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TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 687)

CHANGES IN COMPOSITION OF THE BOARD AND BOARD COMMITTEES AND CONNECTED TRANSACTION – CONSULTANCY AGREEMENT

CHANGES IN COMPOSITION OF THE BOARD AND BOARD COMMITTEES

The Board announces that with effect from 1 January 2020:

- (1) Mr. Sun will resign as an executive Director;
- (2) Mr. Fan will step down as the Chairman of the Audit Committee and will remain as a member of each of the Audit Committee, Nomination Committee and Remuneration Committee;
- (3) Mr. Tse will step down as the Chairman of the Remuneration Committee and will remain as a member of each of the Remuneration Committee, Audit Committee and Nomination Committee;
- (4) Mr. Li will be appointed as the Chairman of the Audit Committee and will remain as a member of each of the Nomination Committee and Remuneration Committee; and
- (5) Mr. Lung will be appointed as the Chairman of the Remuneration Committee and will remain as a member of each of the Audit Committee and Nomination Committee.

CONSULTANCY AGREEMENT

Mr. Sun entered into the Consultancy Agreement with Fundamental Assets on 27 December 2019, pursuant to which he will be appointed as a consultant of the Company for a period of two years, with effect from 1 January 2020.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14A.07(2) of the Listing Rules, Mr. Sun remains a connected person of the Company for a period of 12 months from the date of his resignation. The entering into of the Consultancy Agreement between Fundamental Assets and Mr. Sun and the transactions contemplated thereunder therefore constitute a connected transaction for the Company.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated in the Consultancy Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Consultancy Agreement are subject to the announcement and reporting requirements but are exempt from circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given that Mr. Sun has a material interest in the Consultancy Agreement, he did not attend the Board meeting and therefore did not vote at the Board meeting to approve the Consultancy Agreement and the transactions contemplated thereunder.

The board (the “**Board**”) of directors (“**Directors**”) of Tysan Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) announces that the following changes in the composition of the Board and its committees will take effect from 1 January 2020.

RESIGNATION OF AN EXECUTIVE DIRECTOR

Mr. Sun Kin Ho Steven (“**Mr. Sun**”) has tendered his resignation as an executive Director with effect from 1 January 2020 in order to devote more time to his other business commitments. The service agreement and the supplemental agreements entered into between the Company and Mr. Sun in relation to his appointment as an executive Director will be terminated with effect from 1 January 2020.

Mr. Sun has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation as an executive Director that needs to be brought to the attention of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the shareholders of the Company (the “**Shareholders**”).

The Board expresses its gratitude to Mr. Sun for his contributions and service on the Board.

After his resignation as an executive Director, Mr. Sun will be appointed as a consultant of the Company. Further details of the ongoing consultancy arrangement between the Group and Mr. Sun are set out below in the section headed “Consultancy Agreement”.

CHANGE OF THE CHAIRMAN OF THE AUDIT COMMITTEE

Mr. Fan Chor Ho (“**Mr. Fan**”) will step down as the Chairman of the audit committee of the Board (“**Audit Committee**”) and will remain as a member of each of the Audit Committee, nomination committee of the Board (“**Nomination Committee**”) and remuneration committee of the Board (“**Remuneration Committee**”) with effect from 1 January 2020. Mr. Li Kit Chee (“**Mr. Li**”) will be appointed as the Chairman of the Audit Committee with effect from 1 January 2020 and will remain as a member of each of the Nomination Committee and Remuneration Committee.

Mr. Li, aged 64, was appointed as an independent non-executive Director in March 2013. He holds a Bachelor Degree of Social Sciences from the University of Hong Kong. He has over 34 years of experience in auditing, accounting and secretarial services and is a fellow member of both the Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants. He is a managing director of Arthur Li, Yau & Lee C.P.A. Limited, and also a director of Cheong Yip Secretary Limited which is principally engaged in the provision of corporate services. He is also an independent non-executive director of National Arts Entertainment and Culture Group Limited (a company listed on the GEM of the Stock Exchange, stock code: 8228). He served as an independent non-executive director of Henry Group Holdings Limited (now known as Zhongchang International Holdings Group Limited) (a company listed on the Main Board of the Stock Exchange, stock code: 859) from April 2007 to February 2018.

The Company has entered into an appointment letter with Mr. Li commencing from 31 March 2013. Under the current appointment as an independent non-executive Director, Mr. Li is entitled to a monthly director’s fee of HK\$30,000. His emoluments are and will be determined by the Board (except Mr. Li) following recommendation by the Remuneration Committee (except Mr. Li) with reference to market conditions and the performance of the Company.

In accordance with the Bye-laws of the Company (the “**Bye-laws**”), Mr. Li will be subject to retirement by rotation as contained in the Bye-laws.

As at the date of this announcement, save as disclosed above, Mr. Li (i) does not hold any other positions in the Company or its subsidiaries; (ii) does not and has not, in the past three years, held any directorship in any other public companies which are listed on any securities market in Hong Kong or overseas. Mr. Li does not have any relationship with any Director, senior management, substantial or the controlling shareholder of the Company. Save as aforesaid, Mr. Li does not have any interests in the shares of the Company (the “**Shares**”) within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

Save as disclosed above, there are no other matters relating to Mr. Li’s appointment that need to be brought to the attention of the Shareholders and there is no other information in relation to Mr. Li’s appointment which is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

CHANGE OF THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Mr. Tse Man Bun (“**Mr. Tse**”) will step down as the Chairman of the Remuneration Committee and will remain as a member of each of the Remuneration Committee, Audit Committee and Nomination Committee with effect from 1 January 2020. Mr. Lung Chee Ming, George (“**Mr. Lung**”) will be appointed as the Chairman of the Remuneration Committee with effect from 1 January 2020 and will remain as a member of each of the Audit Committee and Nomination Committee.

Mr. Lung, aged 63, was appointed as an independent non-executive Director in August 2007. He is an Executive Regional Director of Manulife (International) Limited leading a team of over 1,000 insurance/financial advisers. He first joined Manulife in 1990 and has since achieved outstanding results. Actively involved in community services, Mr. Lung was amongst one of the Ten Outstanding Young Persons of Hong Kong in 1995 and was the chairman of The Outstanding Young Persons Association in 2003 to 2004. Mr. Lung was awarded the Medal of Honour and Bronze Bauhinia Star by the Government of Hong Kong Special Administrative Region in 2001 and 2014. Furthermore, Mr. Lung is a committee member of the Board of Governors of Hong Kong Shue Yan University, a member of the Guangdong Daya Bay Nuclear Power Station/Lingao Nuclear Power Station, Nuclear Safety Consultative Committee, the founding chairman of Hong Kong Youth Exchange Promotion United Association and a chairperson of “Passing on the Torch” National Education Activity Series of Education Bureau. He is also the executive vice chairman and secretary general of Federation of Hong Kong Guangdong Community Organisations. Mr. Lung is currently a member of the National Committee of the Chinese People’s Political Consultative Conference and Justice of the Peace of Hong Kong Special Administrative Region. He served as a non-executive director of Lamtex Holdings Limited (a company listed on the Main Board of the Hong Kong Stock Exchange, stock code: 1041) from July 2015 to December 2018.

The Company has not entered into any service contract with Mr. Lung for his appointment as an independent non-executive Director. Under the current appointment as an independent non-executive Director, Mr. Lung is entitled to a monthly director’s fee of HK\$30,000. His emoluments are and will be determined by the Board (except Mr. Lung) following recommendation by the Remuneration Committee (except Mr. Lung) with reference to market conditions and the performance of the Company.

In accordance with the Bye-laws, Mr. Lung will be subject to retirement by rotation as contained in the Bye-laws.

As at the date of this announcement, save as disclosed above, Mr. Lung (i) does not hold any other positions in the Company or its subsidiaries; (ii) does not and has not, in the past three years, held any directorship in any other public companies which are listed on any securities market in Hong Kong or overseas. Mr. Lung does not have any relationship with any Director, senior management, substantial or the controlling shareholder of the Company. Save as aforesaid, Mr. Lung does not have any interests in the Shares within the meaning of Part XV of the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matters relating to Mr. Lung's appointment that need to be brought to the attention of the Shareholders and there is no other information in relation to Mr. Lung's appointment which is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules.

CONSULTANCY AGREEMENT

Mr. Sun entered into a consultancy agreement (the "**Consultancy Agreement**") with Fundamental Assets Limited ("**Fundamental Assets**"), a wholly-owned subsidiary of the Company, on 27 December 2019, pursuant to which he will be appointed as a consultant of the Company for a period of two years, with effect from 1 January 2020. The Consultancy Agreement may be terminable by either party giving the other party not less than two months' prior notice in writing. Under the Consultancy Agreement, the services to be provided by Mr. Sun to the Group include, amongst other things, assisting the Group with audit and compliance matters relating to the time he was a Director and/or employee of the Company, managing relationships with business partners and other ongoing transition or other matters as may be determined by the Board and other services as may be agreed between the Company and Mr. Sun from time to time.

The Company is a company incorporated under the laws of Bermuda with limited liability, and is an investment holding company. The principal business of the Group includes foundation piling and site investigation, property development and investment, and investment business. Given that Mr. Sun was an executive Director from August 2018 to his resignation as mentioned above, Mr. Sun is familiar with the operations of the Group and the relationship with its business partners. The appointment of Mr. Sun as a consultant would provide the Group with continuity and allow the Group a smooth transition of management of the business and its business relationships.

Under the Consultancy Agreement, the monthly consultancy fee payable to Mr. Sun during the term of his appointment will be HK\$320,000 and a discretionary incentive payment in addition to his monthly consultancy fee. The monthly fee under the Consultancy Agreement were determined by reference to the relevant experience and expertise of Mr. Sun and the remuneration of Mr. Sun as an executive Director. Under the terms of the Consultancy Agreement, the Board may determine from time to time at its sole discretion that Mr. Sun shall be entitled to an incentive payment in addition to the consultancy fee. As at the date of this announcement, no determination has been made as to the amount of the discretionary incentive payment.

In view of the aforesaid, the Board (including the independent non-executive Directors and excluding Mr. Sun who did not attend the Board meeting and therefore did not vote at the Board meeting to approve the Consultancy Agreement and the transactions contemplated thereunder given that he has a material interest in the Consultancy Agreement) consider the terms of the Consultancy Agreement and the amount of fees thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14A.07(2) of the Listing Rules, Mr. Sun remains a connected person of the Company for a period of 12 months from the date of his resignation. The entering into of the Consultancy Agreement between Fundamental Assets and Mr. Sun and the transactions contemplated thereunder therefore constitute a connected transaction for the Company.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated in the Consultancy Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Consultancy Agreement are subject to the announcement and reporting requirements but are exempt from circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules. Should the amount of discretionary incentive payment result in the amounts payable under the Consultancy Agreement exceeding the relevant threshold under Chapter 14A of the Listing Rules, the Company will comply with the applicable requirements in accordance with Chapter 14A of the Listing Rules as and when required.

By order of the Board of
Tysan Holdings Limited
Fung Chiu Chak, Victor
Vice Chairman

Hong Kong, 27 December 2019

As at the date of this announcement, the executive Directors are Mr. Fung Chiu Chak, Victor and Mr. Sun Kin Ho Steven; the non-executive Directors are Mr. Justin Wai, Mr. Wang Tianbing, Mr. David Robert McClure, Mr. Lau Che Hang Alex, Mr. Wu Charles Hsing-yuan and Mr. Yuen Pak Man; and the independent non-executive Directors are Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George and Mr. Li Kit Chee.

Company website: www.tysan.com