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TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 687)

DISCLOSEABLE TRANSACTION DISPOSAL OF INTERESTS IN WHOLLY-OWNED SUBSIDIARIES

On 2 February 2015, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement in relation to the Disposal of the entire issued share capital of the Target Company and the Shareholder's Loan for a consideration of RMB340,000,000 (equivalent to approximately HK\$428,400,000), which comprises the consideration for the Sale Shares of RMB303,846,133 (equivalent to approximately HK\$382,846,127.58) and the Shareholder's Loan of RMB36,153,867 (equivalent to approximately HK\$45,553,872.42). The Target Company owns the entire equity interests in the PRC Company, which is principally engaged in property leasing and management business in Shanghai, the PRC and is the registered owner of the Property. The Property is a residential building known as "China Garden".

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

A summary of the principal terms of the Agreement are set out below:

THE AGREEMENT

Date: 2 February 2015

Parties: (1) Vendor, a wholly-owned subsidiary of the Company
(2) Purchaser

The Purchaser is a company incorporated in the PRC with limited liability and is principally engaged in asset and investment management business. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Assets to be disposed
of:

Pursuant to the Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire the entire issued share capital of the Target Company and the Shareholder's Loan on the terms and conditions as set out therein.

As at the date of this announcement, the Target Company holds the entire equity interests in the PRC Company, which is principally engaged in property leasing and management business in Shanghai and is the registered owner of the Property. The Property is a residential building known as "China Garden". Based on the unaudited consolidated accounts of the Target Company as at 30 November 2014, the Shareholder's Loan owed by the Target Company to the Vendor amounted to HK\$45,553,872. On completion of the Disposal, the Shareholder's Loan (which is expected to remain in the same amount) will be assigned by the Vendor to the Purchaser.

Upon completion of the Disposal, the Target Company and its wholly-owned subsidiary, the PRC Company, will cease to be subsidiaries of the Company and the Company will no longer have any interest in the Property.

Consideration:

The Consideration for the Disposal is RMB340,000,000 (equivalent to approximately HK\$428,400,000) which comprises:

- (i) the consideration for the Sale Shares of RMB303,846,133 (equivalent to approximately HK\$382,846,127.58); and
- (ii) the Shareholder's Loan of RMB36,153,867 (equivalent to approximately HK\$45,553,872.42).

The Consideration is payable by the Purchaser to the Vendor in the following manner:

- (i) as to RMB68,000,000 (equivalent to approximately HK\$85,680,000), being 20% of the Consideration, as a refundable Deposit by cashier order or bank transfer on 20 March 2015 (or such other date to be determined by the Vendor at its sole discretion and notified to the Purchaser by prior written notice); and
- (ii) as to RMB272,000,000 (equivalent to approximately HK\$342,720,000), being the balance of the Consideration, by cashier order or bank transfer on completion of the Disposal.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser and took into account (a) the market value of the Property of RMB300,000,000 (equivalent to approximately HK\$378,000,000) as at 30 September 2014 according to the valuation report prepared by Vigers Appraisal & Consulting Limited; (b) the amount of the Shareholder's Loan as at 30 November 2014; and (c) the unaudited net asset value of the Target Company (excluding the Property) as at 30 November 2014.

If the Purchaser fails to pay any amount due on the relevant due date under the Agreement, interest at the rate of 0.1% per day for each day of delay is payable.

Deposit:

Under the Agreement, if the Purchaser fails to pay the Deposit or any part of it on 20 March 2015 (or such other date to be determined by the Vendor at its sole discretion and notified to the Purchaser by prior written notice), the Vendor will be entitled to terminate the Agreement by written notice to the Purchaser. Upon completion of the Disposal, the Deposit (excluding interest accrued thereon (if any)) will be set off against the Consideration. The Vendor shall be entitled to retain any interest accrued on the Deposit.

The Deposit will be refunded by the Vendor to the Purchaser without interest (which refund will be in full and final discharge of the Vendor's obligations under the Agreement) if:

- (a) any of the conditions precedent to completion of the Disposal has not been fulfilled on or before the Completion Date and the Vendor, at its option and by written notice to the Purchaser, terminates the Agreement pursuant to its terms. In the circumstances, the Deposit will be refunded to the Purchaser without interest within 5 Business Days of the Vendor's written notice to the Purchaser of the termination of the Agreement; or
- (b) the Vendor fails to comply with its obligations in relation to completion of the Disposal on the Completion Date and the Purchaser terminates the Agreement pursuant to its terms. The Deposit will be refunded by the Vendor to the Purchaser without interest within 5 Business Days of termination of the Agreement.

The Deposit (or any portion of it already paid by the Purchaser pursuant to the Agreement) will be forfeited by the Vendor if:

- (a) the Purchaser fails to pay the Deposit or any part of it on 20 March 2015 (or such other date to be determined by the Vendor at its sole discretion and notified to the Purchaser by prior written notice) and the Vendor terminates the Agreement pursuant to its terms; or
- (b) the Purchaser fails to comply with its obligations in relation to completion of the Disposal on the Completion Date and the Vendor terminates the Agreement pursuant to its terms.

Conditions precedent: Completion of the Disposal is conditional upon (a) the approval of the Shareholders (if required) and (b) the receipt by the PRC Company of an updated property ownership certificate in respect of the Property which reflects the gross floor area of the Property after the renovation completed in 2014 by the PRC Company. Condition (b) has been fulfilled as at the date of this announcement.

Completion: Completion of the Disposal shall take place after the fulfilment of the above conditions precedent and in any event on or before the Completion Date. If any of the above conditions precedent has not been fulfilled on or before the Completion Date, the Vendor may, at its option and by written notice to the Purchaser, postpone the Completion Date to a Business Day no later than 1 June 2015 or terminate the Agreement and refund the Deposit to the Purchaser without interest within 5 Business Days of the Vendor's written notice to the Purchaser of the termination of the Agreement, which refund will be in full and final discharge of the Vendor's obligations under the Agreement.

Pursuant to the Agreement, on completion of the Disposal, the Purchaser will also repay the amounts owed by the Target Company to the relevant members of the Group as at 30 November 2014 in the aggregate sum of RMB4,650,370 (equivalent to approximately HK\$5,859,466.20).

FINANCIAL EFFECT OF THE DISPOSAL

As a result of the Disposal, the Group is expected to record a gain of approximately HK\$138,800,000, which is calculated on the basis of a comparison between the Consideration, the amount of the Shareholder's Loan, the net asset value of the Target Company as at 30 November 2014 and the expenses incurred in connection with the Disposal. The net proceeds from the Disposal will be used by the Group for general working capital purposes.

INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding company and owns the entire equity interests in the PRC Company. The PRC Company is principally engaged in property leasing and management business in Shanghai and is the registered owner of the Property. The Property is a residential building with a gross floor area of approximately 9,560.09 square meters located in Changning District in Shanghai, the PRC.

A summary of the key audited financial information of the Target Company is set out below:

	For the year ended 31 December	
	2012	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit (before taxation and extraordinary items)	23,355	27,507
Net profit (after taxation and extraordinary items)	17,917	19,960

The unaudited net asset value of the Target Company as at 30 November 2014 was approximately HK\$241,301,413.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in foundation piling, property development and property investment and management. The Property has been held as an investment property by the Group. Renovation of the Property to enhance its quality has recently been completed and the market value of the Property has increased to RMB300,000,000 (equivalent to approximately HK\$378,000,000) as at 30 September 2014 according to the valuation report prepared by Vigers Appraisal & Consulting Limited following completion of the renovation works. Based on the assessment as set out in the paragraph headed “Financial Effects of the Disposal” above, the Company considers that the Disposal provides a good opportunity for the Group to realise its investment. The Directors consider that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Agreement”	the sale and purchase agreement dated 2 February 2015 entered into between the Vendor and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“Business Day”	a day other than a Saturday or Sunday on which banks are open in Hong Kong to the general public for business
“Company”	Tysan Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion Date”	17 April 2015

“Consideration”	the consideration in the sum of RMB340,000,000 (equivalent to approximately HK\$428,400,000) for the Disposal
“Deposit”	a sum of RMB68,000,000 (equivalent to approximately HK\$85,680,000) to be paid by the Purchaser to the Vendor on 20 March 2015 (or such other date to be determined by the Vendor at its sole discretion and notified to the Purchaser by prior written notice)
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the assignment of the Shareholder’s Loan from the Vendor to the Purchaser pursuant to the Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“PRC Company”	Shanghai China Garden International Real Estate Development & Management, a wholly foreign owned enterprise established in the PRC and wholly-owned by the Target Company
“Property”	a residential building with a gross floor area of 9,560.09 square meters located in Changning District in Shanghai, the PRC
“Purchaser”	上海中城建資產管理有限公司, a company incorporated in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the entire issued share capital of the Target Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holder(s) of Share(s)
“Shareholder’s Loan”	the shareholder’s loan in the aggregate sum of HK\$45,553,872 owed by the Target Company to the Vendor as at 30 November 2014
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	China Garden International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Vendor”	Dragonhill Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent.

For the purposes of this announcement, unless otherwise indicated, conversion of RMB and HK\$ is calculated at the exchange rate of RMB1 to HK\$1.26. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, or may be exchanged at this or any other rate at all.

By Order of the Board
TYSAN HOLDINGS LIMITED
Wong Suk Han, Kitty
Company Secretary

Hong Kong, 2 February 2015

As at the date of this announcement, the executive Directors are Mr. Fung Chiu Chak, Victor, Mr. Chiu Chin Hung and Mr. Lau Kin Fai; the non-executive Directors are Mr. Wang Tianbing, Mr. Stuart Morrison Grant, Mr. Yang Han Hsiang, Mr. Justin Wai and Mr. Law Yiu Fat Richard; 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