to periodic review by management.

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

	As at 30 June 2021 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>HK\$'000</i> <i>(Audited)</i>
Within 90 days	174,224	177,179
91 to 180 days	2,349	11,556
181 to 365 days	20,398	164
Over 365 days	3	78
	<u>196,974</u>	<u>188,977</u>

## 12. TRADE AND RETENTION PAYABLES, ACCRUALS AND PROVISION

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

	As at <b>30 June</b> <b>2021</b> <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>HK\$'000</i> <i>(Audited)</i>
Trade payables:		
Within 90 days	200,586	299,121
91 to 180 days	538	808
Over 180 days	26	41
	<u>201,150</u>	<u>299,970</u>
Retention payables	72,614	94,031
Accruals	171,637	234,967
Provision	33,631	35,592
	<u>479,032</u>	<u>664,560</u>

Trade payables are normally settled on 90-day terms. For retention payables in respect of construction contracts, the due dates are normally within one year after the completion of the construction work.

As at 30 June 2021, retention payables, amounting to HK\$66,014,000 (31 December 2020: HK\$87,138,000) were expected to be repayable within twelve months after the end of the reporting period.

## 13. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the unaudited condensed interim financial statements were as follows:

	As at <b>30 June</b> <b>2021</b> <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>HK\$'000</i> <i>(Audited)</i>
Guarantees in respect of performance bonds in relation to subsidiaries	<u>407,203</u>	<u>449,634</u>

## 14. COMMITMENTS

	As at <b>30 June</b> <b>2021</b> <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>HK\$'000</i> <i>(Audited)</i>
Property, plant and equipment: – contracted, but not provided for	<u><b>21,993</b></u>	<u>1,545</u>

## 15. DISPOSAL OF A SUBSIDIARY

### For the period ended 30 June 2020

#### *Disposal of Uni-Genius Investments Limited*

On 22 November 2019, Tysan Investment Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with HNA Finance I Co., Ltd., the former controlling shareholder of the Company, to dispose of its entire equity interest in Uni-Genius Investments Limited (“Uni-Genius”) and assign all amounts which Uni-Genius owed to Tysan Investment Limited at a cash consideration of HK\$343,200,000 (the “Uni-Genius Disposal”). The principal activity of Uni-Genius was trading of financial products and holding of an unlisted wealth management investment in a fund. The Uni-Genius Disposal was completed on 5 March 2020.

	<i>HK\$'000</i>
Net liabilities disposed of:	
Financial asset at fair value through profit or loss	309,270
Loan from the Group	<u>(321,963)</u>
	(12,693)
Loan from the Group assigned	321,963
Gain on disposal of a subsidiary credited to profit or loss	<u>33,930</u>
	<u><u>343,200</u></u>
Satisfied by:	
Cash consideration	<u><u>343,200</u></u>

An analysis of the net inflow of cash and cash equivalents in respect of the Uni-Genius Disposal during the period ended 30 June 2020 was as follows:

	<i>HK\$'000</i>
Cash consideration and net inflow of cash and cash equivalents in respect of the Uni-Genius Disposal	<u><u>343,200</u></u>

## **CORPORATE GOVERNANCE**

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

*Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.*

A non-executive Director (“Non-executive Director”), Mr. Justin Wai, and an independent non-executive Director (“Independent Non-executive Director”), Mr. Lung Chee Ming, George, have been appointed without 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 aforesaid Non-executive Director and Independent Non-executive Director did not have to be appointed for a specific term at the time of appointment.

Four Non-executive Directors, namely Mr. David Robert McClure, Mr. Yuen Pak Man, Ms. Gu Ye and Ms. Hou Xiangjia, and three Independent Non-executive Directors, namely Mr. Li Kit Chee, Ms. Chow Wai Lee and Ms. Jennifer Kwok are appointed for a specific term of three years. They are subject to renewal after the expiry of the then current term and the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

## **AUDIT COMMITTEE**

As at the date of this announcement, the audit committee (“Audit Committee”) of the Group comprises four members, namely Mr. Li Kit Chee, Mr. Lung Chee Ming, George, Ms. Chow Wai Lee and Ms. Jennifer Kwok who are Independent Non-executive Directors. The chairman of the Audit Committee is Mr. Li Kit Chee.

The primary duties of the Audit Committee are to review and supervise the financial reporting system, risk management and internal control systems of the Group, to review the Group’s financial information, compliance and to provide advice and comments to the Board.

The unaudited condensed interim financial statements of the Group for the six months ended 30 June 2021 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”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding directors’ securities transactions. Having made specific enquiry, all the Directors have confirmed that they have fully complied with the required standard set out in the Model Code for 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**  
**Fung Chiu Chak, Victor**  
*Vice Chairman*

Hong Kong, 20 August 2021

*As at the date of this announcement, the executive Directors are Mr. Fung Chiu Chak, Victor, Mr. Chiu Chin Hung and Mr. Lau Kin Fai; the Non-executive Directors are Mr. Justin Wai, Mr. David Robert McClure, Mr. Yuen Pak Man, Ms. Gu Ye and Ms. Hou Xiangjia; and the Independent Non-executive Directors are Mr. Lung Chee Ming, George, Mr. Li Kit Chee, Ms. Chow Wai Lee and Ms. Jennifer Kwok.*

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