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TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ON-GOING CONNECTED TRANSACTIONS CONNECTED TRANSACTIONS ADOPTION OF CHINESE CORPORATE NAME

Summary

The Board announces that the Company's Previous Waiver regarding the Subcontracting Transactions has expired on 31 March 2002. In anticipation that the On-going Transactions will continue to be entered into in the ordinary course of business of the Company, the Company has applied to the Stock Exchange for a new waiver from strict compliance with the requirement under Rules 14.25 and 14.26 of the Listing Rules in respect of the On-going Transactions on each occasion they arise during the three financial years ending 31 March 2005.

The Board announces that the Company has provided three guarantees on 18 December 2002 in favour of HSB and the Company, TFL, TBC and TEHK intend to provide a guarantee in favour of ANZ Bank in order to facilitate TBC and TEHK to obtain a HK\$13 million loan facilities and a HK\$30 million loan facilities from HSB and ANZ respectively. The total amount of the HSB Guarantees is less than 3% of the adjusted consolidated net tangible asset value of the Company as at 30 September 2002. The total amount of the ANZ Guarantee exceeds HK\$10 million and 3% of the adjusted consolidated net tangible asset value of the Company as at 30 September 2002. In view of the aggregate amount involved in the HSB Guarantees and the ANZ Guarantee, both transactions will be disclosed and for which independent Shareholders' approval will be sought.

The Board announced on 28 August 2002 that a special resolution to approve the adoption of a Chinese name "泰昇集團有限公司" for registration in Hong Kong as the Company's Chinese corporate name was duly passed at the Annual General Meeting of the Company held on 28 August 2002. However, upon receipt of the notification of the Hong Kong Companies Registry dated 13 September 2002 that the aforesaid Chinese name had already been registered by a private company unconnected with the Company, the Board is of the view that it would be impossible, inappropriate or impracticable for the aforesaid Chinese name to be registered under Part XI of the Companies Ordinance as the Company's Chinese corporate name. Under these premises, the Board now proposes to adopt "泰昇集團控股有限公司" as the Chinese corporate name of the Company for the purpose of registration in Hong Kong in lieu of the aforesaid Chinese name. A special resolution regarding such adoption will be proposed at the EGM.

A circular containing, inter alia, details of the HSB Guarantees, the ANZ Guarantee, the On-going Transactions, the New Waiver application and the adoption of the Chinese corporate name, a letter from an independent financial adviser containing its advice on the HSB Guarantees, the ANZ Guarantee, the On-going Transactions and the New Waiver application, a letter from the Independent Board Committee together with a notice convening the EGM of the Company will be despatched to Shareholders as soon as is practicable.

I. WAIVER IN RESPECT OF SUBCONTRACTING OF BUILDING CONSTRUCTION WORKS AND E&M WORKS

A. The Connected Transaction on 1 June 1999

Date of the transaction: 1 June 1999

Parties: TBC (a company owned as to 50% by the Company, as to 35% by Mr. Fung, an executive Director of the Company, and as to 15% by an independent third party not otherwise connected or related with the Company) and TE (a company owned as to 70% by the Company, as to 8% by Mr. Fung, and 17% by Mr. Wong, a director of TE, and as to 5% by an independent third party not otherwise connected or related with the Company)

Amount: HK\$26.8 million
Nature of transaction: Subcontracting of E&M works by TBC to TE

As announced by the Company on 9 September 1999, on 1 June 1999, TBC subcontracted to TE E&M works of about HK\$26,800,000 in relation to a contract entered into between TBC and International Hope Limited, an independent third party not related with the Company in relation to a building construction project.

B. Previous Waiver Application and Grant

The principal business of TBC is in the provision of building construction works. TBC has no subsidiary. The principal business of TE is the provision of E&M works and investment holding and the principal business of TEHK, a wholly-owned subsidiary of TE, is in the provision of E&M works. TE has no other active subsidiary.

Since it is not uncommon for projects granted to or undertaken by TBC or TE (or TEHK) to involve both building construction works and E&M works, the subcontracting of E&M works by TBC to TE (or TEHK) or vice versa by TE (or TEHK) to TBC in respect of building construction works (collectively, the "Subcontracting Transactions") would provide the Company with better competitive edge and control of the subject projects. The joint efforts of TBC and TE (and TEHK) would also provide to the clients concerned a more comprehensive and coordinated service in the common interest of TBC, TE, TEHK and the Company.

Since TBC is owned as to 35% by Mr. Fung, an executive Director of the Company (and as to 50% by the Company and 15% by an independent third party not otherwise related with the Company), and TE is owned as to 8% by Mr. Fung and 17% by Mr. Wong, a director of TE (and as to 70% by the Company and 5% by an independent third party not otherwise related with the Company), the Subcontracting Transactions constitute connected transactions for the Company under the Listing Rules.

Since such Subcontracting Transactions between TBC and TE (or TEHK) would continue on an on-going basis, the Company made a waiver application to the Stock Exchange. On 6 October 1999, the Company was granted a waiver from strict compliance with the requirements of disclosure by way of press notice, circular to shareholders, and/or shareholders' approval as stipulated in Chapter 14 of the Listing Rules in connection with such Subcontracting Transactions on each occasion they arise for a period of three years ended 31 March 2002 in respect of subcontracting of building construction works or E&M works between TBC and TE or their respective wholly-owned subsidiaries provided that, inter alia, the aggregate amount of such Subcontracting Transactions does not exceed the amount of 5 per cent. of the audited consolidated turnover of the Group in the preceding financial year in any of the three financial years ended 31 March 2002.

C. Details of the Subcontracting Transactions during the past five financial years

During the past five financial years, the following Subcontracting Transactions were entered into:

| Periods concerned | Parties and amounts involved |
|--|--|
| Year ended 31 March 1998: | TE subcontracted building construction works of about HK\$35.5 million in contract sum to TBC (representing 4.62% of the net asset value of the Company as at 31 March 1997, and 4.8% (below 5%) of the audited consolidated turnover of the Group in the preceding financial year ended 31 March 1997) |
| Year ended 31 March 1999: | Nil |
| Year ended 31 March 2000: | As stated above, TBC subcontracted E&M works to TE on 1 June 1999 involving an amount of HK\$26.8 million (representing 4.15% of the net tangible asset value of the Company as at 31 March 1999, and 2.5% (below 5%) of the audited consolidated turnover of the Group in the preceding financial year ended 31 March 1999) |
| Year ended 31 March 2001: | TBC subcontracted E&M works totalling about HK\$15.8 million in contract sums to TEHK (representing in total 2.4% of the net tangible asset value of the Company as at 31 March 2000, and 1.4% (below 5%) of the audited consolidated turnover of the Group in the preceding financial year ended 31 March 2000) |
| Year ended 31 March 2002: | TBC subcontracted E&M works of about HK\$5.3 million in contract sum to TEHK (representing 0.82% of the net tangible asset value of the Company as at 31 March 2001, and 0.54% (below 5%) of the audited consolidated turnover of the Group in the preceding financial year ended 31 March 2001) |
| 1 April 2002 to date of this Announcement: | Nil |

In respect of the Subcontracting Transactions in the past, when an independent employer awarded a contract to TBC which involved building construction as well as E&M works, TBC would then pass the employer's E&M requirements to TEHK and other third parties for their respective quote or tender. TBC would ultimately subcontract the E&M works to either TE or other independent E&M companies taking into consideration, inter alia, their quotes or tenders as well as their expertise and performance records in the past. In a similar manner, TE or TEHK might subcontract building construction works to TBC if it is awarded a contract involving both building construction works as well as E&M works. TBC or TE (or TEHK), as the case may be, would be treated equally with the other independent companies on normal commercial terms and without markups or fixed basis of charges.

The above-mentioned Subcontracting Transactions were therefore entered into in the ordinary course of business of the Company and on normal commercial terms. The Directors (including the independent non-executive Directors) are of the view that the Subcontracting Transactions were entered into on normal commercial terms and fair and reasonable so far as the Shareholders are concerned and are in the best interest of the Company and the Shareholders as a whole.

D. New Waiver Application

The Directors expect that the Subcontracting Transactions will continue to be entered into between TBC and TE (or TEHK) on an on-going basis (the "On-going Transactions") in the ordinary course of business of TBC, TE and TEHK and on normal commercial terms in a similar manner and mechanism as for the Subcontracting Transactions entered into in the three financial years ended 31 March 2002. As the On-going Transactions will be of a continuing nature and will occur on a regular basis, strict compliance with the requirements as connected transactions under Chapter 14 of the Listing Rules would be impractical and unduly burdensome for the Company and the costs involved in complying with such requirements would not be beneficial to the Shareholders.

In the past few years, due to the downturn of the economy and accordingly the construction industry, the subcontracting works were not as high as it had been expected. As a result, the historical figures were substantially below the 5 per cent. Cap Amount, and most of the building construction works undertaken by the Group were awarded to TBC and there had been no Subcontracting Transactions by TE in favour of TBC in respect of building construction works. However, for the coming years, and considering the continuous efforts of the Government to improve the economy of Hong Kong which would benefit the construction industry, the Directors anticipate that the construction industry would improve, and based on the experience of the Company, it would be in the interest of the Company to be granted a Cap Amount of 5 per cent. of the audited consolidated turnover of the Company and its subsidiaries in the preceding financial year for the aggregate of "building construction works" and "E&M works" to maintain flexibility and so that frequent and costly announcements and Shareholders' meetings in the event that the Cap Amount is exceeded could be avoided in the interest of the Shareholders.

As a result, the Company has applied to the Stock Exchange for a New Waiver from strict compliance with the requirements as stipulated in Chapter 14 of the Listing Rules in respect of the On-going Transactions during the three financial years ending 31 March 2005 (dispensing on each occasion they arise with the need to obtain approval of the shareholders of the Company, and with disclosure by way of press notice or circular to shareholders, or the appointment of an independent financial adviser to advise in relation to the same) subject to the following conditions:

- that the On-going Transactions shall be:
 - entered into between TBC and TE (or TEHK) in the ordinary and usual course of their business;
 - conducted either (a) on normal commercial terms (which expression will be applied by reference to transactions of a similar nature and to be made by similar entities) or (b) (where there is no available comparison) on terms that are fair and reasonable so far as the shareholders of the Company are concerned;
 - entered into either (a) in accordance with the terms of the agreements governing such On-going Transactions or (b) (where there are no such agreements) on terms no less favourable than those available to or from independent third parties;
- (i) the aggregate amount of the On-going Transactions subcontracted by TBC to TE (or TEHK) in respect of E&M works for each financial year of the Company shall not exceed the amount of 5 per cent. of the audited consolidated turnover of the Company and its subsidiaries in the preceding financial year (the "Cap Amount");
 - the aggregate amount of the On-going Transactions subcontracted by TE (or TEHK) to TBC in respect of building construction works for each financial year of the Company shall not exceed the amount of 5 per cent. of the audited consolidated turnover of the Company and its subsidiaries in the preceding financial year (the "Cap Amount");
 - the aggregate amount of the On-going Transactions in paragraphs (2)(i) and (2)(ii) above for each financial year of the Company shall not exceed the amount of 5 per cent. of the audited consolidated turnover of the Company and its subsidiaries in the preceding financial year (the "Cap Amount");
- the independent non-executive directors of the Company shall review the On-going Transactions annually and confirm in the Company's annual report for the financial year concerned that these were conducted in the manner as stated in paragraphs (1) and (2) above;
- the Company's auditors shall review the On-going Transactions annually and confirm in a letter (the "Letter") to the Board (a copy of which shall be provided to the Listing Division of the Stock Exchange) stating that:
 - the On-going Transactions have received approval of the Company's Board;
 - the On-going Transactions have been entered into in accordance with the terms of the agreements governing the Subcontracting Transactions or, if there are no such agreements, on terms no less favourable than those available to or from independent third parties; and
 - the Cap Amount in each of paragraph (2)(i), (2)(ii) and (2)(iii) above has not been exceeded.

Where, for whatever reason, the auditors decline to accept the engagement or are unable to provide the Letter, the Board shall contact the Listing Division immediately.

(5) Details of the On-going Transactions in each financial year shall be disclosed as required under Rule 14.25(1) (A) to (D) of the Listing Rules in the annual report of the Company for the financial year concerned together with a statement of the opinion of the independent non-executive directors and the auditors of the Company referred to in paragraphs (3) and (4) above; and

(6) The Company, TBC and TE shall provide to the Stock Exchange an undertaking that, for so long as the Company's shares are listed on the Stock Exchange, they will provide the Company's auditors with full access to their relevant records for the purpose of the auditors' review of the On-going Transactions referred to in paragraph (4) above.

II. CONNECTED TRANSACTIONS - PROVISION OF GUARANTEES

HSB Guarantees

Date of HSB Guarantees: 18 December 2002

Borrower: TFL (a wholly-owned subsidiary of the Company whose principal business is the provision of foundation piling works), TBC (a company owned as to 50% by the Company, as to 35% by Mr. Fung, an executive Director of the Company, and as to 15% by an independent third party not otherwise related with the Company) and TEHK (a wholly-owned subsidiary of TE, and accordingly a 70% owned subsidiary of the Company)

Lender: HSB

Guarantor: The Company
Aggregate Loan Facilities: HK\$13 million

Duration: From the date of execution until the expiry of three months after the receipt by HSB from the Company of a notice of termination of the HSB Guarantee concerned

On 18 December, 2002, the Company provided three guarantees in favour of HSB, an independent party not connected with the directors, chief executives, substantial shareholders of the Company, its subsidiaries and any of their respective associates, in respect of the following loans (all on normal commercial terms and in the ordinary course of business):

- a HK\$10 million loan for establishment of documentary letters of credit and covering import of goods and acceptance of bills drawn and for trust receipt facility relating to goods imported and financed under the documentary letters of credit to be granted to TFL, TBC and TEHK (the "1st HSB Guarantee");
- a HK\$1.5 million loan for overdraft facility to be granted to TBC (the "2nd HSB Guarantee"); and
- a HK\$1.5 million loan for overdraft facility to be granted to TEHK (the "3rd HSB Guarantee") (together the "HSB Guarantees").

The loan facilities to be granted will be on normal commercial terms and in the ordinary course of business and will provide financial support to TFL, TBC and TEHK in their commercial operations.

The maximum liability of the Company, in the event that TFL, TBC and TEHK are unable to make full repayment of their loans under the 1st HSB Guarantee, is limited to the amount of HK\$10 million.

The maximum liability of the Company, in the event that TBC is unable to make full repayment of its loans concerned under the 2nd HSB Guarantee, is limited to the amount of HK\$1.5 million.

The maximum liability of the Company, in the event that TEHK is unable to make full repayment of its loans concerned under the 3rd HSB Guarantee, is limited to the amount of HK\$1.5 million.

Since the total loan limit granted by HSB to TFL, TBC and TEHK amounted to HK\$13 million, the maximum liability of the Company, in the event that TFL, TBC and TEHK are unable to make full repayment of the loans concerned, under the HSB Guarantees, is limited to the amount of HK\$13 million, representing about 1.9 per cent. of the Company's adjusted net tangible asset value as at 30 September 2002 (being the Company's net tangible asset value as at 31 March 2002 adjusted to take into account the interim profit for the six months ended 30 September 2002).

The remaining shareholders of TBC and TE have provided a pro rata counter indemnity to the Company in respect of the HSB Guarantees such that the liabilities arising from the loans will be shared among all shareholders of TBC and TE respectively.

Any additional amount of liabilities incurred by the subsidiaries concerned over and above the aforesaid limit of liability of the Company under the HSB Guarantees would have to be borne by the respective subsidiaries concerned, which are each primarily liable for the indebtedness incurred by itself under the loan or facility granted to it against each of the HSB Guarantees.

No guarantee fee, security or other form of remuneration will be provided to the Company by TFL, TBC, TE and TEHK or any of them.

ANZ Guarantee

Date of ANZ Guarantee: To be ascertained after obtaining approval of the Shareholders in EGM

Borrower: TFL (a wholly-owned subsidiary of the Company), TBC (a company owned as to 50% by the Company, as to 35% by Mr. Fung, an executive Director of the Company, and as to 15% by an independent third party not otherwise related with the Company) and TEHK (a wholly-owned subsidiary of TE, and accordingly a 70% owned subsidiary of the Company)

Lender: ANZ
Guarantor: The Company
Aggregate Loan Facilities: HK\$60 million (within which a total sub-limit of HK\$30 million is to be established for TBC and TEHK, there being no sub-limit established for TFL)
Duration: From the date of execution until discharge by ANZ

The loan or financial facilities to be granted will be on normal commercial terms and in the ordinary course of business and will provide financial support to TFL, TBC and TEHK in their commercial operations.

The Company is required to provide a guarantee in favour of ANZ (being the Hong Kong branch office of Australia and New Zealand Banking Group Limited, a company incorporated in Australia) and ANZ Asia (a wholly-owned subsidiary of Australia and New Zealand Banking Group Limited) (together "ANZ Bank"), independent parties not connected with the directors, chief executives, substantial shareholders of the Company, its subsidiaries and any of their respective associates (the "ANZ Guarantee"), as security for an aggregate of HK\$60 million loan or financial facilities, (within which a total sub-limit of HK\$30 million is to be established for TBC and TEHK, there being no sub-limit established for TFL) for multi-option facility (which comprise the establishment of import letter of credit, import and trust receipts loans and short term revolving loans) and bonding facility (which comprise the issuance of performance bonds, on-demand / unconditional bonds, bid bonds or tender bonds) to be granted by ANZ to TFL, a wholly-owned subsidiary of the Company, TBC, a 50% owned subsidiary of the Company, and TEHK, a 70% owned subsidiary of the Company, to facilitate the purchase of materials, machinery or equipments, the provision of short term working capital and the issuance of bonds by ANZ in respect of construction projects.

TFL, TBC and TEHK, as borrowers, will also provide joint and several guarantee in the same ANZ Guarantee to ANZ Bank in respect of each and all of the indebtedness of TFL, TBC and TEHK, up to the aggregate extent of HK\$30 million in the case of the guarantee by TBC and TEHK, and up to the aggregate amount of HK\$60 million in the case of the guarantee by TFL.

The maximum liability of the Company and TFL under the ANZ Guarantee is limited to HK\$60 million, within which up to HK\$30 million is attributable to loans or financial facilities to be granted to TBC and TEHK (being the total sub-limit referred to in the above), representing about 4.4 per cent. of the Company's adjusted net tangible asset value as at 30 September 2002 (being the Company's net tangible asset value as at 31 March 2002 adjusted to take into account the interim profit for the six months ended 30 September 2002).

The remaining shareholders of TBC and TE will provide a pro rata counter indemnity to the Company in respect of the ANZ Guarantee such that the liabilities arising from the loan will be shared among all the shareholders of TBC and TE.

No guarantee fee, security or other form of remuneration will be provided to the Company by TFL, TBC, TE and TEHK or any of them in respect of the ANZ Guarantee.

HSB and ANZ are identified since they are long term bankers of the Company. The Directors are of the view that the rates and terms of the loan facilities above are similar to other banks and are on normal commercial terms. Neither HSB nor ANZ has any shareholding in the Company.

Listing Rules Requirement

As the granting of the HSB Guarantees and the ANZ Guarantee are regarded as granting of indemnity or financial assistance in favour of its non-wholly owned subsidiaries, TBC and TE, in which Mr. Fung and/or Mr. Wong, as the Company's connected persons (being respectively an executive Director of the Company and a director of TE), are shareholders, as the case may be, such transactions constitute connected transactions under Chapter 14 of the Listing Rules.

The total amount of loan facilities to be advanced by HSB to TBC and TEHK against the HSB Guarantees, and accordingly the liability of the Company thereby incurred, is less than 3% of the adjusted consolidated net tangible asset value of the Company as at 30 September 2002.

The total amount of loan facilities to be advanced by ANZ to TBC and TEHK against the ANZ Guarantee, and accordingly the liability of the Company thereby incurred, exceeds HK\$10 million and 3% of the adjusted consolidated net tangible asset value of the Company as at 30 September 2002.

The aggregate amount of loan facilities to be advanced to TBC and TEHK against the HSB Guarantees and the ANZ Guarantee is HK\$43 million, representing about 6.4 per cent. of the adjusted consolidated net tangible asset value of the Company as at 30 September 2002. Accordingly, both transactions will be disclosed and for which independent Shareholders' approval will be sought.

Reasons and Benefits of the Connected Transactions

The HSB Guarantees and ANZ Guarantee were provided or to be provided, as the case may be, to enable TFL, TBC and TE to obtain the loans from the banks in support for its normal commercial operations such as, without limitation, the establishment of documentary letter of credit and trust receipt facility, the provision of short term working capital, the purchase of materials machineries and equipments and to facilitate the issuance of performance bonds and tender bonds and other bonds by the banks concerned.

Given the prevailing relatively low interest rates offered by the banks, it is beneficial for the Company, TFL, TBC and TE to make use of bank borrowings rather than other form of financing such as equity or shareholders' loan due to lower funding cost.

In granting the loans, the said banks require the Company to provide the HSB Guarantees and the ANZ Guarantee.

The Directors are of the view that the HSB Guarantees and ANZ Guarantee, as required by the said banks as a condition for granting the aforesaid loan facilities, are on normal commercial terms and are in the interest of the Company and its Shareholders, as the provision of the HSB Guarantees and the ANZ Guarantee by the Company will enable TBC and TEHK to obtain loans in the existing relatively low interest rate market at lower funding cost, thereby improving the overall margin while providing financial support to their operations, and this will in turn ultimately benefit the Company as TBC and TEHK are subsidiaries of the Company.

The said banks did not ask for guarantees from the other shareholders. It is common for banks to require a sole or joint and several guarantee to be given by the ultimate listed holding company because they are more confident in the financial position of the listed company and therefore consider it to be a better security for their loans. Also, guarantee on several basis (instead of on joint and several basis) is usually not acceptable to the banks.

As the above transactions involving the HSB Guarantees and the ANZ Guarantee are to be entered into on normal commercial terms and in the circumstances explained, the Directors (including the independent non-executive Directors) are of the view that such transactions are on fair and reasonable terms so far as the Shareholders are concerned and are in the best interest of the Company and the Shareholders as a whole.

III. ADOPTION OF CHINESE CORPORATE NAME

The Board announced on 28 August 2002 that a special resolution to approve the adoption of a Chinese name "泰昇集團有限公司" for registration in Hong Kong as the Company's Chinese corporate name was duly passed at the Annual General Meeting of the Company held on 28 August 2002. However, upon receipt of the notification of the Hong Kong Companies Registry dated 13 September 2002 that the aforesaid Chinese name had already been registered by a private company unconnected with the Company, the Board is of the view that it would be impossible, inappropriate or impracticable for the aforesaid Chinese name to be registered under Part XI of the Companies Ordinance as the Chinese corporate name of the Company. Under these premises, the Board now proposes to adopt "泰昇集團控股有限公司" as the Chinese corporate name of the Company for the purpose of registration in Hong Kong in lieu of the aforesaid Chinese name. A special resolution regarding such adoption will be proposed at the EGM.

The proposed adoption of the aforesaid Chinese corporate name will not have any effect on the rights and interest of the Shareholders. The existing share certificate of the Shareholders bearing only the corporate name of the Company in English shall continue to be evidence of title to the Shares concerned and be accepted for trading and settlement purposes. Accordingly, there would not be any arrangement for free exchange of share certificates upon obtaining approval of the registration of the Company's Chinese corporate name from the Registrar of Companies in Hong Kong.

An announcement will be made by the Company informing Shareholders of the effective date of the Company's adoption of the aforesaid Chinese corporate name and its trading stock short name.

General

The Group is principally engaged in foundation piling, machinery hiring and trading and property investment and development.

The principal business of the above-mentioned subsidiaries of the Company are as follows:

TFL — provision of foundation piling works;
TBC — provision of building construction works;
TE — provision of E&M works and investment holding;
TEHK — provision of E&M works;

An extraordinary general meeting ("EGM") will be convened at which resolutions will be proposed to consider and, if thought fit, approve the HSB Guarantees, the ANZ Guarantee, the On-going Transactions, the New Waiver application and the adoption of Chinese corporate name (and Mr. Fung, Mr. Wong and other shareholders of TBC, TE and TEHK and their respective associates will abstain from voting in the EGM in respect of the resolutions in respect of the HSB Guarantees, the ANZ Guarantee, the On-going Transactions and the New Waiver application) and any incidental matter. For the avoidance of doubt, nobody will be required to abstain from voting in the EGM in respect of the adoption of the Company's Chinese corporate name.

A circular containing, inter alia, details of the HSB Guarantees, the ANZ Guarantee, the Ongoing Transactions, the New Waiver application and the adoption of the Chinese corporate name, a letter from an independent financial adviser containing its advice on the HSB Guarantees, the ANZ Guarantee, the On-going Transactions and the New Waiver application, a letter from the Independent Board Committee together with a notice convening the EGM of the Company will be despatched to Shareholders as soon as practicable.

Definitions

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| "ANZ" | Australia and New Zealand Banking Group Limited, Hong Kong Branch |
| "ANZ Asia" | ANZ Asia Limited, a wholly-owned subsidiary of Australia and New Zealand Banking Group |
| "ANZ Bank" | ANZ and ANZ Asia collectively |
| "ANZ Guarantee" | the guarantee to be provided by the Company, TFL, TBC and TEHK to ANZ Bank as described in section headed "II. Connected Transactions — Provision of Guarantee" above |
| "Board" | the board of Directors |
| "Cap Amount" | 5 per cent. of the audited consolidated turnover of the Company and its subsidiaries in the preceding financial year |
| "Company" | Tysan Holdings Limited, a company incorporated in Bermuda with limited liabilities, the securities of which are listed on the Stock Exchange |
| "Directors" | the directors of the Company |
| "E&M" | electrical and mechanical engineering |
| "EGM" | an extraordinary general meeting to be convened to approve the HSB Guarantees, the ANZ Guarantee, the On-going Transactions, the New Waiver application and the adoption of the Chinese corporate name "泰昇集團控股有限公司" in lieu of "泰昇集團有限公司" |
| "Group" | the Company and its subsidiaries |
| "HSB" | Hang Seng Bank Limited |
| "HSB Guarantee" | the corporate guarantee provided by the Company to HSB as described in section headed "II. Connected Transactions — Provision of Guarantees" above |
| "Independent Board Committee" | an independent board committee of the Company comprising Messrs. Fan Cho Ho Paul and Chau Cham Son |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "Mr. Fung" | Mr. Fung Chiu Chak, Victor, an executive Director of the Company |
| "Mr. Wong" | Mr. Wong Kay, a director of TE |
| "New Waiver" | the waiver sought to be granted by the Stock Exchange and referred to under the paragraph headed "New Waiver Application" |
| "On-going Transactions" | the on-going connected transactions of the Subcontracting Transactions |
| "Previous Waiver" | the waiver granted by the Stock Exchange on 6 October 1999 and referred to under the paragraph headed "Previous Waiver" |
| "Shareholders" | shareholders of the Company |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Subcontracting Transactions" | subcontracting of building construction works and/or E&M works to be entered between TBC and TE (or TEHK) |
| "TBC" | Tysan Building Construction Company Limited, a company owned as to 50% by the Company, as to 35% by Mr. Fung, an executive Director of the Company, and as to 15% by an independent third party not otherwise related with the Company |
| "TE" | Tysan Engineering Company Limited, a company owned as to 70% by the Company, as to 8% by Mr. Fung, and 17% by Mr. Wong, a director of TE, and as to 5% by an independent third party not otherwise related with the Company |
| "TEHK" | Tysan Engineering (HK) Company Limited, a wholly-owned subsidiary of TE |
| "TFL" | Tysan Foundation Limited, a wholly-owned subsidiary of the Company |

By Order of the Board
Tysan Holdings Limited
Francis Cheung
Chairman

Hong Kong 15 January, 2003