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TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 687)

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF EQUITY INTERESTS IN NON WHOLLY-OWNED SUBSIDIARIES

The Vendors and the Purchaser entered into the Sale and Purchase Agreement on 15 November 2010, whereby the Vendors agreed to sell to the Purchaser, and the Purchaser agreed to acquire from the Vendors the Sale Shares and the rights and benefits in the Shareholders' Loans in the Target Companies for the Total Consideration of HK\$300,000,000, being the total of the Shares Consideration and the Debt Consideration.

The Purchaser is a wholly-owned subsidiary of the Company. The Company is the beneficial owner of 60% of the issued shares in each of the Target Companies. Accordingly, each of the Target Companies is a 60%-owned subsidiary of Company.

The Vendors are respectively the registered owner of 40% of the issued shares in each of the Target Companies. The Vendors are therefore substantial shareholders of the Target Companies, and accordingly are connected persons of the Company under Rules 1.01 and 14A.11(1) of the Listing Rules. The Acquisition therefore constitutes a connected transaction of the Company under Rule 14A.13(1) of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rules 14.04(9), 14.07 and 14A.10 of the Listing Rules) in respect of the Acquisition exceed 5% but is less than 25% for the Company, the Acquisition is subject to the reporting, announcement and the independent Shareholders' approval requirements under the Listing Rules.

As such, the Sale and Purchase Agreement and the Acquisition contemplated thereunder are subject to the approval of the independent Shareholders at the SGM.

The controlling beneficial owner of Neich Holdings, one of the Vendors, is an associate of Mr. David Chien, a Director of the Company. Neich Holdings is the beneficial owner of the other four of the Vendors and accordingly Mr. David Chien and his associates will abstain from voting on the resolutions to be proposed at the SGM.

To the best of the Directors' knowledge information and belief, and having made all reasonable enquiries, save as aforesaid, no Shareholder has an interest in the Sale and Purchase Agreement which is materially different from the other Shareholders. Accordingly, save as aforesaid, no other Shareholder is required to abstain from voting on the resolution to be proposed at the SGM.

The SGM will be convened as soon as is practicable to consider, and if thought fit, to approve the Sale and Purchase Agreement and the Acquisition contemplated thereunder.

An independent board committee comprising all the Independent Non-Executive Directors has been established to advise the independent Shareholders in respect of the Sale and Purchase Agreement and the Acquisition contemplated thereunder. An Independent Financial Adviser will be appointed to advise the independent board committee and the independent Shareholders in respect of the Sale and Purchase Agreement, and the Acquisition contemplated thereunder.

A circular containing, among other things, further information on the Sale and Purchase Agreement and the Acquisition and a notice to convene the SGM in accordance with the Listing Rules is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement.

ACQUISITION OF 40% EQUITY INTERESTS IN THE TARGET COMPANIES

The Sale and Purchase Agreement

The Vendors and the Purchaser entered into the Sale and Purchase Agreement on 15 November 2010, whereby the Vendors agreed to sell to the Purchaser and the Purchaser agreed to acquire from the Vendors the Sale Shares and the rights and benefits in the Shareholders' Loans in the Target Companies for the Total Consideration of HK\$300,000,000, being the total of the Shares Consideration and the Debt Consideration.

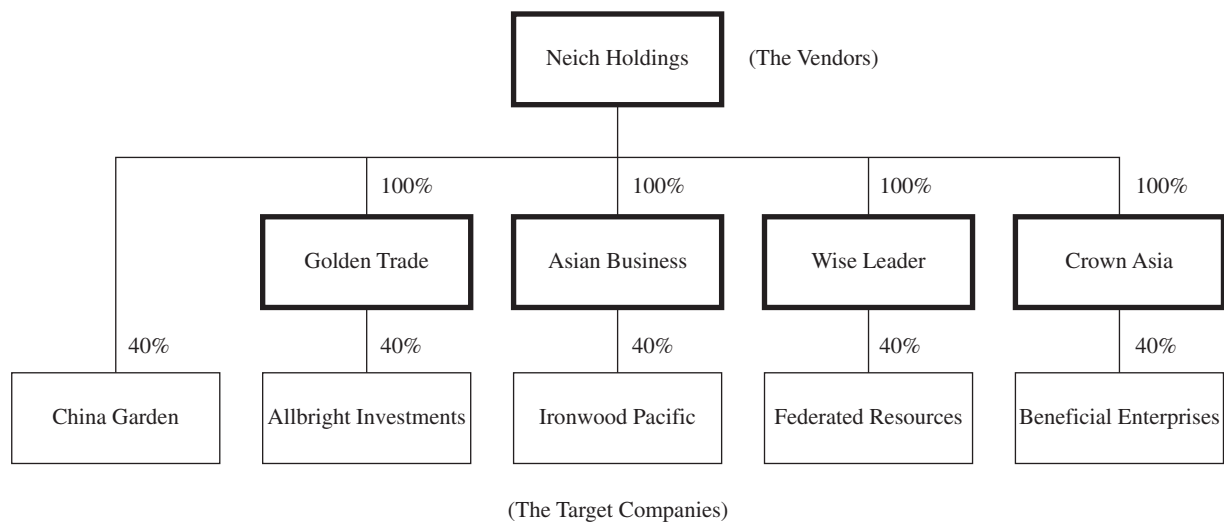
Date

15 November 2010

Parties

- (i) the Vendors; and
- (ii) the Purchaser.

A simplified corporate chart showing the corporate relationship among the Vendors and the Target Companies is set out hereinbelow:



Transaction

Pursuant to the Sale and Purchase Agreement, the Vendors have agreed to sell to the Purchaser and the Purchaser has agreed to acquire from the Vendors the Sale Shares in and the rights and benefits in the Shareholder's Loans for the Total Consideration of HK\$300,000,000, being the total of the Shares Consideration and the Debt Consideration, which shall be fully settled in cash by the Company from its internal resources in the following manner:

- (1) A sum of HK\$50,000,000 shall be paid to the Vendors upon signing of the Sale and Purchase Agreement as deposit and in part payment of the Shares Consideration;
- (2) A sum of HK\$5,912,574 shall be paid to the Vendors on the Completion Date as further part payment of the Shares Consideration;

- (3) A sum of HK\$94,087,426 shall be paid to the Vendors upon Completion as full payment of the Debt Consideration for the Shareholders' Loans; and
- (4) A sum of HK\$150,000,000 shall be paid to the Vendors on or before 31 December 2011 as full balance payment of the Shares Consideration.

The Shares Consideration and the Debt Consideration

The Shares Consideration in the amount of HK\$205,912,574 for the Sale Shares has been arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to various factors and consideration including, but not limited to, the financial positions of each of the Target Companies, the assets held by them and in so far as the assets concerned are or are related to landed properties in the PRC, the general property market conditions in the PRC and the contribution of an enhanced interests in the Target Companies to the business of property investment and management of the Company in the PRC.

The Debt Consideration in the amount of HK\$94,087,426 for the assignment of Shareholders' Loans is on a dollar-for-dollar basis.

Completion

Completion of the Sale and Purchase Agreement and the Acquisition will take place on or before 31 March 2011.

Conditions Precedent

The Purchaser's obligations as regards Completion and matters arising or following therefrom under the Sale and Purchase Agreement shall be conditional upon the fulfillment of all of the following conditions precedent:

- (a) where necessary pursuant to the Listing Rules, the fulfillment of the disclosure requirements under the Listing Rules and the passing of an ordinary resolution(s) of the Shareholders at a special general meeting to approve the Sale and Purchase Agreement and the transactions contemplated thereunder; and
- (b) the granting of consent, where necessary, by the Stock Exchange pursuant to the Listing Rules in relation to the transactions or any part thereof contemplated under and in accordance with the Sale and Purchase Agreement.

If any of the conditions precedent is not fully fulfilled on or before 31 March 2011, either party shall be entitled to:

- (a) elect to rescind the Sale and Purchase Agreement, in which case the Vendors shall procure that all the monies paid by the Purchaser to the Vendors pursuant to the Sale and Purchase Agreement shall be refunded to the Purchaser forthwith without interest and neither party shall have any claim against the other party whatsoever; or
- (b) fix a new date in consultation with each other for completion.

INFORMATION ABOUT THE GROUP AND OTHER PARTIES

The Group

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

The Vendors

Each of Golden Trade, Asian Business, Wise Leader and Crown Asia is a 100% wholly-owned subsidiary of Neich Holdings, and Neich Holdings is accordingly the beneficial owner of the Sale Shares.

The Purchaser

The Purchaser is a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company.

The Target Companies

Each of the Target Companies is presently a 60% subsidiary of the Company while the balance of the 40% equity interests is being held by Neich Holdings. Immediately following Completion, each of the Target Companies will become a wholly-owned subsidiary of the Company.

1. China Garden

China Garden is a private company of limited liability incorporated in Hong Kong and has an issued share capital of HK\$100 divided into 100 shares of par value of HK\$1 each of which 40 shares have been issued and are registered in

the name of Neich Holdings, representing 40% of the issued share capital of China Garden. As at the date of the Sale and Purchase Agreement, China Garden is indebted to Neich Holdings the China Garden Sale Debt in the sum of HK\$16,898,912.

2. Allbright Investments

Allbright Investments is a private company of limited liability incorporated in the BVI and has an issued share capital of US\$100 divided into 100 shares of par value of US\$1 each of which 40 shares have been issued and are registered in the name of Golden Trade, representing 40% of the issued share capital of Allbright Investments. As at the date of the Sale and Purchase Agreement, Allbright Investments is indebted to Golden Trade the Allbright Investments Sale Debt in the sum of HK\$20,337,369.

3. Ironwood Pacific

Ironwood Pacific is a private company of limited liability incorporated in the BVI and has an issued share capital of US\$100 divided into 100 shares of par value of US\$1 each of which 40 shares have been issued and are registered in the name of Asian Business, representing 40% of the issued share capital of Ironwood Pacific. As at the date of the Sale and Purchase Agreement, Ironwood Pacific is indebted to Asian Business the Ironwood Pacific Sale Debt in the sum of HK\$28,641,421.

4. Federated Resources

Federated Resources is a private company of limited liability incorporated in the BVI and has an issued share capital of US\$100 divided into 100 shares of par value of US\$1 each of which 40 shares have been issued and are registered in the name of Wise Leader, representing 40% of the issued share capital of Federated Resources. As at the date of the Sale and Purchase Agreement, Federated Resources is indebted to Wise Leader the Federated Resources Sale Debt in the sum of HK\$28,209,724.

5. Beneficial Enterprises

Beneficial Enterprises is a private company of limited liability incorporated in the BVI and has an issued share capital of US\$100 divided into 100 shares of par value of US\$1 each of which 40 shares have been issued and are registered in the name of Crown Asia, representing 40% of the issued share capital of Beneficial Enterprises.

Financial Information of the Target Companies

The Combined NAV, being the combined unaudited consolidated net asset value of the Target Companies attributable to equity holders as of 31 March 2010, was HK\$552,000,000 approximately. Calculated at 40% of the Combined NAV, the value attributable to the Sale Shares is assessed at HK\$221,000,000 approximately.

The unaudited consolidated net profit/(loss) before and after taxation and extraordinary items of each of the Target Companies for the two years ended 31 March 2010 and 2009 respectively, were as follows:

	For the year ended 31 March 2010 HK\$'000	For the year ended 31 March 2009 HK\$'000
1. China Garden (Note 1)		
Profit/(loss) before taxation and extraordinary items	26,102	(4,194)
Profit/(loss) after taxation and extraordinary items	18,045	(3,576)
2. Allbright Investments		
Profit before taxation and extraordinary items	60,866	49,329
Profit after taxation and extraordinary items	50,235	46,639
3. Ironwood Pacific (Note 2)		
Profit before taxation and extraordinary items	38,346	698
Profit after taxation and extraordinary items	30,980	157
4. Federated Resources		
Profit before taxation and extraordinary items	91,387	74,216
Profit after taxation and extraordinary items	77,014	70,178
5. Beneficial Enterprises		
Loss before taxation and extraordinary items	(3,118)	(2,405)
Loss after taxation and extraordinary items	(3,118)	(2,493)

Notes:

- (1) For the year ended 31 March 2010, there was a fair value gain in the property of about HK\$27 million and for the year ended 31 March 2009, there was a fair value loss in the property of HK\$8 million.
- (2) For the year ended 31 March 2010, there was a fair value gain in the property of about HK\$31 million and for the year ended 31 March 2009, there was a fair value loss in the property of HK\$1 million.

The Sale Shares were subscribed by the Vendors and the Sale Debts were advanced by the Vendors by way of shareholders' loans.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors (excluding the Independent Non-Executive Directors who will express their views after receiving advice from the Independent Financial Adviser) are of the view that the terms of the Sale and Purchase Agreement, including the Acquisition (i) have been negotiated on an arm's length basis; (ii) are on normal commercial terms; (iii) are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (iv) will enable the Company to benefit for the reasons set out in the following paragraphs.

The Target Companies are the Group's major corporate entities in the area of property investment and management in the PRC. In particular, China Garden is the beneficial owner of China Garden Apartments, a property located in the Changning District, Shanghai, PRC, while Ironwood Pacific is the beneficial owner of Aidu Apartments, a property located in the Changning District, Shanghai, PRC. Both of the aforesaid investment properties of the Group in Shanghai have in the past years continued to enjoy satisfactory occupancy rate and contributed steady recurrent income to the Group.

On the other hand, Allbright Investments and Federated Resources are together the beneficial owners of The Waterfront, the Group's residential project in Shanghai, PRC which has contributed substantial revenues and profits to the Group in the past years, while Beneficial Enterprises is the beneficial owner of certain subsidiaries of the Group in Shanghai, PRC in the area of property management.

Through the Acquisition whereby the Target Companies will become wholly-owned subsidiaries of the Company, the Directors consider that the Group will enjoy enhanced interests and participation in the Group's property investment and management business in the PRC.

LISTING RULES IMPLICATIONS

The Purchaser is a wholly-owned subsidiary of the Company. The Company is the beneficial owner of 60% of the issued shares in each of the Target Companies. Accordingly, each of the Target Companies is a 60%-owned subsidiary of Company.

The Vendors are respectively the registered owner of 40% of the issued shares in each of the Target Companies. The Vendors are therefore substantial shareholders of the Target Companies, and accordingly are connected persons of the Company under Rules 1.01 and 14A.11(1) of the Listing Rules. The Acquisition therefore constitutes a connected transaction of the Company under Rule 14A.13(1) of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rules 14.04(9), 14.07 and 14A.10 of the Listing Rules) in respect of the Acquisition exceed 5% but less than 25% for the Company, the Acquisition is subject to the reporting, announcement and the independent Shareholders' approval requirements under the Listing Rules.

As such, the Sale and Purchase Agreement and the Acquisition contemplated thereunder are subject to the approval of the independent Shareholders at the SGM.

The controlling beneficial owner of Neich Holdings, one of the Vendors, is an associate of Mr. David Chien, a Director of the Company. Neich Holdings is the beneficial owner of the other four of the Vendors and accordingly Mr. David Chien and his associates will abstain from voting on the resolutions to be proposed at the SGM.

To the best of the Directors' knowledge information and belief, and having made all reasonable enquiries, save as aforesaid, no Shareholder has an interest in the Sale and Purchase Agreement which is materially different from the other Shareholders. Accordingly, save as aforesaid, no Shareholder is required to abstain from voting on the resolution to be proposed at the SGM.

The SGM will be convened as soon as is practicable to consider, and if thought fit, to approve the Sale and Purchase Agreement and the Acquisition contemplated thereunder.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there is no other transaction entered into between any member of the Group and any one of the Vendors or their respective ultimate beneficial owner(s) within a 12-month period prior to the date of this announcement or otherwise related, which would be, together with the Acquisition, regarded as a series of transactions and treated as if they are one transaction under Rule 14.22 and/or Rule 14A.25 of the Listing Rules.

GENERAL INFORMATION

An independent board committee comprising all the Independent Non-Executive Directors has been established to advise the independent Shareholders in respect of the Sale and Purchase Agreement and the Acquisition contemplated thereunder. An Independent Financial Adviser will be appointed to advise the independent board committee and the independent Shareholders in respect of the Sale and Purchase Agreement and the Acquisition contemplated thereunder.

The SGM will be convened as soon as practicable to consider, and if thought fit, to approve the Sale and Purchase Agreement and the Acquisition contemplated thereunder.

A circular containing, among other things, further information on the Sale and Purchase Agreement and the Acquisition and a notice to convene the SGM in accordance with the Listing Rules is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement.

The Directors, excluding the Independent Non-Executive Directors (who will express their views after having considered the advice from the Independent Financial Adviser), are of the view that the terms of the Sale and Purchase Agreement, including the Acquisition, are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares and the Sale Debts in the Target Companies contemplated under the Sale and Purchase Agreement
“Allbright Investments”	Allbright Investments Limited, a private company of limited liability incorporated in the BVI
“Allbright Investments Sale Debt”	shareholders’ loans in the total sum of HK\$20,337,369 being indebted by Allbright Investments to Golden Trade as at the date of the Sale and Purchase Agreement
“Allbright Investments Sale Shares”	40 shares of par value of US\$1 each of and in Allbright Investments issued to and registered in the name of Golden Trade, representing 40% issued share capital of Allbright Investments
“Asian Business”	Asian Business (HK) Limited, a private company of limited liability incorporated in Hong Kong
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beneficial Enterprises”	Beneficial Enterprises Limited, a private company of limited liability incorporated in the BVI

“Beneficial Enterprises Sale Shares”	40 shares of par value of US\$1 each of and in Beneficial Enterprises issued to and registered in the name of Crown Asia, representing 40% issued share capital of Beneficial Enterprises
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“business day”	any day on which commercial banks are open for business in Hong Kong and in particular, excluding Saturdays
“China Garden”	China Garden International Limited, a private company of limited liability incorporated in Hong Kong
“China Garden Sale Debt”	shareholders’ loans in the total sum of HK\$16,898,912 being indebted by China Garden to Neich Holdings as at the date of the Sale and Purchase Agreement
“China Garden Sale Shares”	40 shares of par value of HK\$1 each of and in China Garden issued to and registered in the name of Neich Holdings, representing 40% issued share capital of China Garden
“Combined NAV”	the combined unaudited consolidated net asset value of the Target Companies attributable to equity holders as of 31 March 2010
“Company”	Tysan Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement and the Acquisition contemplated thereunder
“Completion Date”	shall mean the date, not being later than 31 March 2011, for Completion
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Crown Asia”	Crown Asia Holdings Limited, a private company of limited liability incorporated in Hong Kong

“Debt Consideration”	the sum of HK\$94,087,426, being the consideration for the acquisition by the Purchaser from the Vendors of the rights and benefits in the Sale Debts
“Director(s)”	the director(s) of the Company
“Federated Resources”	Federated Resources Limited, a private company of limited liability incorporated in the BVI
“Federated Resources Sale Debt”	shareholders’ loans in the total sum of HK\$28,209,724 being indebted by Federated Resources to Wise Leader as at the date of the Sale and Purchase Agreement
“Federated Resources Sale Shares”	40 shares of par value of US\$1 each of and in Federated Resources issued to and registered in the name of Wise Leader, representing 40% issued share capital of Federated Resources
“Golden Trade”	Golden Trade (HK) Limited, a private company of limited liability incorporated in Hong Kong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company to advise the independent board committee and the independent Shareholders
“Independent Non-Executive Directors”	the independent non-executive directors of the Company, namely Mr. Fan Chor Ho Paul, Mr. Tse Man Bun and Mr. Lung Chee Ming George
“Ironwood Pacific”	Ironwood Pacific Limited, a company of limited liability incorporated in the BVI
“Ironwood Pacific Sale Debt”	shareholders’ loans in the total sum of HK\$28,641,421 being indebted by Ironwood Pacific to Asian Business as at the date of the Sale and Purchase Agreement

“Ironwood Pacific Sale Shares”	40 shares of par value of US\$1 each of and in Ironwood Pacific issued to and registered in the name of Asian Business, representing 40% issued share capital of Ironwood Pacific
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Neich Holdings”	Neich Holdings Limited, a company of limited liability incorporated in Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Duncan Properties Limited, a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Sale and Purchase Agreement”	Agreement for Sale and Purchase dated 15 November 2010 and entered into between the Vendors and the Purchaser in relation to the acquisition of the Sale Shares and the Sale Debts
“Sale Debts”	the China Garden Sale Debt, the Allbright Investments Sale Debt, the Ironwood Pacific Sale Debt and the Federated Resources Sale Debt collectively
“Sale Shares”	the China Garden Sale Shares, the Allbright Investments Sale Shares, the Ironwood Pacific Sale Shares, the Federated Resources Sale Shares and the Beneficial Enterprises Sale Shares collectively
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Sale and Purchase Agreement and the Acquisition contemplated thereunder
“Shareholders”	shareholders of the Company

“Shareholders’ Loans”	collectively the shareholders’ loans due and payable by the Target Companies to the Vendors in the total sum of HK\$94,087,426
“Shares”	shares of the Company
“Shares Consideration”	the sum of HK\$205,912,574, being the consideration for the acquisition of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Target Companies”	China Garden, Allbright Investments, Ironwood Pacific, Federated Resources and Beneficial Enterprises collectively
“Total Consideration “	the total of the Shares Consideration and the Debt Consideration
“US\$”	United States dollar, the lawful currency of the United States of America
“Vendors”	Neich Holdings, Golden Trade, Asian Business, Wise Leader and Crown Asia collectively

By Order of the Board
Tysan Holdings Limited
Francis Cheung
Chairman

Hong Kong, 16 November 2010

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; Mr. Wong Kay; Mr. Lau Kin Fai and Mr. Cheung Harvey Jackel; and the independent non-executive Directors are Mr. Fan Chor Ho, Paul; Mr. Tse Man Bun and Mr. Lung Chee Ming, George.