

## Chairman's Statement

I am pleased to present the annual report of Tysan Holdings Limited (the “Company”) together with its subsidiaries (the “Group”) for the year ended 31 December 2021. During the year under review, the Group recorded a loss attributable to equity holders of the Company of HK\$0.1 million, equivalent to a loss of HK0.003 cents per share of the Company (“Share”) (31 December 2020: loss of HK\$105 million, equivalent to a loss of HK3.116 cents per Share) while turnover was HK\$2,204 million (31 December 2020: HK\$3,054 million).

### Dividend

The board (the “Board”) of directors of the Company (the “Directors”) has resolved to recommend a final dividend payment of HK\$0.015 (year ended 31 December 2020: Nil) per Share to shareholders whose names appear on the Company’s register of members on 6 June 2022.

An interim dividend of HK\$0.01 per Share was declared for the six months ended 30 June 2021 (period ended 30 June 2020: Nil).

Subject to the shareholders’ approval at the forthcoming annual general meeting to be held on 25 May 2022, the proposed final dividend will be paid on 27 June 2022.

### Business Review

#### Foundation Piling

During the year under review, turnover of the Group’s foundation piling segment was about HK\$2,164 million (31 December 2020: HK\$3,018 million). The segment recorded a profit of approximately HK\$73 million (31 December 2020: loss of HK\$32 million). The profit was mainly due to focusing strategically on securing profit-generating projects and improving costs control and efficiency.

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, 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, Drainage Services Department Office Building at Cheung Sha Wan Sewage Pumping Station, West Kowloon Cultural District Zones 2B & 2C and Anderson Road Quarry Sites R2-6 and R2-7.

### Prospects

While it is difficult to predict the COVID situation in Hong Kong and its impact on the economy, we remain cautiously optimistic about the Group’s business outlook in the coming year. The demand for construction related works has been increasing due to large government-led infrastructure and housing projects, such as the Northern Metropolis. These projects will span many phases and will provide a steady stream of business for the construction sector as a whole. More tender invitations relating to these projects are expected from both the public and private sectors.

The Group will continue to focus on foundation piling business and to look for suitable investment opportunities. The Group remains in a net cash position. Our strong balance sheet position will enable us to make significant new investments when opportunities arise.

## Financial Review

### Financial position, liquidity and financial resources

As at 31 December 2021, the Group's cash on hand was about HK\$651 million (31 December 2020: HK\$707 million) while total assets and net assets were about HK\$2,081 million (31 December 2020: HK\$2,267 million) and HK\$1,415 million (31 December 2020: HK\$1,433 million), respectively. Total liabilities were about HK\$666 million (31 December 2020: HK\$834 million), out of which financial liabilities were about HK\$400 million (31 December 2020: HK\$470 million) and the remaining were mainly contract liabilities and current or deferred tax provision.

As at 31 December 2021, the Group had an interest-bearing borrowing of about HK\$58 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 31 December 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 year ended 31 December 2021, the Group invested about HK\$34 million on purchase of machinery and equipment. As at 31 December 2021, the Group had capital commitments in relation to purchase of machinery and equipment of about HK\$16 million. Capital expenditure is principally financed by internal resources.

### Pledge of assets

As at 31 December 2021, office premise of the Group with a carrying amount of about HK\$130 million was pledged to 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\$414 million as at 31 December 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 790 employees as at 31 December 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.

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### 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

**Justin WAI**  
*Chairman*

Hong Kong  
23 March 2022