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TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code : 687)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2013

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 2013 together with the comparative figures for the year ended 31 March 2012 as follows:

Consolidated Income Statement

	<i>Notes</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> <i>(Restated)</i>
REVENUE	2	3,767,279	2,348,342
Cost of sales		(3,326,250)	(2,132,623)
Gross profit		441,029	215,719
Other income and gains	3	215,844	31,495
Selling expenses		(27,023)	(19,715)
Administrative expenses		(61,092)	(55,931)
Changes in fair value of investment properties		30,702	28,800
Other expenses, net		(32,296)	(27,850)
Finance costs	4	(16,331)	(8,813)
Share of profits of associates		6,402	4,756
PROFIT BEFORE TAX	5	557,235	168,461
Income tax expense	6	(195,131)	(79,621)
PROFIT FOR THE YEAR		362,104	88,840
Attributable to:			
Ordinary equity holders of the Company		348,479	97,953
Non-controlling interests		13,625	(9,113)
		362,104	88,840
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic		HK39.93 cents	HK11.23 cents
Diluted		HK39.93 cents	HK11.23 cents

Details of dividends are disclosed in note 7 to this announcement.

Consolidated Statement of Comprehensive Income

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> <i>(Restated)</i>
PROFIT FOR THE YEAR	362,104	88,840
OTHER COMPREHENSIVE INCOME		
Exchange difference on translation of foreign operations	<u>27,778</u>	<u>64,049</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>27,778</u>	<u>64,049</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>389,882</u>	<u>152,889</u>
Attributable to:		
Ordinary equity holders of the Company	375,689	161,080
Non-controlling interests	<u>14,193</u>	<u>(8,191)</u>
	<u>389,882</u>	<u>152,889</u>

Consolidated Statement of Financial Position

	<i>Notes</i>	31 March 2013 HK\$'000	31 March 2012 HK\$'000 <i>(Restated)</i>	1 April 2011 HK\$'000 <i>(Restated)</i>
NON-CURRENT ASSETS				
Property, plant and equipment		434,372	446,323	305,823
Investment properties		487,878	455,590	411,464
Properties under development		843,946	846,256	275,574
Deposits paid		3,909	9,427	388,037
Interests in associates		47,860	40,978	30,348
Other assets		1,230	1,120	1,090
Deferred tax assets		85,501	99,980	100,146
		<hr/>	<hr/>	<hr/>
Total non-current assets		1,904,696	1,899,674	1,512,482
CURRENT ASSETS				
Properties under development		187,880	401,499	281,762
Investments at fair value through profit or loss		272,373	3,282	122,933
Inventories		15,164	21,388	11,624
Properties held for sale		720,600	466,250	439,569
Amounts due from customers for contract works		99,643	147,416	88,407
Trade receivables	9	735,062	430,072	454,734
Other receivables, prepayments and deposits		50,232	62,576	48,348
Derivative financial instruments		—	110	87
Tax prepaid		9,238	13,777	5,320
Time deposits		529,582	208,248	788,527
Restricted cash		60,207	79,621	56,286
Cash and bank balances		488,870	275,816	321,484
		<hr/>	<hr/>	<hr/>
		3,168,851	2,110,055	2,619,081
Non-current asset classified as held for sale	10	<hr/> — <hr/>	<hr/> 120,794 <hr/>	<hr/> — <hr/>
Total current assets		3,168,851	2,230,849	2,619,081

Consolidated Statement of Financial Position (continued)

	<i>Notes</i>	31 March 2013 HK\$'000	31 March 2012 HK\$'000 <i>(Restated)</i>	1 April 2011 HK\$'000 <i>(Restated)</i>
CURRENT LIABILITIES				
Trade payables and accruals	11	638,467	485,880	480,959
Other payables, deposits received and receipts in advance		25,608	45,994	163,652
Derivative financial instruments		—	140	26
Amounts due to customers for contract works		528,161	184,099	224,428
Deposits received		140,897	326,713	173,482
Interest-bearing bank borrowings		109,786	231,452	128,382
Tax payable		289,164	207,995	473,502
Total current liabilities		1,732,083	1,482,273	1,644,431
NET CURRENT ASSETS		1,436,768	748,576	974,650
TOTAL ASSETS LESS CURRENT LIABILITIES		3,341,464	2,648,250	2,487,132
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings		726,042	366,826	332,332
Derivative financial instruments		8,205	11,006	5,821
Loan from an associate		24,560	24,560	24,560
Deferred tax liabilities		212,688	208,711	193,900
Total non-current liabilities		971,495	611,103	556,613
Net assets		2,369,969	2,037,147	1,930,519
EQUITY				
Equity attributable to ordinary equity holders of the Company				
Issued capital		87,266	87,266	87,011
Reserves		2,251,293	1,928,670	1,813,311
		2,338,559	2,015,936	1,900,322
Non-controlling interests		31,410	21,211	30,197
Total equity		2,369,969	2,037,147	1,930,519

Notes:

1. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

- (a) The Group has adopted the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current year’s financial statements.

HKFRS 1 Amendments Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*

HKFRS 7 Amendments Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*

HKAS 12 Amendments Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

Other than as further explained below regarding the impact of amendments to HKAS 12, the adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

The HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis. The Group had adopted HKAS 12 Amendments from 1 April 2012.

The Group has previously provided deferred tax on fair value gains on its investment properties assuming that the carrying amounts of these properties will be recovered through use. Upon the adoption of HKAS 12 Amendments, the Group re-measured the deferred tax relating to its investment properties based on the presumption that they are recovered entirely through sale as if this new policy had always been applied. The tax consequences in Hong Kong of a sale of the investment property and of the entity owning the investment property are not significantly different.

In Mainland China, the tax consequences of a sale of the investment property or of the entity owning the investment property may be different. The Group’s business model is that the entity owning the investment property will recover the value through use and on this basis the presumption of sale has been rebutted. Consequently, the Group has continued to recognise deferred taxes on the basis that the values of its investment properties in Mainland China are recovered through use.

1. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

(a) (continued)

The effects of the above change are summarised below:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
<i>Consolidated Income Statement for the year ended</i> <i>31 March</i>		
Decrease in income tax expense	360	305
Increase in profit attributable to ordinary equity holders of the Company	360	305
Increase in basic earnings per share (HK cent)	0.04	0.03
Increase in diluted earnings per share (HK cent)	0.04	0.03

Consolidated Statement of Financial Position

	31 March 2013 <i>HK\$'000</i>	31 March 2012 <i>HK\$'000</i>	1 April 2011 <i>HK\$'000</i>
Decrease in deferred tax liabilities	1,769	1,409	1,104
Increase in retained profits	1,769	1,409	1,104

Due to the retrospective application of the amendments which has resulted in the restatement of items in the consolidated statement of financial position, a consolidated statement of financial position as at 1 April 2011 has been presented in this announcement.

1. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

- (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 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i> ²
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i> ²
HKFRS 9	<i>Financial Instruments</i> ⁴
HKFRS 10	<i>Consolidated Financial Statements</i> ²
HKFRS 11	<i>Joint Arrangements</i> ²
HKFRS 12	<i>Disclosure of Interests in Other Entities</i> ²
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i> ²
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – <i>Investment Entities</i> ³
HKFRS 13	<i>Fair Value Measurement</i> ²
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> ¹
HKAS 19 (2011)	<i>Employee Benefits</i> ²
HKAS 27 (2011)	<i>Separate Financial Statements</i> ²
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> ²
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> ³
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ²
<i>Annual Improvements 2009-2011 Cycle</i>	Amendments to a number of HKFRSs issued in June 2012 ²

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2014

⁴ Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

2. OPERATING SEGMENT INFORMATION

2013	Foundation piling <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property investment and management <i>HK\$'000</i>	Machinery leasing and trading <i>HK\$'000</i>	Electrical and mechanical engineering <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue:								
Sales to external customers	2,896,047	761,435	24,723	31,910	53,164	—	—	3,767,279
Intersegment sales	—	—	—	3,365	42	—	(3,407)	—
Total	<u>2,896,047</u>	<u>761,435</u>	<u>24,723</u>	<u>35,275</u>	<u>53,206</u>	<u>—</u>	<u>(3,407)</u>	<u>3,767,279</u>
Segment results	<u>80,450</u>	<u>340,229</u>	<u>20,857</u>	<u>1,213</u>	<u>(2,656)</u>	<u>(76,996)</u>	<u>—</u>	<u>363,097</u>
Interest income								12,037
Dividend income from listed investments								158
Gain on disposal of non-current asset classified as held for sale								191,872
Finance costs								(16,331)
Share of profits of associates								<u>6,402</u>
Profit before tax								557,235
Income tax expense								<u>(195,131)</u>
Profit for the year								<u><u>362,104</u></u>

2. OPERATING SEGMENT INFORMATION (continued)

2013	Foundation piling <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property investment and management <i>HK\$'000</i>	Machinery leasing and trading <i>HK\$'000</i>	Electrical and mechanical engineering <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets and liabilities							
Segment assets	<u>1,244,624</u>	<u>2,301,555</u>	<u>541,801</u>	<u>44,655</u>	<u>19,295</u>	<u>921,617</u>	<u>5,073,547</u>
Segment liabilities	<u>962,121</u>	<u>338,042</u>	<u>11,133</u>	<u>1,512</u>	<u>16,343</u>	<u>1,374,427</u>	<u>2,703,578</u>
Other segment information:							
Depreciation	59,754	2,434	4,237	5,615	14	9,357	81,411
Impairment of trade receivables	—	—	5,842	—	—	—	5,842
Write-back of impairment of other assets	—	—	—	—	—	(110)	(110)
Write-down of inventories to net realisable value	—	—	—	458	—	—	458
Impairment of other receivables	—	—	2,000	—	—	—	2,000
Write-off of other receivables	—	—	1,788	—	—	—	1,788
Loss/(gain) on disposal and write-off of items of property, plant and equipment	15,404	—	852	(251)	—	—	16,005
Gain on disposal of investment properties	—	—	(478)	—	—	—	(478)
Gain on disposal of non-current asset classified as held for sale	—	—	—	—	—	(191,872)	(191,872)
Changes in fair value of investment properties	—	—	(30,702)	—	—	—	(30,702)
Capital expenditure in respect of property, plant and equipment	<u>64,534</u>	<u>3,354</u>	<u>11,409</u>	<u>3,717</u>	<u>—</u>	<u>1,677</u>	<u>84,691</u>

2. OPERATING SEGMENT INFORMATION (continued)

2012	Foundation piling <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property investment and management <i>HK\$'000</i>	Machinery and leasing and trading <i>HK\$'000</i>	Electrical and mechanical engineering <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i> <i>(Restated)</i>
Segment revenue:								
Sales to external customers	2,219,025	64,967	31,896	22,834	9,620	—	—	2,348,342
Intersegment sales	—	—	—	866	1,063	—	(1,929)	—
Total	<u>2,219,025</u>	<u>64,967</u>	<u>31,896</u>	<u>23,700</u>	<u>10,683</u>	<u>—</u>	<u>(1,929)</u>	<u>2,348,342</u>
Segment results	<u>236,036</u>	<u>(22,546)</u>	<u>26,610</u>	<u>(843)</u>	<u>157</u>	<u>(87,197)</u>	<u>—</u>	152,217
Interest income								20,159
Dividend income from listed investments								142
Finance costs								(8,813)
Share of profits of associates								4,756
Profit before tax								168,461
Income tax expense								(79,621)
Profit for the year								<u>88,840</u>

2. OPERATING SEGMENT INFORMATION (continued)

2012	Foundation piling <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property investment and management <i>HK\$'000</i>	Machinery leasing and trading <i>HK\$'000</i>	Electrical and mechanical engineering <i>HK\$'000</i>	Unallocated <i>HK\$'000</i> <i>(Restated)</i>	Consolidated <i>HK\$'000</i> <i>(Restated)</i>
Assets and liabilities							
Segment assets	<u>870,775</u>	<u>1,951,092</u>	<u>654,986</u>	<u>37,542</u>	<u>22,976</u>	<u>593,152</u>	<u>4,130,523</u>
Segment liabilities	<u>516,783</u>	<u>442,965</u>	<u>44,289</u>	<u>1,715</u>	<u>4,259</u>	<u>1,083,365</u>	<u>2,093,376</u>
Other segment information:							
Depreciation	44,857	2,211	3,015	4,093	25	10,628	64,829
Impairment of trade receivables	—	—	2,876	—	—	—	2,876
Recovery of trade receivables written off in prior years	—	—	—	(102)	—	—	(102)
Write-back of impairment of other assets	—	—	—	—	—	(30)	(30)
Write-down of inventories to net realisable value	—	—	—	29	—	—	29
Loss/(gain) on disposal and write-off of items of property, plant and equipment	(306)	4	586	(700)	—	(50)	(466)
Gain on disposal of investment properties	—	—	(27)	—	—	—	(27)
Changes in fair value of investment properties	—	—	(28,800)	—	—	—	(28,800)
Capital expenditure in respect of property, plant and equipment	<u>88,975</u>	<u>6,204</u>	<u>2,281</u>	<u>15,684</u>	<u>—</u>	<u>213,302</u>	<u>326,446</u>

Note:

Due to the relatively insignificance of the building construction segment to the Group, which was included in the “electrical and mechanical engineering and building construction segment” in the financial statements of the Group for the year ended 31 March 2012, this operating segment has been reclassified in unallocated assets and liabilities in the current year. Accordingly, certain comparative amounts have been reclassified to conform with the current year’s presentation.

2. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	Hong Kong		Macau		Elsewhere in the People's Republic of China (the "PRC")		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue:								
Sales to external customers	<u>2,278,170</u>	<u>2,252,055</u>	<u>703,593</u>	<u>—</u>	<u>785,516</u>	<u>96,287</u>	<u>3,767,279</u>	<u>2,348,342</u>

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

(b) Non-current assets

	Hong Kong		Macau		Elsewhere in the PRC		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<u>487,122</u>	<u>505,967</u>	<u>9,845</u>	<u>93</u>	<u>1,322,228</u>	<u>1,293,634</u>	<u>1,819,195</u>	<u>1,799,694</u>

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

3. OTHER INCOME AND GAINS

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Interest income	12,037	20,159
Insurance claims	313	—
Gain on disposal and write-off of items of property, plant and equipment	—	466
Gain on disposal of investment properties	478	27
Gain on disposal of non-current asset classified as held for sale (note 10)	191,872	—
Subsidy income*	1,183	2,688
Fair value gains on investments at fair value through profit or loss, net	532	—
Foreign exchange gains, net	—	2,052
Management service income	1,862	1,562
Dividend income from listed investments	158	142
Others	7,409	4,399
	<u>215,844</u>	<u>31,495</u>

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

4. FINANCE COSTS

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Interest on bank borrowings and overdrafts:		
– wholly repayable within five years	14,679	7,048
– wholly repayable over five years	1,652	1,765
	<u>16,331</u>	<u>8,813</u>

5. PROFIT BEFORE TAX

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

	2013	2012
	HK\$'000	HK\$'000
Depreciation	81,411	64,829
Impairment of trade receivables	5,842	2,876
Write-down of inventories to net realisable value	458	29
Impairment of other receivables	2,000	—
Write-off of other receivables	1,788	—
Loss/(gain) on disposal and write-off of items of property, plant and equipment	16,005	(466)
Gain on disposal of investment properties	(478)	(27)
Gain on disposal of non-current asset classified as held for sale	(191,872)	—
Fair value losses/(gains), net:		
Investments at fair value through profit or loss	(532)	901
Derivative instruments - transaction not qualifying as hedge	1,350	9,700
Impairment of an amount due from an associate	12	33
Dividend income from listed investments	(158)	(142)
	—————	—————

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere in the PRC have been calculated at the applicable tax rates prevailing in the areas in which the Group operates.

	2013	2012
	HK\$'000	HK\$'000
		<i>(Restated)</i>
Provision for tax in respect of profit for the year:		
PRC:		
Hong Kong	11,000	30,014
Elsewhere	165,926	19,695
	—————	—————
	176,926	49,709
Underprovision/(overprovision) in the prior years:		
PRC:		
Hong Kong	(60)	6
Elsewhere	—	22,137
	—————	—————
	(60)	22,143
Deferred tax	18,265	7,769
	—————	—————
Total tax charge for the year	195,131	79,621
	—————	—————

7. DIVIDENDS

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividends paid during the year:		
Final in respect of the financial year ended 31 March 2012 - HK4.0 cents (year ended 31 March 2011: HK4.0 cents) per ordinary share	34,907	34,891
Interim - HK2.0 cents (2012: HK1.5 cents) per ordinary share	17,453	13,090
	52,360	47,981
Proposed final dividend:		
Final - HK5.0 cents (2012: HK4.0 cents) per ordinary share	43,633	34,907

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the final dividend payable.

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\$348,479,000 (2012 (restated): HK\$97,953,000), and the weighted average number of ordinary shares of 872,665,903 (2012: 871,953,882) in issue during the year.

The calculation of the diluted earnings per share amount for the year ended 31 March 2013 is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$348,479,000 (2012 (restated): HK\$97,953,000). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during that year, 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 share options into ordinary shares during that year of 15,765 (2012: 373,421).

9. TRADE 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:

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables:		
Within 90 days	456,725	267,116
91 to 180 days	751	1,209
181 to 360 days	14,105	3,149
Over 360 days	194	1,830
	471,775	273,304
Retention receivables	263,287	156,768
	735,062	430,072

9. TRADE RECEIVABLES (continued)

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.

10. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

On 7 December 2011, the Group entered into a formal sales and purchase agreement with an independent third party to dispose of an owner-occupied property being the whole floor of 11th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong at a total cash consideration of HK\$315,000,000. Deposits of HK\$31,500,000 were received during the year ended 31 March 2012.

In accordance with HKFRS 5, the owner-occupied property with a carrying amount of HK\$120,794,000 of the Group, was reclassified as non-current asset held for sale. As at 31 March 2012, the owner-occupied property was pledged to a bank as security for banking facilities granted to the Group. During the year ended 31 March 2013, the disposal was completed. After deducting transaction costs of HK\$2,334,000, net gain of HK\$191,872,000 was resulted.

11. TRADE 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:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Trade payables:		
Within 30 days	214,364	167,274
31 to 90 days	2,719	21,341
91 to 180 days	224	1,193
Over 180 days	4,190	1,358
	<hr/>	<hr/>
	221,497	191,166
Retention payables	79,759	58,314
Accruals	337,211	236,400
	<hr/>	<hr/>
	638,467	485,880

12. CONTINGENT LIABILITIES

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Guarantees in respect of performance bonds granted to:		
– subsidiaries	342,818	251,598
– an associate	35,229	42,341
	<u>378,047</u>	<u>293,939</u>

13. COMMITMENTS

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
(a) Property, plant and equipment:		
– contracted, but not provided for	<u>10,208</u>	<u>1,782</u>
(b) Construction works relating to properties under development:		
– contracted, but not provided for	1,300,361	294,112
– authorised, but not contracted for	248,493	300,000
	<u>1,548,854</u>	<u>594,112</u>
(c) Commitments under non-cancellable operating leases for land and buildings to make payments:		
– Within one year	26,322	10,940
– In the second to fifth years, inclusive	6,249	3,520
	<u>32,571</u>	<u>14,460</u>

DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK\$0.05 (2011/12: HK\$0.04) per ordinary share to shareholders whose names appear on the Company's register of members on 9 August 2013. An interim dividend of HK\$0.02 per ordinary share was paid for the six months ended 30 September 2012 (2011/12: HK\$0.015). Subject to shareholders' approval at the forthcoming annual general meeting, the proposed final dividend will be paid on or before 6 September 2013.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed during the following periods:

- (i) from Tuesday, 30 July 2013 to Thursday, 1 August 2013 (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, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 29 July 2013; and
- (ii) from Wednesday, 7 August 2013 to Friday, 9 August 2013 (both dates inclusive) during which period no transfer of share will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, 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, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 6 August 2013.

BUSINESS REVIEW

Hong Kong Market

In the fiscal year 2013-14, the government's capital spending on infrastructure will reach HK\$70 billion. Major infrastructure projects being undertaken or planned include a new metro line (Shatin to Central Link) and road projects (Central to Wan Chai Bypass, Island Eastern Corridor Link, Tuen Mun to Chek Lap Kok Link). The Group thus expects the outlook of the foundation industry will continue to be positive.

Foundation Piling

The turnover of the Group's foundation division increased by 31% to HK\$2,896 million for the year under review. However, due to increased competition, rising costs and unexpected delay in some projects, the net contribution decreased by 66% to HK\$80 million as compared to HK\$236 million last year. The Group's major contracts on hand include, inter alia, the Wynn project in Cotai Macau, Hong Kong Housing Authority's project in Tuen Mun Area 54 and Wheelock's project in Hung Luen Road.

Other Construction Related Sectors

During the year under review, turnover of the Group's electrical and mechanical engineering division was HK\$53 million but due to rising costs and write offs, the division incurred a loss of about HK\$3 million. The Group expects the division to become breakeven in the coming year.

The machinery leasing and trading division's turnover increased from HK\$23 million to HK\$32 million for the year under review and managed to make a turnaround with net contribution of over HK\$1 million. The Group expects the division's turnover to continue to increase and yield stable returns.

Disposal of Office Premises

On 7 December 2011, the Group entered into a sale and purchase agreement to sell its office located at 11th Floor, Harbour Centre, 25 Harbour Road, Hong Kong for a consideration of HK\$315 million. The sale was completed on 31 May 2012 and a profit of about HK\$192 million was recorded in this financial period. Such disposal improves the Group's working capital and strengthens the overall financial position of the Group.

PRC Market

Shanghai, Tianjin and Shenyang, the three cities where the Group's property projects are located, continue to rank as the highest growth cities in China. In 2012, China's GDP grew 7.8% to over RMB51,932 billion with a per capita GDP of RMB38,354. Shanghai recorded a GDP growth of 7.5% to RMB2,010 billion with a per capita GDP of RMB85,000. Tianjin experienced a GDP growth of 13.8% to RMB1,289 billion with a per capita GDP of RMB91,181 while Shenyang achieved a GDP growth of 10.0% to RMB661 billion with a per capita GDP of RMB80,532 in 2012.

Property Development

The Waterfront

For the year under review, the Group's residential project in Shanghai, The Waterfront, recognized sales revenue of HK\$224 million as compared to HK\$62 million in the previous year while contribution to profit was HK\$140 million. With new round of tightening policies, market sentiment is expected to remain cautious and conservative. However, the Group believes that the price of the project will remain solid.

The Riverside

The Group's residential project in Tianjin, The Riverside, comprises 6 towers with a total gross floor area ("GFA") of approximately 75,000 sqm. With the existing property market environment, the sale performance of the project was considered satisfactory. Handover of units commenced in the later half of 2012 and for the year under review, revenues of HK\$535 million were recognized while contribution to profit amounted to HK\$199 million. With emphasis on high quality and unique design, the Group is positive on the sales of the remaining units.

Shenyang Project

The site in Shenyang is located at Huanggu District with a site area of about 41,340 sqm and a GFA of approximately 165,000 sqm, comprising both residential and commercial development. As planned, foundation works have just commenced.

Property Investment and Management

The Group's investment properties in Shanghai have continued to enjoy steady recurrent income and satisfactory occupancy rates. Turnover of the property investment division during the year under review was HK\$25 million while the overall valuation increased by HK\$31 million. In order to achieve higher returns, the Group will undertake renovation works to enhance the quality of China Garden. The renovation program will be conducted in phases and is expected to complete in 2015.

PROSPECTS

The global economy is on shaky ground with a small rebound in the US in the beginning of the year but appears to have faded. With so many parts of the world economy performing below expectations, China's economic outlook is still relatively promising. Although the days of double-digit growth in China are over, the new leadership's direction to restructure the economy towards domestic consumption is encouraging as it will lead China to a more sustainable growth.

The Group expects the foundation industry will continue to be stable in the coming year due to commencement of piling works for major infrastructure projects in Hong Kong (which include HK-Macau-Zhuhai bridge and MTR Shatin Central Link etc.) and casino related projects in Macau (which include Wynn Phase 2, Venetian Parcel 3 and MGM Cotai). However, the Group expects increased competitions and escalating costs but is prepared and equipped to face such challenges and market uncertainties ahead.

With a rebound in China's home prices in the first quarter of 2013, the central government unveiled a fresh round of measures in March to cool the property sector. The residential market will be suppressed in the short run but the Group believes such measures are vital for healthy growth in the long run. The Group believes it is well positioned in the China property market as it has projects in different stages of completion, an experienced management team and sufficient cash to capture opportunities readily.

All in all, the Group will adopt a prudent investment and financing strategy and will continue to strive for improvement, strengthen its operational efficiency and look for opportunities to maximize the interests of the shareholders.

FINANCIAL REVIEW

The Group continues to adopt a prudent financing policy and sustain a sound capital structure with healthy cashflow. As at 31 March 2013, the Group's cash on hand was approximately HK\$1,079 million (31 March 2012: HK\$564 million) while total assets and net assets (after deducting non-controlling interests) were approximately HK\$5,074 million (31 March 2012: HK\$4,131 million) and HK\$2,339 million (31 March 2012 (restated): HK\$2,016 million), respectively. As at 31 March 2013, the Group's working capital amounted to HK\$1,437 million.

During the year under review, the Group, in view of the prevailing relatively low interest rates, had successfully closed a club deal and raised a HK\$500 million five-year term loan for general working capital purpose. The club deal was well received by The Hongkong & Shanghai Banking Corporation Limited, Bank of China (Hong Kong) Limited and Shanghai Commercial Bank Limited and more importantly signifies the bankers' continued confidence in and support to the Group.

As at 31 March 2013, the Group did not have any net debt gearing and record a net cash balance of HK\$243 million, while the Group's net debt balance and net debt to equity (includes non-controlling interests) ratio were HK\$35 million and 1.7%, respectively as at 31 March 2012. Contingent liabilities in relation to guarantees of performance bonds increased from HK\$294 million as at 31 March 2012 to HK\$378 million as at 31 March 2013. Certain of the Group's assets with a book value of approximately HK\$233 million have been pledged to secure certain banking facilities of the Group. The Group's bank borrowings were mostly denominated in Hong Kong dollars, with a few loan facilities in Euro and Yen. Currency exposure has been monitored and forward contracts will be considered when the need arises.

EMPLOYMENT AND REMUNERATION POLICIES

The Group, including its subsidiaries in Hong Kong and the PRC, employed approximately 1,472 employees as at 31 March 2013. 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 "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 2013 except 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 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 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 2013.

AUDIT COMMITTEE

The Group’s Audit Committee revised its terms of reference with effect from 1 April 2012. 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 management the 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 2013.

APPRECIATION

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

On behalf of the Board
FRANCIS CHEUNG
Chairman

Hong Kong, 19 June 2013

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, Mr. Lau Kin Fai and Mr. Harvey Jackel Cheung, 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.

Website: www.tysan.com