

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



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

CONNECTED TRANSACTION
DISPOSAL OF CERTAIN INTEREST IN A SUBSIDIARY

On 29 July 2009, Tysan Construction entered into and signed the Agreement whereby Tysan Construction agreed to sell and transfer to Victor Create the Sale Shares, representing 1% of the total issued share capital of TBC and also to assign the Debt to Victor Create, and Victor Create agreed to buy and take up the same, subject to the terms and conditions of the Agreement. Completion shall take place on or before 7 August 2009, whereupon the Deed will be executed by Tysan Construction and Victor Create pursuant to which the Debt will be assigned by Tysan Construction to Victor Create. Concurrently with the execution of the Deed, upon Completion, the Company, Tysan Construction and Victor Create will enter into and sign a shareholders' agreement for the purpose of regulating the rights and obligations of Tysan Construction and Victor Create as the shareholders of TBC after Completion.

Tysan Construction is a wholly-owned subsidiary of the Company. Each of Tysan Construction and Victor Create is interested in 50% of the total issued share capital of TBC. Victor Create is owned as to 60% by Mr. Victor Fung, being the Vice Chairman, Managing Director and a substantial shareholder of the Company, as well as a director of each of TBC, Tysan Construction and Victor Create, and 40% by Mr. Jackel Cheung, son of Mr. Francis Cheung who is the Chairman and a substantial shareholder of the Company and also a director of both TBC and Tysan Construction. Accordingly, Victor Create is a connected person under the Listing

Rules, and the Transaction constitutes a connected transaction of the Company under the Listing Rules. As the applicable ratios under the Listing Rules are less than 25% and the total consideration for the Transaction is less than HK\$10,000,000, the Transaction falls under Rule 14A.32 of the Listing Rules and is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but exempt from the requirement of approval by the independent Shareholders under the Listing Rules.

THE AGREEMENT

On 29 July 2009, Tysan Construction as the vendor and Victor Create as the purchaser entered into and signed the Agreement. By the Agreement, Tysan Construction agreed to sell and transfer the Sale Shares, representing 1% of the total issued share capital of TBC, to Victor Create at the consideration of HK\$510,000 and also to assign the Debt to Victor Create at the consideration of HK\$50,000, and Victor Create agreed to buy and take up the same, subject to the terms and conditions of the Agreement. Completion shall take place on or before 7 August 2009.

Information on TBC and Victor Create

TBC is a company incorporated in Hong Kong with limited liability and its principal business is the provision of building and construction works. TBC is owned as to 50% by Tysan Construction and 50% by Victor Create which is a connected person under the Listing Rules. Victor Create is a company incorporated in Hong Kong and its principal business is investment holding. Immediately after Completion, the Group will be interested in 49% of the total issued share capital of TBC, and TBC will no longer be a subsidiary of the Group.

Financial information on TBC

The audited financial information of TBC for the two years ended 31 March 2008 and 31 March 2009 respectively, prepared in accordance with generally accepted accounting principles in Hong Kong, is as follows:

	Year ended 31 March	
	2009	2008
	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>
Total asset value	61.2	71.8
Net asset value	34.7	30.4
Profit before taxation and extraordinary items	5.1	9.8
Profit after taxation and extraordinary items	4.2	8.9

Consideration

The consideration for the disposal of the Sale Shares amounts to HK\$510,000, which will be paid in cash to Tysan Construction upon Completion. The consideration for the Sale Shares was arrived at after arm's length negotiations, having taken into consideration the profit and asset value of TBC.

DEED

Upon Completion, Tysan Construction and Victor Create will execute the Deed pursuant to which Tysan Construction as the assignor will assign the Debt to Victor Create as the assignee at the consideration of HK\$50,000 on a dollar-to-dollar basis.

SHAREHOLDERS' AGREEMENT

Concurrently with the execution of the Deed, upon Completion, the Company, Tysan Construction and Victor Create will enter into and sign a shareholders' agreement for the purpose of regulating the rights and obligations of Tysan Construction and Victor Create as the shareholders of TBC after Completion.

REASONS FOR THE DISPOSAL

The Group is principally engaged in foundation piling, building construction, electrical and mechanical engineering, machinery leasing and trading and property investment and development.

The principal business of TBC is the provision of building and construction works. Immediately after Completion, Victor Create will become the controlling shareholder of TBC. The Disposal will help the Group focus on its core businesses of foundation piling, property investment and development. By maintaining a minority interest in TBC, the Group will have the support of TBC and enjoy better competitive edge and control of such projects which may involve not only foundation piling, but also building and construction works.

Subject to review and confirmation by the Company's auditors, it is expected that the Group will realize a gain of approximately HK\$163,000, which is calculated by reference to the carrying value of TBC as at 31 March 2009. The Company currently intends to use the proceeds from the Disposal as general working capital.

REQUIREMENTS UNDER THE LISTING RULES

Tysan Construction is a wholly-owned subsidiary of the Company. Each of Tysan Construction and Victor Create is interested in 50% of the total issued share capital of TBC. Victor Create is owned as to 60% by Mr. Victor Fung, being the Vice Chairman, Managing Director and a substantial shareholder of the Company, as well as a director of each of TBC, Tysan Construction and Victor Create, and 40% by Mr. Jackel Cheung, son of Mr. Francis Cheung who is the Chairman and a substantial shareholder of the Company and also a director of both TBC and Tysan Construction.

Accordingly, Victor Create is a connected person under the Listing Rules, and the Transaction constitutes a connected transaction of the Company under the Listing Rules. As the applicable ratios under the Listing Rules are less than 25% and the total consideration for the Transaction is less than HK\$10,000,000, the Transaction falls under Rule 14A.32 of the Listing Rules and is subject only to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules but exempt from the requirement of approval by the independent Shareholders under the Listing Rules.

The Directors (including the Independent Non-Executive Directors) consider that the Transaction is on normal commercial terms, and that the terms of the Transaction are fair and reasonable and in the interests of the Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

- | | |
|--------------|--|
| “Agreement” | the Agreement for Sale and Purchase dated 29 July 2009 between Tysan Construction and Victor Create whereby Tysan Construction as the vendor agreed to sell and transfer to Victor Create as the purchaser the Sale Shares and also to assign to Victor Create the Debt, and Victor Create agreed to buy and take up the same, subject to the terms and conditions of the Agreement; |
| “Board” | the board of Directors; |
| “Company” | Tysan Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange; |
| “Completion” | completion of the Disposal, which shall take place on or before 7 August 2009; |

“Debt”	the debt in the sum of HK\$50,000.00, being part of the indebtedness due and repayable by TBC to Tysan Construction prior to Completion, and representing 1% of the total indebtedness of TBC due to its shareholders, which will be assigned by Tysan Construction to Victor Create pursuant to the Deed;
“Deed”	the Deed of Assignment which will be executed by Tysan Construction and Victor Create upon Completion pursuant to which Tysan Construction as the assignor will assign the Debt to Victor Create as the assignee at the consideration of HK\$50,000 on a dollar-to-dollar basis;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the Sale Shares, representing 1% of the issued share capital of TBC, by Tysan Construction in favour of Victor Create and the assignment of the Debt by Tysan Construction to Victor Create contemplated by the Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Francis Cheung”	Mr. Francis Cheung, the Chairman and a substantial shareholder of the Company;
“Mr. Jackel Cheung”	Mr. Harvey Jackel Cheung, an Associate Director of the Group and a son of Mr. Francis Cheung;
“Mr. Victor Fung”	Mr. Fung Chiu Chak Victor, the Vice-Chairman, Managing Director and a substantial shareholder of the Company;
“Sale Shares”	102,000 shares of HK\$1.00 each in the issued share capital of TBC;
“Shareholders”	shareholders of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction constituted by the Agreement, the Deed and the Shareholders’ Agreement collectively;
“Tysan Construction”	Tysan Construction Company Limited, a company incorporated in Hong Kong with limited liability and which is a wholly-owned subsidiary of the Company;
“TBC”	Tysan Building Construction Company Limited, a company incorporated in Hong Kong with limited liability and which is owned as to 50% by Tysan Construction and 50% by Victor Create; and
“Victor Create”	Victor Create Limited, a company incorporated in Hong Kong with limited liability and which is owned as to 60% by Mr. Victor Fung and 40% by Mr. Jackel Cheung.

By Order of the Board
Tysan Holdings Limited
Jennifer Kwok
Executive Director

Hong Kong, 29 July 2009

As at the date of this announcement, the executive Directors are Mr. Francis Cheung; Mr. Fung Chiu Chak, Victor; Mr. David Chien; Miss Jennifer Kwok; Mr. Chiu Chin Hung and Mr. Wong Kay; and the independent non-executive Directors are Mr. Fan Chor Ho, Paul; Mr. Tse Man Bun and Mr. Lung Chee Ming, George.

Company website: www.tysan.com