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## **TYSAN HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 687)**

### **MAJOR TRANSACTION ACQUISITION OF LAND IN SHENYANG AND RESUMPTION OF TRADING**

The Board is pleased to announce that on 18 December 2007, Sparkle Key, a wholly-owned subsidiary of the Company, won a bid at an open bidding to acquire the Land which is situated at Huanggu District, Shenyang at a consideration of about RMB307.8 million (equivalent to about HK\$325.7 million). Accordingly, on 18 December 2007, Sparkle Key entered into the Confirmation Agreement with SLRTC confirming Sparkle Key's winning the bid for the Land.

On the basis that the applicable percentage ratio in respect of the Acquisition under Rule 14.07 of the Listing Rules (the consideration for the Acquisition divided by the market capitalization of the Company) is greater than 25 per cent but less than 100 per cent, the Acquisition constitutes a major transaction for the Company under the Listing Rules. Pursuant to Rule 14.40 of the Listing Rules, the Acquisition is conditional on the approval of the Shareholders. A circular containing, inter alia, further information relating to the Acquisition and a notice of the SGM will be sent to the Shareholders in accordance with the requirements of Chapter 14 of the Listing Rules as soon as is practicable.

At the request of the Company, trading of the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 19 December 2007 pending publication of this announcement. An application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:30 a.m. on 20 December 2007.

## **INTRODUCTION**

The Board is pleased to announce that on 18 December 2007, Sparkle Key, a wholly-owned subsidiary of the Company, won a bid at an open bidding to acquire the Land which is situated at Huanggu District, Shenyang at a consideration of about RMB307.8 million (equivalent to about HK\$325.7 million). Accordingly, on 18 December 2007, Sparkle Key entered into the Confirmation Agreement with SLRTC confirming Sparkle Key's winning the bid for the Land.

## **CONFIRMATION AGREEMENT**

### **Date:**

18 December 2007

### **Parties:**

- (a) Purchaser: Sparkle Key, a wholly-owned subsidiary of the Company (and/or its wholly-owned subsidiary, being a wholly foreign-owned company to be incorporated in PRC to acquire the Land)
- (b) Vendor: SLRTC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SLRTC and SPLRB and their ultimate beneficial owners are third parties independent of the Company and its connected persons. The Company has not entered into any transaction with the Vendor or with parties connected or otherwise associated with one another which would be required to be aggregated with the Acquisition pursuant to Rule 14.22 of the Listing Rules.

### **Consideration:**

The total cash consideration for the Acquisition is about RMB307.8 million (equivalent to about HK\$325.7 million).

An initial payment of RMB160 million (equivalent to about HK\$169 million) was paid upon the winning of the bid, and the balance of the consideration shall be paid on or before 30 April 2008.

The Board considers that the value of the Land is commensurable with the consideration for the Acquisition which was arrived at as a result of a successful bid by Sparkle Key at an open bidding having taken into account the location and potential value of the Land and the average market price or assessed value of similar plots of land in the proximity.

The Group intends to finance the Acquisition by internal resources and borrowings from financial institutions, the exact extent and proportions of which are yet to be considered and determined taking into account the availability and extent of the loan facilities and the terms thereof and the need of the Company. Bank borrowings, if required, may increase the gearing of the Group but the Board believes that such increase will not have any material adverse financial impact on the Group.

#### **Information on the Land:**

The Land covers an area of about 41,340 sq. m. and is located in Huanggu District (皇姑區), Shenyang (瀋陽市), Liaoning Province (遼寧省), PRC and may be developed as residential and/or commercial use development. The terms for the grant of the land use right of the Land are 50 years for the residential portion and 40 years for the commercial portion respectively.

It is expected that the Huanggu Government will deliver vacant possession of the Land to the Purchaser on or before 30 July 2008.

#### **Land Contract:**

The Purchaser and SPLRB will enter into a land contract for the Land within one month from the date of the delivery of the Land to the Purchaser.

#### **REASONS FOR THE ACQUISITION**

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

Shenyang, being the capital city of Liaoning Province of the PRC, is located at the centre of the Northeastern Asian economic ring and Bohai economic ring. Shenyang is the economic, cultural, trade and communication hub of Northeastern China. It is a sub-provincial city with a population of about 7.2 million. It is also a major industrial and cultural city with historical importance. With its strategic geographical location, it is believed that the growth prospects of the city will be tremendous.

The Land is located in a prime location in Shenyang and the Group intends to develop the Land into a quality residential and commercial development. The Acquisition is in line with the Company's business strategies to explore suitable investment opportunities in cities of PRC.

The Board believes that the Acquisition will increase the land bank of the Group, advance the Group's position in the PRC property market and afford to the Group the opportunity to conduct project development in Shenyang of PRC. The Board

(including the independent non-executive Directors) considers that the Acquisition will be beneficial to the Company and its Shareholders as a whole. The Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition are on normal commercial terms, which are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

On the basis that the applicable percentage ratio in respect of the Acquisition under Rule 14.07 of the Listing Rules (the consideration for the Acquisition divided by the market capitalization of the Company) is greater than 25 per cent but less than 100 per cent, the Acquisition constitutes a major transaction for the Company under the Listing Rules. Pursuant to Rule 14.40 of the Listing Rules, the Acquisition is conditional on the approval of the Shareholders. A circular containing, inter alia, further information relating to the Acquisition and a notice of the SGM will be sent to the Shareholders in accordance with the requirements of Chapter 14 of the Listing Rules as soon as is practicable.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the substantial Shareholders or other connected persons of the Company has any material interest in the Acquisition and accordingly none of them will be required to abstain from voting at the SGM.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading of the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 19 December 2007 pending publication of this announcement. An application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:30 a.m. on 20 December 2007.

## **GENERAL**

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.

## **DEFINITIONS**

“Acquisition”	the acquisition of the Land pursuant to the Confirmation Agreement
“Board”	the board of Directors

“Company”	Tysan Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Confirmation Agreement”	the agreement dated 18 December 2007 between Sparkle Key and SLRTC confirming Sparkle Key’s winning bid for the Land at about RMB307.8 million (equivalent to about HK\$325.7 million)
“connected persons”	bears the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Huanggu Government”	the People’s Government of Huanggu District, Shenyang, PRC
“Land”	a parcel of land located at the west side of Huang He Nan Da Jie ( 黃河南大街 ) in Huanggu District, Shenyang, PRC with an area of about 41,430 sq. m.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Sparkle Key, a wholly-owned subsidiary of the Company (and/or its wholly-owned subsidiary, being a wholly foreign-owned company to be incorporated in PRC to acquire the Land)
“RMB”	Renminbi, the lawful currency of PRC
“SGM”	the meeting of the Shareholders to be convened by the Company in accordance with the requirements of Chapter 14 of the Listing Rules at which approval will be sought from the Shareholders in respect of the Acquisition
“Shareholders”	shareholders of the Company

“SLRTC”	Shenyang Land Reserve Trading Centre (瀋陽市土地儲備交易中心), an agent of the People’s Government of Shenyang, PRC under SPLRB for managing and supervising, inter alia, the trading of land use rights in Shenyang, PRC
“Sparkle Key”	A wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
“SPLRB”	Shenyang Planning and Land Resources Bureau (瀋陽市規劃和國土資源局), a department of the People’s Government of Shenyang, PRC in charge of, inter alia, the planning and land resources of Shenyang, PRC
“sq. m.”	Square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	SLRTC, the vendor of the Land, which and its ultimate beneficial owners, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is a third party independent of the Company and its connected persons

By Order of the Board  
**Tysan Holdings Limited**  
**Francis Cheung**  
*Chairman*

Hong Kong 19 December 2007

*In this announcement, amounts quoted in RMB have been translated into HK\$ at the reference rate of HK\$1.00 = RMB0.945 for illustration purpose only. Such transaction should not be construed as a representation that the relevant amounts have been, could have been, converted at that or any other rate or at all.*