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interim report



TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code : 687)



Contents

	<i>Page</i>
Management Discussion and Analysis	2
Corporate Governance	4
Other Information	5
Condensed Interim Financial Statements	7
Corporate Information	16



Management Discussion and Analysis

For the six months ended 30 September 2006, the Group's turnover increased by 68% to HK\$666 million (30 September 2005: HK\$397 million) while profit before tax and changes in fair value of investment properties increased to HK\$31.3 million as compared to HK\$15.5 million in the last corresponding period. Profit attributable to equity holders of the Company was approximately HK\$13.5 million (30 September 2005: HK\$16.1 million).

Hong Kong Market

Foundation Piling

Hong Kong's economy continues its healthy path with an average GDP growth of 6.8% in the first three quarters of 2006 while unemployment fell to 4.5%. Though the local construction industry still experienced setbacks, the Group has continued to maintain its leadership role in the market and at the same time has well positioned itself to embrace the growing opportunities in Macau. For the period under review, the turnover of the Group's foundation division increased by 77 % to HK\$504 million while contribution to profit increased 4 times to HK\$36 million as compared to HK\$9 million in the last corresponding period. Approximately 87 per cent. of the turnover was derived from the private sector while the balance was from the public sector. The Group's major contracts on hand include, inter alia, Nam Fung's project in Kowloon Bay, the project at No. 63 Nathan Road (the former site of Hyatt Regency hotel) and Venetian Parcels 5 and 6 project in Macau.

Other Construction Related Sectors

During the period under review, the turnover and contribution of the Group's electrical and mechanical engineering division and building construction division were about HK\$102 million and HK\$2 million respectively. Though the market will continue to be featured by stiff competition, the Group still expects the divisions to bring profitable returns.

During the period under review, the Group's machinery hiring and trading division recorded a turnover of HK\$14.8 million and a contribution of HK\$0.6 million. With the gradual recovery of the machinery hiring market, the Group expects this division to provide steady returns.

PRC Market

Property development and investment

During the period under review, the Group's residential development project in Shanghai's Putuo district, The Waterfront, with a total area of about 147,000 sqm overlooking Suzhou river, has commenced the pre-sale of two of its towers. Despite launching the pre-sale in the midst of the Central Government's series of new macro-control policies on the property sector, the sales response has been overwhelming. Completion of the first phase of the project is expected to be in the second half of the next financial year. As Tianjin's economy has continued to pick up its momentum, the Group has strategically scheduled the pre-sale of its residential development project along Tianjin's Haihe River to the first half of 2008.

With growing foreign investments and the continued influx of expatriates, the Group's investment properties in Shanghai and Tianjin have continued to enjoy steady recurrent income and satisfactory occupancy rates.



Management Discussion and Analysis

Prospects

Hong Kong's economy is back on a healthy cycle and the Group is confident on the continuance of this recovery relay. In addition, China's liquidity should further benefit Hong Kong as substantial amount of capital is expected to enter into the local financial, property and retail markets. With the significant investment inflows associated with the liberalization of the gaming industry, Macau's economy is poised for sustained growth in the medium term. The Group, which has already anchored its market position, expects Macau to become major chapters in its foundation book.

The series of administrative measures to curb speculative activities have at most cushioned the market to achieve a soft landing but did not impede economic growth as China's GDP growth in the first three quarters was 10.7% as compared to 9.9% in 2005. Over time, under a healthy market environment, genuine domestic demand will be the driving force to converge the property market to a sustained path. With the confirmed appreciation trend of the Renminbi, continuous foreign investments and rising domestic consumption power, the Group is confident in the upward momentum of the property market in Shanghai and Tianjin and expects the Group's investment projects to generate good earnings in the coming financial years.

Financial Review

The Group continues to adopt a prudent financial policy and maintains a sound capital structure. As at 30 September 2006, the Group's cash on hand amounted to about HK\$398 million (31 March 2006: HK\$240 million) while total assets and net assets (excluding minority interests) amounted to approximately HK\$2,583 million (31 March 2006: HK\$2,286 million) and HK\$635 million (31 March 2006: HK\$606 million) respectively. Working capital was about HK\$138 million (31 March 2006: HK\$184 million) while net borrowings were approximately HK\$307 million (31 March 2006: HK\$418 million). Net debt to equity (including minority interests) gearing ratio was 27 per cent. as compared to 38 per cent. as at 31 March 2006.

As at 30 September 2006, the Group's contingent liabilities in relation to guarantees in respect of performance bonds was about HK\$101 million (31 March 2006: HK\$76 million) and that of mortgage facilities relating to mortgage loans arranged for certain purchasers of the Group's properties was about HK\$29 million (31 March 2006: Nil). The Group has pledged certain of its assets with an aggregate book value of about HK\$897 million (31 March 2006: HK\$604 million) to secure certain banking facilities of the Group. The Group's bank borrowings were denominated either in Hong Kong dollars or Renminbi. The currency exposure in the Renminbi borrowings has been hedged by the Group's Renminbi assets and revenue as generated from its PRC properties.

Employment and Remuneration Policies

The Group, including its subsidiaries and joint ventures in Hong Kong and the PRC, employed approximately 1,100 employees as at 30 September 2006. The Group's remuneration policies are primarily based on prevailing market wages and the performance of the respective companies and individuals concerned. Fringe benefits, including provident fund, medical insurance and training, are provided. In addition, share options may be granted in accordance with the terms of the Group's approved share option scheme.

Interim Dividend

The Board has resolved not to declare an interim dividend (2005: Nil) for the six months ended 30 September 2006.



Corporate Governance

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (“the CG Code”) contained in Appendix 14 to the Listing Rules save for the following deviations:

Code Provision A4.1 stipulates that non-executive directors should be appointed for a specific term subject to re-election. The independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. As such, the Board is of the view that the non-executive directors of the Company need not be appointed for a specific term.

Code Provision A4.2 stipulates every director should be subject to retirement by rotation at least once every three years. According to the Bye-laws of the Company, at each annual general meeting, one third of the directors shall retire from office by rotation provided that notwithstanding anything therein. The chairman of the Board and the managing director of the Company shall not be subject to retirement by rotation or taken into account in determining the number of directors to retire. As continuation is a key factor to the successful long term implementation of business plans, the Board believes that the roles of the chairman and the managing director provide the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategy. As such, the Board is of the view that the chairman of the Board and the managing director of the Company should not be subject to retirement by rotation.

Audit Committee

The Group’s audit committee comprises three members, Mr. Fan Chor Ho Paul, Mr. Chau Cham Son and Mr. Tse Man Bun, who are independent non-executive directors of the Company. The Chairman of the Audit Committee is Mr. Fan Chor Ho Paul.

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

The unaudited condensed interim financial statements of the Group for the six months ended 30 September 2006 have been reviewed by the Audit Committee.

Remuneration Committee

The Group’s remuneration committee consists of three members, comprising Mr. Francis Cheung and two independent non-executive directors, namely Mr. Fan Chor Ho Paul and Mr. Tse Man Bun. Mr. Francis Cheung is the Chairman of the Group’s remuneration committee.

The primary functions of the Remuneration Committee are to evaluate the performance and make recommendations on the remuneration package of the directors and senior management and evaluate, make recommendations on the Company’s share option schemes, retirement scheme, performance assessment system and bonus policy.

Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules. Having made specific enquiries, all Directors confirmed that they have complied with the Model Code during the period.



Other Information

Directors' and Chief Executives' Interests in Shares

As at 30 September 2006, the interests and long positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in shares of the Company:

Name of directors	Number of ordinary shares held and nature of interest				Percentage of the Company's issued share capital
	Personal	Corporate	Other	Total	
Mr. Francis Cheung	40,320,600	217,185,000 ⁽¹⁾	54,247,200 ⁽²⁾	311,752,800	37.2%
Mr. Fung Chiu Chak Victor	57,091,600	—	—	57,091,600	6.8%
Mr. David Chien	98,021,020	—	—	98,021,020	11.7%
Miss Jennifer Kwok	16,500,000	—	—	16,500,000	2.0%
Mr. Chiu Chin Hung	5,000,000	—	—	5,000,000	0.6%
Mr. Wong Kay	10,765,000	—	—	10,765,000	1.3%
Mr. Tse Man Bun	442,000	—	—	442,000	0.1%

Long positions in shares of associated corporations of the Company:

Name of directors	Name of associated corporations	Number of ordinary shares held and nature of interest		
		Personal	Corporate	Total
Mr. Fung Chiu Chak Victor	Tysan Building Construction Company Limited	3,570,000	—	3,570,000
	Tysan Engineering Company Limited	800	—	800
	Tysan Trading Company Limited	20	—	20
Miss Jennifer Kwok	Tysan Trading Company Limited	20	—	20
Mr. Wong Kay	Tysan Engineering Company Limited	2,200	—	2,200
	Tysan Building Construction Company Limited	1,530,000	—	1,530,000

Notes:

- 171,237,000 shares were held by Power Link Investments Limited and 45,948,000 shares were held by Long Billion International Limited. Both of these companies were controlled by Mr. Francis Cheung.
- Such shares were held by a discretionary trust the founder of which is Mr. Francis Cheung.

Save as disclosed above, as at 30 September 2006, none of the directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



Substantial Shareholders

As at 30 September 2006, the following persons (other than the directors or chief executives of the Company) had interests or long positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in shares of the Company:

Name	Number of shares	Percentage of the issued share capital
Power Link Investments Limited ⁽¹⁾	171,237,000	20.5%
Eastern Glory Development Limited ⁽²⁾	171,237,000	20.5%
Goldcrest Enterprises Limited ⁽²⁾	171,237,000	20.5%
Bofield Holdings Limited ⁽²⁾	171,237,000	20.5%
Long Billion International Limited ⁽¹⁾	45,948,000	5.5%

Notes:

1. The above interest of Power Link Investments Limited and Long Billion International Limited have also been disclosed as corporate interests of Mr. Francis Cheung in the section headed "Directors' and Chief Executives' interests in shares" above.
2. These parties were deemed to have interests in 171,237,000 shares by virtue of their equity interests in Power Link Investments Limited.

Save as disclosed above, no other person (other than the directors or chief executives of the Company) had an interest or long position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Purchase, Sale or Redemption of Listed Securities of the Company

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



Condensed Interim Financial Statements

Condensed Consolidated Income Statement

	<i>Notes</i>	2006 HK\$'000 <i>Unaudited</i>	2005 HK\$'000 <i>Unaudited and Restated</i>
REVENUE	2	665,993	397,260
Cost of sales		(604,668)	(363,659)
Gross profit		61,325	33,601
Other income and gains	3	3,443	7,288
Selling expenses		(353)	(501)
Administrative expenses		(17,639)	(15,138)
Changes in fair value of investment properties		3,040	43,160
Other expenses		(2,981)	(964)
Finance costs		(12,531)	(8,793)
PROFIT BEFORE TAX	4	34,304	58,653
Tax	5	(11,681)	(19,070)
PROFIT FOR THE PERIOD		22,623	39,583
Attributable to:			
Equity holders of the Company		13,511	16,139
Minority interests		9,112	23,444
		22,623	39,583
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	6		
Basic		1.61 cents	2.11 cents
Diluted		N/A	2.08 cents



Condensed Interim Financial Statements

Condensed Consolidated Balance Sheet

		As at 30 September 2006 HK\$'000 <i>Unaudited</i>	As at 31 March 2006 HK\$'000 <i>Audited</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		120,944	99,280
Investment properties		1,089,280	1,075,150
Prepaid land lease payments		1,420	1,437
Properties under development		555,745	469,379
Other assets		1,040	1,040
Deferred tax assets		—	160
Total non-current assets		<u>1,768,429</u>	<u>1,646,446</u>
CURRENT ASSETS			
Equity investments at fair value through profit or loss		556	372
Inventories		10,909	8,673
Properties held for sale		11,289	11,468
Amounts due from customers for contract works		136,195	142,476
Trade receivables	7	231,040	219,555
Other receivables, prepayments and deposits		25,285	15,716
Tax prepaid		1,042	1,571
Time deposits		27,164	40,977
Cash and bank balances		370,640	199,135
Total current assets		<u>814,120</u>	<u>639,943</u>
CURRENT LIABILITIES			
Trade payables and accruals	8	229,849	175,030
Other payables, deposits received and receipts in advance		54,705	51,990
Amounts due to customers for contract works		11,691	19,261
Advances received from the pre-sale of properties under development		147,345	—
Interest-bearing bank borrowings		225,076	202,680
Tax payable		7,169	6,713
Total current liabilities		<u>675,835</u>	<u>455,674</u>
NET CURRENT ASSETS		<u>138,285</u>	<u>184,269</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,906,714</u>	<u>1,830,715</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		479,858	455,834
Deferred tax liabilities		276,650	266,689
Total non-current liabilities		<u>756,508</u>	<u>722,523</u>
Net assets		<u>1,150,206</u>	<u>1,108,192</u>
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		83,746	83,746
Reserves		550,908	522,731
		<u>634,654</u>	<u>606,477</u>
Minority interests		515,552	501,715
Total equity		<u>1,150,206</u>	<u>1,108,192</u>



Condensed Interim Financial Statements

Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company							Total equity HK\$'000
	Issued capital HK\$'000	Share premium account HK\$'000	Statutory reserves HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits/ losses (accumulated) HK\$'000	Total HK\$'000	Minority interests HK\$'000	
Balance at 1 April 2006 (<i>Audited</i>)	83,746	518,437	4,617	14,361	(14,684)	606,477	501,715	1,108,192
Exchange realignment and total income and expense for the period recognised directly in equity	—	—	18	14,648	—	14,666	8,645	23,311
Net profit for the period	—	—	—	—	13,511	13,511	9,112	22,623
Dividends paid to minority shareholders	—	—	—	—	—	—	(3,920)	(3,920)
Balance at 30 September 2006 (<i>Unaudited</i>)	83,746	518,437	4,635	29,009	(1,173)	634,654	515,552	1,150,206
Balance at 1 April 2005 (<i>Audited</i>)	76,496	510,987	4,586	3,613	(35,649)	560,033	470,155	1,030,188
Exchange realignment and total income and expense for the period recognised directly in equity (<i>Restated</i>)	—	—	42	11,759	—	11,801	7,328	19,129
Net profit for the period (<i>Restated</i>)	—	—	—	—	16,139	16,139	23,444	39,583
Dividends paid to minority shareholders	—	—	—	—	—	—	(9,356)	(9,356)
Balance at 30 September 2005 (<i>Unaudited and Restated</i>)	76,496	510,987	4,628	15,372	(19,510)	587,973	491,571	1,079,544

**Condensed Interim Financial Statements****Condensed Consolidated Cash Flow Statement**

	2006 HK\$'000 <i>Unaudited</i>	2005 HK\$'000 <i>Unaudited and Restated</i>
Net cash inflow/(outflow) from operating activities	234,326	(7,483)
Net cash outflow from investing activities	(96,655)	(82,870)
Net cash inflow from financing activities	16,686	227,413
Net increase in cash and cash equivalents	154,357	137,060
Cash and cash equivalents at beginning of period	240,112	138,027
Effect of foreign exchange rate changes, net	3,335	1,395
Cash and cash equivalents at end of period	<u>397,804</u>	<u>276,482</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	370,640	230,599
Time deposits	<u>27,164</u>	<u>45,883</u>
	<u>397,804</u>	<u>276,482</u>



Condensed Interim Financial Statements

Notes to Condensed Interim Financial Statements

1. Basis of preparation and accounting policies

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 of Hong Kong Limited (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and should be read in conjunction with the annual financial statements for the year ended 31 March 2006.

The accounting policies used in the preparation of the unaudited condensed interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 March 2006.

Certain new accounting and financial reporting standards, amendments to existing standards and interpretations have been published that are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. Those that are relevant to the Group's operations are amendments to HKAS 39 and Hong Kong Financial Reporting Standards ("HKFRS") 4, "Financial Guarantee Contracts". The Group concluded that the amendments did not have significant impact on the results and presentation in the unaudited condensed interim financial statements.

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

Certain comparative figures have been restated to bring in line with the policies adopted in the annual financial statements for the year ended 31 March 2006.

Condensed Interim Financial Statements

2. Segment information

(a) Business segments

The following table presents revenue and profit/(loss) for the Group's business segments for the six months ended 30 September:

	Foundation piling		E&M engineering and building construction		Machinery hiring and trading		Property investment and management		Property development		Unallocated		Eliminations		Consolidated	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Segment revenue:	504,470	285,749	99,582	51,754	13,585	11,893	48,109	47,864	247	—	—	—	665,993	397,260	—	—
Sales to external customers	7	—	2,396	—	1,255	1,394	—	—	—	—	—	—	—	—	—	—
Intersegment sales	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	504,477	285,749	101,978	51,754	14,840	13,287	48,109	47,864	247	—	—	—	665,993	397,260	—	—
Segment results	35,963	9,404	1,537	3,047	559	2,537	24,283	25,188	(1,675)	(1,050)	(17,898)	(15,299)	42,769	23,827	—	—
Interest income													1,015	459		
Dividend income from listed investments													11	—		
Changes in fair value of investment properties													3,040	43,160		
Finance costs													(12,531)	(8,793)		
Profit before tax													34,304	58,653		
Tax													(11,681)	(19,070)		
Profit for the period													22,623	39,583		

(b) Geographical segments

The following table presents revenue for the Group's geographical segments for the six months ended 30 September:

	Hong Kong and Macau		Elsewhere in the PRC		Consolidated	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Segment revenue:	618,181	349,828	47,812	47,432	665,993	397,260
Sales to external customers						



Condensed Interim Financial Statements

3. Other income and gains

	Six months ended 30 September	
	2006 HK\$'000	2005 HK\$'000 <i>Restated</i>
Interest income	1,015	459
Gain on disposal of items of property, plant and equipment	—	5,691
Others	2,428	1,138
	<u>3,443</u>	<u>7,288</u>

4. Profit before tax

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

	Six months ended 30 September	
	2006 HK\$'000	2005 HK\$'000 <i>Restated</i>
Depreciation	17,924	23,561
Amortisation of prepaid land lease payments	17	17
Loss on disposal of an investment property	228	109
Write back of provision for impairment of trade receivables	(726)	(260)
Loss/(gain) on disposal of items of property, plant and equipment	1,893	(5,691)
Interest expenses	21,000	10,818
Less: Interest capitalized in properties under development	(8,469)	(2,025)
	<u>12,531</u>	<u>8,793</u>

5. Tax

	Six months ended 30 September	
	2006 HK\$'000	2005 HK\$'000 <i>Restated</i>
Provision for tax in respect of profit for the period:		
People's Republic of China:		
Hong Kong	87	467
Elsewhere	8,009	5,287
Underprovision in prior period:		
People's Republic of China:		
Hong Kong	14	—
Deferred tax	<u>8,110</u>	<u>5,754</u>
	<u>3,571</u>	<u>13,316</u>
	<u>11,681</u>	<u>19,070</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere in the People's Republic of China have been calculated at the applicable tax rates prevailing in the areas in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.



Condensed Interim Financial Statements

6. Earnings per share

The calculation of basic earnings per share amount is based on the net profit for the period attributable to ordinary equity holders of the Company of HK\$13,511,000 (2005: HK\$16,139,000 (restated)) and the number of 837,465,903 (2005: weighted average number of 764,965,903) ordinary shares in issue during the period.

No diluted earnings per share amount for the period is presented as the Company has no potential dilutive share for the period. The calculation of the comparative diluted earnings per share amount is based on the net profit for the period ended 30 September 2005 attributable to ordinary equity holders of the Company of HK\$16,139,000 (restated). The weighted average number of ordinary shares used in the calculation is the ordinary shares in issue during the period ended 30 September 2005, as used in the basic earnings per share calculation of 764,965,903 and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options into ordinary shares during the period ended 30 September 2005 of 10,649,351.

7. Trade receivables

	As at 30 September 2006 HK\$'000	As at 31 March 2006 HK\$'000
Trade receivables:		
Within 90 days	163,892	172,679
91 to 180 days	3,974	2,333
181 to 360 days	354	153
Over 360 days	121	180
	<hr/>	<hr/>
	168,341	175,345
Retention receivables	62,699	44,210
	<hr/>	<hr/>
	231,040	219,555
	<hr/> <hr/>	<hr/> <hr/>

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.

8. Trade payables and accruals

	As at 30 September 2006 HK\$'000	As at 31 March 2006 HK\$'000
Trade payables:		
Within 30 days	160,056	98,160
31 to 90 days	9,667	8,298
91 to 180 days	503	511
Over 180 days	362	1,311
	<hr/>	<hr/>
	170,588	108,280
Retention payables	19,506	15,759
Accruals	39,755	50,991
	<hr/>	<hr/>
	229,849	175,030
	<hr/> <hr/>	<hr/> <hr/>



Condensed Interim Financial Statements

9. Contingent liabilities

	As at 30 September 2006 HK\$'000	As at 31 March 2006 HK\$'000
Long service payments	2,960	3,094
Guarantees in respect of performance bonds	100,597	76,492
Guarantees in respect of mortgage facilities granted to third parties	29,393	—
	<u>132,950</u>	<u>79,586</u>

The Group had issued guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by the Group. The Group's obligations under such guarantees will cease upon the issuance of the building ownership certificates of such properties.

10. Commitments

	As at 30 September 2006 HK\$'000	As at 31 March 2006 HK\$'000
(a) Capital expenditure		
Contracted, but not provided for in respect of:		
Investment properties	8,008	15,924
Properties under development for sale	450,860	254,477
	<u>458,868</u>	<u>270,401</u>
(b) Commitments under non-cancellable operating leases for land and buildings to make payments:		
Within one year	13,484	13,938
In the second to fifth years inclusive	7,546	11,773
	<u>21,030</u>	<u>25,711</u>



Corporate Information

Board of Directors

Executive Directors

Mr Francis CHEUNG (*Chairman*)
Mr FUNG Chiu Chak Victor
(*Vice Chairman and Managing Director*)
Mr David CHIEN
Miss Jennifer KWOK
Mr CHIU Chin Hung
Mr WONG Kay

Independent Non-Executive Directors

Mr FAN Chor Ho Paul
Mr CHAU Cham Son
Mr TSE Man Bun

Audit Committee

Mr FAN Chor Ho Paul (*Chairman*)
Mr CHAU Cham Son
Mr TSE Man Bun

Remuneration Committee

Mr Francis CHEUNG (*Chairman*)
Mr FAN Chor Ho Paul
Mr TSE Man Bun

Company Secretary and Qualified Accountant

Mr CHAN Kit Yan, CPA, MBA, FCCA

Auditors

Ernst & Young

Legal Advisers

Conyers, Dill & Pearman
Szeto & Yeung

Principal Bankers

BNP Paribas Hong Kong Branch
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Shanghai Commercial Bank Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

Registered Office

Clarendon House
Church Street
Hamilton HM11
Bermuda

Head Office and Principal Place of Business

6/F Sun Hung Kai Centre
30 Harbour Road
Wanchai
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687

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