

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)

PROPOSED MAJOR AND CONNECTED TRANSACTIONS PROPOSED DISPOSAL OF INTEREST IN A SUBSIDIARY PROVISION OF GUARANTEES AND INDEMNITIES CONTINUING CONNECTED TRANSACTION AND PROPOSED SPECIAL DIVIDEND

THE PROPOSED DISPOSAL

The Board announced that the Company entered into the Sale and Purchase Agreement on 12 November 2012 (with the Company as the vendor of the Sale Shares and Fortunate Pool as the purchaser of the Sale Shares) subject to the Conditions Precedent. Upon Completion, the Shareholders' Agreement, the Deed of Counter-Indemnity and the Licence Agreement will be executed and will become effective. Further particulars of the aforesaid documents are set out in this announcement.

Fortunate Pool is a private company incorporated in Hong Kong and is beneficially owned by Mr. Fung.

Consideration

The Consideration shall be 40% of the Combined NAV as at 30 September 2012 based on the Interim Results.

The Consideration is payable by Fortunate Pool to the Company in the following manner:

- (a) The Deposit amounting to HK\$6,000,000 was paid to the Company upon signing of the Sale and Purchase Agreement; and
- (b) The remaining balance of the Consideration shall be paid to the Company upon Completion.

Resultant Change of Shareholdings in the Tysan Foundation Group

Immediately after Completion, Tysan Foundation and its subsidiaries will cease to be wholly-owned by the Tysan Group. Tysan Foundation will become a 60% owned subsidiary of the Tysan Group. The financial results of the Tysan Foundation Group will continue to be consolidated into the Tysan Group through the consolidation of the financial results generated by the Tysan Foundation Group.

Use of Proceeds and the Proposed Special Dividend

The net proceeds of the Proposed Disposal after deducting all relevant expenses is estimated to be not less than HK\$114 million. For information, the Combined NAV as at 31 March 2012 is about HK\$285 million. As the Consideration is based on the Combined NAV as at 30 September 2012, it is expected that the Proposed Disposal will not have any material impact on the profit and loss account of the Tysan Group.

The Board proposes to use part of the net proceeds from the Proposed Disposal for distribution of the Proposed Special Dividend and the balance as general working capital of the Tysan Group. The Board proposes that, subject to Completion and the approval of the Shareholders at the SGM, the Proposed Special Dividend of HK10 cents per Share will be distributed to Qualifying Shareholders. Based on 872,665,903 Shares in issue as at the date of this announcement, the total amount of the Proposed Special Dividend will amount to approximately HK\$87.27 million. Further details relating to, amongst other things, the Proposed Special Dividend will be set out in the Circular.

THE SHAREHOLDERS' AGREEMENT

Upon Completion, the Company's equity interest in Tysan Foundation will be reduced to 60%, while Fortunate Pool's equity interest in Tysan Foundation will be 40%. The Company, Fortunate Pool, Mr. Fung and Tysan Foundation will enter into the Shareholders' Agreement upon Completion to set out their mutual agreement regarding corporate governance of Tysan Foundation and the parties' respective rights and obligations in respect of Tysan Foundation.

THE GUARANTEES AND INDEMNITIES AND THE DEED OF COUNTER-INDEMNITY

The Company has in the past, as the sole beneficial owner of Tysan Foundation, executed various Guarantee and Indemnity Documents whereby the Company provided the Guarantees and Indemnities in respect of or in connection with the Banking Facilities. The Guarantees and Indemnities were provided by the Company as security to enable the Tysan Foundation Group to obtain the Banking Facilities to support its normal commercial operations. The maximum liability of the Company under the existing Guarantees and Indemnities is about HK\$1.27 billion. The Company intends to continue to provide the Guarantees and Indemnities to the Financial Institutions in connection with the Banking Facilities.

Upon Completion, Fortunate Pool and Mr. Fung will execute the Deed of Counter-Indemnity in favour of the Company whereby Fortunate Pool and Mr. Fung, both as covenantors, shall jointly and severally irrevocably covenant with the Company that they will at all times fully and effectively indemnify and keep the Company indemnified against 40% of all liabilities, damages, costs, charges and expenses of whatever nature under or arising from the Guarantees and Indemnities and the Guarantee and Indemnity Documents.

LICENCE AGREEMENT

Upon Completion, Tysan Management, being the tenant under the Tenancy Agreement, and Tysan Foundation will enter into the Licence Agreement whereby Tysan Management as the licensor will grant a licence to Tysan Foundation as the licensee in respect of the use and occupation of a portion of the Premises by Tysan Foundation.

IMPLICATIONS OF THE LISTING RULES

(1) The Proposed Disposal and the Shareholders' Agreement

As one or more of the Applicable Percentage Ratios in respect of the Proposed Disposal exceed(s) 25% but is/are less than 75% for the Company, the Proposed Disposal constitutes a major transaction for the Company under the Listing Rules and is subject to the requirements of reporting, announcement and the approval by the Independent Shareholders under the Listing Rules.

As the registered and beneficial owner of Fortunate Pool is Mr. Fung who is an Executive Director, Mr. Fung and Fortunate Pool are connected persons of the Company under Rules 1.01 and 14A.11(1) of the Listing Rules. The Proposed Disposal therefore constitutes a connected transaction of the Company under Rule 14A.13(1) of the Listing Rules and is subject to the requirements of reporting, announcement and the approval by the Independent Shareholders under the Listing Rules.

(2) The Guarantees and Indemnities

As one or more of the Applicable Percentage Ratios in respect of the liability of the Company under or arising from the Guarantees and Indemnities exceed(s) 25% but is/are less than 75% for the Company and as Tysan Foundation will cease to be a wholly-owned subsidiary of the Company upon Completion, the continued provision by the Company of the Guarantees and Indemnities after Completion will constitute a major transaction for the Company under the Listing Rules and is subject to the requirements of reporting, announcement and the approval by the Independent Shareholders under the Listing Rules. Further, as Mr. Fung and Fortunate Pool are connected persons, the continued provision of the Guarantees and Indemnities after Completion will also constitute connected transactions of the Company under the Listing Rules and the Company's provision of the Guarantees and Indemnities is therefore subject to the requirements of reporting, announcement and the approval by the Independent Shareholders under the Listing Rules.

(3) The Licence Agreement

As each and all of the Applicable Percentage Ratios other than the profits ratio in respect of the Licence Agreement calculated in accordance with Chapter 14A of the Listing Rules is/are, on an annual basis, less than the amounts set out in Rule 14A.34 of the Listing Rules, in accordance therewith, the transactions under the Licence Agreement are exempt from the requirements of the approval by the Independent Shareholders under Chapter 14A of the Listing Rules, although the reporting and announcement requirements, the annual review requirements as well as the requirements set out in Rule 14A.35(1) and 14A.35(2) of the Listing Rules still apply and will be observed.

SGM

A SGM will be called and convened in due course for the Independent Shareholders to approve the Proposed Transactions, the Related Documents and the Proposed Special Dividend.

GENERAL

An Independent Board Committee, comprising all the independent non-executive Directors will be established to consider the terms of the Proposed Transactions, the Related Documents and the Proposed Special Dividend and to advise the Independent Shareholders on whether the Proposed Transactions and the Proposed Special Dividend are in the interests of the Company and the Shareholders as a whole and whether the terms of the Related Documents are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders.

The Circular is expected to be dispatched to the Shareholders in accordance with the provisions of the Listing Rules on or before 3 December 2012.

THE PROPOSED DISPOSAL

INTRODUCTION

The Board announced that the Company entered into the Sale and Purchase Agreement on 12 November 2012 subject to the Conditions Precedent. Upon Completion, the Shareholders' Agreement, the Deed of Counter-Indemnity and the Licence Agreement will be executed and will become effective. Further particulars of the aforesaid documents are set out below.

THE SALE AND PURCHASE AGREEMENT

Date

12 November 2012

Subject of the Proposed Disposal

The sale and purchase of the Sale Shares

Parties

- (1) The Company as the vendor of the Sale Shares
- (2) Fortunate Pool as the purchaser of the Sale Shares

Consideration

The Consideration shall be 40% of the Combined NAV as at 30 September 2012 based on the Interim Results.

The Consideration is payable by Fortunate Pool to the Company in the following manner:

- (a) The Deposit amounting to HK\$6,000,000 was paid to the Company upon signing of the Sale and Purchase Agreement; and
- (b) The remaining balance of the Consideration shall be paid to the Company upon Completion.

Conditions Precedent of the Sale and Purchase Agreement

Completion is conditional upon the fulfillment of, amongst other things, the Conditions Precedent set out hereinbelow:-

- (1) 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
- (2) the granting of consent, where applicable, 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 December 2012, either Party may elect to rescind the Sale and Purchase Agreement (and in such event, the Company shall refund the Deposit to Fortunate Pool forthwith without interest and neither Party shall have any claim against the other Party whatsoever), or the Parties may agree on a new date for Completion.

Information on the Tysan Group

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

Information on Fortunate Pool and Mr. Fung

Fortunate Pool is a private company incorporated in Hong Kong with limited liability and has one issued share, representing 100% of the issued share capital of Fortunate Pool, which is registered in the name of and beneficially owned by Mr. Fung. Fortunate Pool is principally engaged in investment holding.

Mr. Fung joined the Tysan Group in May 1994 as a Director and has been the Managing Director of the Tysan Group since April 1996. Mr. Fung became the Vice Chairman of the Board since April 2000 and he is also a director of various subsidiaries of the Tysan Group. He is primarily responsible for business development, strategic planning as well as general and project management of the Tysan Group. Mr. Fung has over 33 years' experience in the field of consulting engineering, construction management and property development.

Mr. Fung is a Shareholder holding about 8.6% of the issued share capital of the Company and is an Executive Director. Both Mr. Fung and Fortunate Pool are accordingly connected persons of the Company under the Listing Rules. Mr. Fung and his associates, where applicable, will abstain from voting in respect of the resolutions approving the Proposed Transactions, the Related Documents and the Proposed Special Dividend.

Information on the Tysan Foundation Group

Tysan Foundation is a company incorporated in Hong Kong on 21 August 2000. It is currently a wholly-owned subsidiary of the Company. Members of the Tysan Foundation Group are engaged in the Business.

The unaudited combined financial information of the Tysan Foundation Group is as follows:

| | For the year ended | |
|----------------------------|---------------------------|-----------------|
| | 31 March | |
| | 2012 | 2011 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Net profit before taxation | 194,786 | 122,151 |
| Net profit after taxation | 160,686 | 103,480 |

The Combined NAV as of 31 March 2012, based on the audited accounts of the Tysan Group as at 31 March 2012, is about HK\$285 million. For the purpose of illustration, calculated at 40% of the Combined NAV as of 31 March 2012, the value attributable to the Sale Shares is estimated to be about HK\$114 million.

Immediately after Completion, Tysan Foundation and its subsidiaries will cease to be wholly-owned by the Tysan Group. Tysan Foundation will become a 60% owned subsidiary of the Tysan Group. The financial results of the Tysan Foundation Group will continue to be consolidated into the Tysan Group through the consolidation of the financial results generated by the Tysan Foundation Group.

Use of Proceeds and the Proposed Special Dividend

The net proceeds of the Proposed Disposal after deducting all relevant expenses is estimated to be not less than HK\$114 million. For information, the Combined NAV as at 31 March 2012 is about HK\$285 million. As the Consideration is based on the Combined NAV as at 30 September 2012, it is expected that the Proposed Disposal will not have any material impact on the profit and loss account of the Tysan Group.

The Board proposes to use part of the net proceeds from the Proposed Disposal for distribution of the Proposed Special Dividend and the balance as general working capital of the Tysan Group. The Board proposes that, subject to Completion and the approval of the Shareholders at the SGM, the Proposed Special Dividend of HK10 cents per Share will be distributed to Qualifying Shareholders. Based on 872,665,903 Shares in issue as at the date of this announcement, the total amount of the Proposed Special Dividend will amount to approximately HK\$87.27 million. Further details relating to, amongst other things, the Proposed Special Dividend will be set out in the Circular.

Reasons for and benefits of the Proposed Disposal

The Board considers that the Proposed Disposal will be beneficial to the Company on the following reasons:

- (1) Mr. Fung is considered to be the key person in leading the Tysan Foundation Group and is considered to be essential to its growth and development. The Proposed Disposal will help to maintain the continuity, stability and growth of the Tysan Foundation Group by establishing a long term and strategic alliance with Mr. Fung.
- (2) As the Company will still continue to maintain control on the equity interest in Tysan Foundation notwithstanding the Proposed Disposal, the Company will continue to benefit from any potential growth in Tysan Foundation to be carried on by the Tysan Foundation Group through consolidation of financial results generated by the Tysan Foundation Group.
- (3) It gives the Company the opportunity to realize and receive certain amount of cash proceeds that will arise from the disposal of part of the Company's interest in the Business while at the same time align Mr. Fung's interests with that of the Tysan Group.
- (4) Subject to the Proposed Special Dividend being approved, the Proposed Disposal will give the Shareholders the opportunity to share in the fruits of the Proposal Disposal.

The Executive Directors consider that the terms of the Proposed Disposal are fair and reasonable and in the interests of the Shareholders as a whole. The independent non-executive Directors will express their views after receiving and considering the advice from the Independent Financial Adviser.

THE SHAREHOLDERS' AGREEMENT

Upon Completion, the Company's equity interest in Tysan Foundation will be reduced to 60%, while Fortunate Pool's equity interest in Tysan Foundation will be 40%. The Company, Fortunate Pool, Mr. Fung and Tysan Foundation will enter into the Shareholders' Agreement upon Completion to set out their mutual agreement regarding corporate governance of Tysan Foundation and the parties' respective rights and obligations in respect of Tysan Foundation. Mr. Fung has agreed to guarantee the performance of the obligations of Fortunate Pool and himself under or arising from the Shareholders' Agreement.

The Executive Directors consider that the terms of the Shareholders' Agreement are fair and reasonable and in the interests of the Shareholders as a whole. The independent non-executive Directors will express their views after receiving and considering the advice from the Independent Financial Adviser.

THE GUARANTEES AND INDEMNITIES AND THE DEED OF COUNTER-INDEMNITY

The Company has in the past, as the sole beneficial owner of Tysan Foundation, executed various Guarantee and Indemnity Documents whereby the Company provided the Guarantees and Indemnities in respect of or in connection with the Banking Facilities. The Guarantees and Indemnities were provided by the Company as security to enable the Tysan Foundation Group to obtain the Banking Facilities to support its normal commercial operations, such as, without limitation, the issue of bonds, the establishment of documentary letter of credit, project financing and general working capital. The maximum liability of the Company under the existing Guarantees and Indemnities is about HK\$1.27 billion. The Company intends to continue to provide the Guarantees and Indemnities to the Financial Institutions in connection with the Banking Facilities.

Upon Completion, Fortunate Pool and Mr. Fung will execute the Deed of Counter-Indemnity in favour of the Company whereby Fortunate Pool and Mr. Fung, both as covenantors, shall jointly and severally irrevocably covenant with the Company that they will at all times fully and effectively indemnify and keep the Company indemnified against 40% of all liabilities, damages, costs, charges and expenses of whatever nature under or arising from the Guarantees and Indemnities and the Guarantee and Indemnity Documents or in connection with or arising from any default or breach of Tysan Foundation and/or companies or entities in which Tysan Foundation has equity interest in respect of any terms or provisions under any documents or deeds for which the Guarantees and Indemnities were given by the Company, or for which the Guarantees and Indemnities Documents are executed by the Company.

In accepting the counter indemnity of Mr. Fung and Fortunate Pool, the Company has, to the best of the Company's information, considered the financial capability of Mr. Fung including, but without limitation, the equity interest being held by Mr. Fung in the Company and in Tysan Foundation and the estimated values thereof, as well as the utilization level of the banking facilities in the past three years.

Reasons and benefits of the Guarantees and Indemnities

Having considered the terms of the Banking Facilities and the relevant Guarantee and Indemnity Documents, and taking into consideration of the counter-indemnities to be given by Mr. Fung and Fortunate Pool under the Deed of Counter-Indemnity, the Executive Directors are of the view that it is appropriate and beneficial for the Company to continue to support the Tysan Foundation Group in the Business by way of the Guarantees and Indemnities which are essential to the grant of the Banking Facilities.

The Executive Directors are of the view that the terms of the Banking Facilities are in line with those provided by other banks and are on normal commercial terms, and they accept that it is common for banks to require a sole or joint and several guarantees to be given by the ultimate listed holding company because they are relatively more confident in the financial position of the controlling listed company and therefore consider its guarantee to be a preferred security for their banking facilities. Furthermore, the Company has the experience and understanding that a guarantee to be provided by the Company and Mr. Fung, on a several and pro rata basis (instead of on a joint and several basis) for the Banking Facilities is generally not acceptable to the Financial Institutions.

As the Guarantees and Indemnities are provided on normal commercial terms and in the circumstances mentioned above, the Executive Directors are of the view that the terms of the Guarantees and Indemnities are fair and reasonable and in the interest of the Shareholders as a whole. The independent non-executive Directors will express their views after receiving and considering the advice from the Independent Financial Adviser.

CONTINUING CONNECTED TRANSACTION

Licence Agreement

Upon Completion, Tysan Management, being the tenant under the Tenancy Agreement, and Tysan Foundation will enter into the Licence Agreement whereby Tysan Management as the licensor will grant a licence to Tysan Foundation as the licensee in respect of the use and occupation of a portion of the Premises by Tysan Foundation.

Licence Period and Early Determination of the Licence Agreement

The period of the licence granted under the Licence Agreement is a period of three years commencing from 1 June 2012 and expiring 31 May 2015 (both days inclusive). The Licence Agreement shall be terminated upon the occurrence of any one or more of the following events :-

- (a) the early determination of the Tenancy Agreement by the Landlord or Tysan Management during the term of the tenancy created under the Tenancy Agreement for whatever reason;
- (b) Tysan Management and Tysan Foundation shall have agreed in writing to the termination of the Licence Agreement; or
- (c) Tysan Management serving on Tysan Foundation one month's notice in writing to terminate the Licence Agreement.

Licence Fee

Tysan Foundation shall pay a monthly licence fee of about HK\$243,000 (exclusive of rates, government rent, management fees, air-conditioning charges and all utility charges and other outgoings). The Licence Fee is calculated based on the rental payable by Tysan Management to the Landlord as well as the relative area of the Premises licensed to the Tysan Foundation Group. In respect of each of the financial years ending 2013, 2014 and 2015, the Licence Fee will not exceed HK\$2.92 million per annum. The aforesaid annual caps for the Licence Fee are made by reference to the actual Licence Fee payable by Tysan Foundation to Tysan Management.

Reasons for entering into the Licence Agreement

The Licence Agreement will become effective immediately upon Completion. This will be necessary and appropriate to reflect the change of the Tysan Group's interests in Tysan Foundation and the sharing of the use and occupation of the Premises subject to an appropriate licence fee payable by the Tysan Foundation Group to the Tysan Group is in the mutual interest of the Tysan Group and the Tysan Foundation Group. The Executive Directors and the independent non-executive Directors are of the view that the terms of the Licence Agreement are the result of arm's length negotiations, being on normal commercial terms and that such terms are fair and reasonable and in the interest of the Shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

(1) The Proposed Disposal and the Shareholders' Agreement

As one or more of the Applicable Percentage Ratios in respect of the Proposed Disposal exceed(s) 25% but is/are less than 75% for the Company, the Proposed Disposal constitutes a major transaction for the Company under the Listing Rules and is subject to the requirements of reporting, announcement and the approval by the Independent Shareholders under the Listing Rules.

As the registered and beneficial owner of Fortunate Pool is Mr. Fung who is an Executive Director, Mr. Fung and Fortunate Pool are connected persons of the Company under Rules 1.01 and 14A.11(1) of the Listing Rules. The Proposed Disposal therefore constitutes a connected transaction of the Company under Rule 14A.13(1) of the Listing Rules and is subject to the requirements of reporting, announcement and the approval by the Independent Shareholders under the Listing Rules.

(2) The Guarantees and Indemnities

As one or more of the Applicable Percentage Ratios in respect of the liability of the Company under or arising from the Guarantees and Indemnities exceed(s) 25% but is/are less than 75% for the Company and as Tysan Foundation will cease to be a wholly-owned subsidiary of the Company upon Completion, the continued provision by the Company of the Guarantees and Indemnities after Completion will constitute a major transaction for the Company under the Listing Rules and is subject to the requirements of reporting, announcement and the approval by the Independent Shareholders under the Listing Rules. Further, as Mr. Fung and Fortunate Pool are connected persons, the continued provision of the Guarantees and Indemnities after Completion will also constitute connected transactions of the Company under the Listing Rules and the Company's provision of the Guarantees and Indemnities is therefore subject to the requirements of reporting, announcement and the approval by the Independent Shareholders under the Listing Rules.

(3) **The Licence Agreement**

As each and all of the Applicable Percentage Ratios other than the profits ratio in respect of the Licence Agreement calculated in accordance with Chapter 14A of the Listing Rules is/are, on an annual basis, less than the amounts set out in Rule 14A.34 of the Listing Rules, in accordance therewith, the transactions under the Licence Agreement are exempt from the requirements of the approval by the Independent Shareholders under Chapter 14A of the Listing Rules, although the reporting and announcement requirements, the annual review requirements as well as the requirements set out in Rule 14A.35(1) and 14A.35(2) of the Listing Rules still apply and will be observed.

SGM

A SGM will be called and convened in due course for the Independent Shareholders to approve the Proposed Transactions, the Related Documents and the Proposed Special Dividend.

GENERAL

An Independent Board Committee, comprising all the independent non-executive Directors will be established to consider the terms of the Proposed Transactions, the Related Documents and the Proposed Special Dividend and to advise the Independent Shareholders on whether the Proposed Transactions and the Proposed Special Dividend are in the interests of the Company and the Shareholders as a whole and whether the terms of the Related Documents are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders.

The Circular is expected to be despatched to the Shareholders in accordance with the provisions of the Listing Rules on or before 3 December 2012.

Shareholders and potential investors in the Shares should note that the Proposed Transactions and payment of the Proposed Special Dividend are subject to, among others, shareholders' approval at the SGM, and may or may not materialize. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context indicates or specifies otherwise, the following defined expressions have the following meanings:

| | |
|--------------------------------|--|
| “%” | per cent |
| “Applicable Percentage Ratios” | the percentage ratios defined under Rules 14.04(9), 14.07 and 14A.10 of the Listing Rules |
| “Banking Facilities” | loans and/or the banking facilities provided by the Financial Institutions to Tysan Foundation or companies or entities in which Tysan Foundation has equity interest in respect of or in connection with the Business |
| “Board” | the board of Directors of the Company from time to time |
| “Business” | the business of foundation piling and related works (including foundation piling, substructure and basement construction, site formation, ground investigation, landslip preventive and slope works, demolition as well as road and drainage works) for public and/or private sectors and/or non-government organizations |
| “Circular” | a circular containing, among other things, (i) details of the Proposed Transactions, the Related Documents and the Proposed Special Dividend ii) the letter from an Independent Financial Adviser to both the Independent Board Committee and the Independent Shareholders, (iii) the recommendation of the Independent Board Committee to the Independent Shareholders on the Proposed Transactions, and (iv) a notice of SGM and all other necessary information and documents |
| “Combined NAV” | the unaudited combined net asset value of the Tysan Foundation Group based on the audited accounts of the Tysan Group, or the Interim Results, as the case may be |
| “Company” | Tysan Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are being listed on the Main Board |
| “Completion” | the completion of the transactions contemplated by the Sale and Purchase Agreement, which shall take place on or before 31 January 2013 |

| | |
|-------------------------------------|--|
| “Consideration” | the consideration for the Sale Shares in Hong Kong dollars |
| “controlling shareholder(s)” | bears the meaning ascribed to it under the Listing Rules |
| “Date of Completion” | the date on which Completion takes place, which in any event shall be on or before 31 January 2013 |
| “Deed of Counter-Indemnity” | a Deed of Counter-Indemnity to be executed by Fortunate Pool and Mr. Fung jointly and severally in favour of the Company |
| “Deposit” | the deposit in the sum of HK\$6,000,000 paid by Fortunate Pool upon signing of the Sale and Purchase Agreement |
| “Director(s)” | the director(s) of the Company |
| “Executive Director(s)” | the executive Director(s) |
| “Financial Institutions” | licensed banks and other financial institutions or syndicates of the aforesaid which provide financial and banking facilities to their customers |
| “Fortunate Pool” | the purchaser of the Sale Shares under the Sale and Purchase Agreement, being Fortunate Pool Limited, a company incorporated under the laws of Hong Kong with limited liability on 1 August 2012 and is beneficially owned by Mr. Fung |
| “Guarantees and Indemnities” | the guarantees and indemnities (including those existing and already made or given, as well as those to be made or given by the Company in the future) given by the Company and contained in the Guarantee and Indemnity Documents made in favour of the Financial Institutions in respect of or in connection with the Banking Facilities |
| “Guarantee and Indemnity Documents” | the documents containing such guarantees and indemnities already executed or to be executed by the Company in favour of the Financial Institutions in respect of or in connection with the Banking Facilities |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” or “HK” | the Hong Kong Special Administrative Region of the People’s Republic of China |

| | |
|---------------------------------|--|
| “Independent Board Committee” | an independent committee of the Board comprising all independent non-executive Directors established for the purpose of providing recommendations to the Independent Shareholders in respect of the Proposed Transactions |
| “Independent Financial Adviser” | an independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders |
| “Independent Shareholder(s)” | Shareholder(s) other than Mr. Fung, Fortunate Pool (where applicable) and their respective associates |
| “Interim Results” | interim results of the Tysan Group for the six months ended 30 September 2012, which is expected to be published in November 2012 |
| “Landlord” | Top Class Properties Limited, the registered owner of the Premises and the landlord under the Tenancy Agreement, a company incorporated under the laws of Hong Kong with limited liability on 26 November 1996 and an indirect wholly-owned subsidiary of the Company |
| “Licence Agreement” | the licence agreement between Tysan Management and Tysan Foundation in respect of the use of the Premises |
| “Licence Fee” | the monthly fee payable by Tysan Foundation to Tysan Management pursuant to the terms of the Licence Agreement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Main Board” | the stock market operated by the Stock Exchange prior to the establishment of the Growth Enterprise Market of the Stock Exchange (excluding the options market) and which continues to be operated by the Stock Exchange in parallel with the Growth Enterprise Market of the Stock Exchange |
| “Mr. Fung” | Mr. Fung Chiu Chak, Victor, an Executive Director and he is also a director of various subsidiaries of the Tysan Group |
| “Parties” | the parties to the Sale and Purchase Agreement, and the term “Party” shall be construed accordingly |

| | |
|-------------------------------|---|
| “Premises” | All That Office on the 20th Floor of One Island South, No.2 Heung Yip Road, Hong Kong |
| “Proposed Disposal” | the proposed sale and disposal of the Sale Shares by the Company to Fortunate Pool under the Sale and Purchase Agreement |
| “Proposed Special Dividend” | the proposed cash dividend of HK10 cents per Share to be distributed to the Qualifying Shareholders following Completion |
| “Proposed Transactions” | the Proposed Disposal and the transactions contemplated thereunder or arising from the Related Documents |
| “Qualifying Shareholder(s)” | Shareholder(s) whose name(s) appears on the register of members of the Company on such record date to be determined by the Company, who shall be provided with the Proposed Special Dividend |
| “Related Documents” | the documents and deeds related to or arising from the Proposed Disposal (for which approval by the Independent Shareholders will be sought at the SGM), including, but not limited to, the Sale and Purchase Agreement, the Shareholders’ Agreement, the Deed of Counter-Indemnity and the Guarantee and Indemnity Documents |
| “Sale and Purchase Agreement” | an agreement for sale and purchase in respect of the Sale Shares entered into between the Company as the vendor and Fortunate Pool as the purchaser on 12 November 2012 |
| “Sale Shares” | 40% of the issued shares of Tysan Foundation |
| “SGM” | the special general meeting of the Company to be convened to approve, if thought fit, inter alia, the Proposed Transactions, the Related Documents, and the Proposed Special Dividend |
| “Share(s)” | ordinary share(s) of par value of HK\$0.10 each in the issued share capital of the Company |

| | |
|---------------------------|--|
| “Shareholders’ Agreement” | the shareholders’ agreement to be entered into between the Company, Fortunate Pool, Mr. Fung and Tysan Foundation in respect of the rights and obligations of the Company and Fortunate Pool in Tysan Foundation as the shareholders thereof |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | bears the meaning ascribed to it under the Listing Rules |
| “Tenancy Agreement” | a tenancy agreement dated 1 June 2012 made between the Landlord as the landlord and Tysan Management as the tenant whereby the Landlord agreed to let and Tysan Management agreed to take a tenancy of the Premises for a term of five years commencing from 1 June 2012 and expiring on 31 May 2017 (both days inclusive) and on the terms and conditions as are more particularly stated therein |
| “Tysan Foundation Group” | Tysan Foundation and its subsidiaries, all being subsidiaries of the Company before Completion, and engaged principally in the Business |
| “Tysan Management” | Tysan Management Limited, a company incorporated under the laws of Hong Kong with limited liability on 16 September 1993 and a direct wholly-owned subsidiary of the Company |
| “Tysan Foundation” | Tysan Foundation (Hong Kong) Limited, a company incorporated under the laws of Hong Kong with limited liability on 21 August 2000 and before Completion a direct wholly-owned subsidiary of the Company |
| “Tysan Group” | the Company and its subsidiaries |

By Order of the Board
Tysan Holdings Limited
Francis Cheung
Chairman

Hong Kong, 12 November 2012

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.

Company website: www.tysan.com