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TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 687)

DISCLOSEABLE TRANSACTION DISPOSAL OF EQUITY INTEREST IN A WHOLLY-OWNED SUBSIDIARY

On 17 November 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 equity interest of the Target Company for a preliminary consideration of RMB309,252,000.00 (subject to adjustment). The Target Company is principally engaged in property leasing and management business in Shanghai, the PRC and is the registered owner of the Property. The Property comprises residential properties collectively 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 is set out below:

THE AGREEMENT

Date: 17 November 2015

Parties:

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

The Purchaser is a private limited company incorporated under the laws of the Republic of Singapore and is an investment holding vehicle. 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 equity interest of the Target Company on the terms and conditions as set out therein.

As at the date of this announcement, the Target Company is the registered owner of the Property.

Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company and the Company will no longer have any interest in the Property.

Consideration:

The preliminary consideration for the Disposal is RMB309,252,000.00 (equivalent to approximately HK\$377,287,440.00), subject to adjustments based on Completion Accounts to be drawn up no later than eight Business Days after the Completion Date. To the extent that the net current liabilities of the Target Company are different from those as at 30 June 2015 (which were used to estimate the consideration), a reduction in net current liabilities will increase the preliminary consideration on a dollar for dollar basis and any increase in the same items would result in a corresponding reduction of the preliminary consideration.

The consideration for the Disposal is to be settled in the following manner:

- (i) as to RMB9,450,000.00 (equivalent to HK\$11,598,904.00) deposited by LAOF in the Escrow Account on 13 October 2015;

- (ii) as to RMB53,550,000.00 (equivalent to HK\$65,331,000.00) payable by the Purchaser into the Escrow Account within three Business Days after the date of the Agreement, subject to a 10-day grace period;
- (iii) as to RMB31,500,000.00 (equivalent to HK\$38,430,000.00) payable by the Purchaser into the Escrow Account within five Business Days when the Purchaser receives the Vendor's written notice indicating the issuance of the notice of acceptance of the Target Company's application for changing shareholder by the AIC;
- (iv) as to RMB47,250,000.00 (equivalent to HK\$57,645,000.00) payable by the Purchaser to the Vendor, by cashier order or bank transfer on the Completion Date;
- (v) the sums deposited in the Escrow Account, together with the interests accrued thereon, are to be released by LAOF (procured by the Purchaser) and the Purchaser to the Vendor on the Completion Date;
- (vi) as to RMB136,602,000.00 (equivalent to HK\$166,654,440.00) (subject to adjustments as described above) payable by the Purchaser to the Vendor no later than the sixty-second day following the Completion Date; and
- (vii) as to RMB30,900,000.00 (equivalent to HK\$37,698,000.00) payable by the Purchaser to the Vendor within five Business Days after the Vendor provides to the Purchaser a copy of documentary evidence showing that the Vendor has paid the withholding tax and stamp duty to the PRC tax authority in respect of the Disposal.

The consideration for the Disposal was determined after arm's length negotiations between the Vendor and the Purchaser and took into account the unaudited net asset value of the Target Company as at 30 June 2015.

- Conditions precedent: Completion of the Disposal is conditional upon:-
- (i) each of the Vendor's warranties and the Purchaser's warranties under the Agreement being true, accurate and not misleading in all material aspects;
 - (ii) the Company having obtained all necessary Board approval (where applicable);
 - (iii) all required government approvals having been issued;
 - (iv) the AIC having completed the amendment registration and filing in relation to the Disposal, and the new business license of the Target Company having been provided to the Purchaser;
 - (v) the defects of the Property having been duly repaired and rectified by the Vendor at its own cost in accordance with reasonable market standards; and
 - (vi) there being no material adverse change to the Target Company and/or the Property since 30 June 2015 in accordance with the Agreement.
- Completion: Completion of the Disposal shall take place after fulfillment (or waving) of the above conditions precedent. If any of the above conditions precedent has not been fulfilled (or waived) on or before 11:00 a.m. on the ninetieth day following the date of the Agreement (or such later date as the Vendor and the Purchaser may agree), the Vendor or the Purchaser (as the case may be) may, by a written notice to the other party, terminate the Agreement with immediate effect.
- Termination: If the Vendor terminates the Agreement as a result of the Purchaser failing to pay the amount referred to in "Consideration - (ii)" above under the Agreement, the full amount deposited in the Escrow Account at the time of termination shall be paid to the Vendor as a liquidated damages.

If the Vendor terminates the Agreement as a result of the Purchaser failing to pay the consideration in the manner as referred to above (excluding “Consideration — (i) and (ii)” above), or the Purchaser failing to comply with “Conditions precedent (i)” above, or the Purchaser failing to attend pre-completion meeting or completion of the Disposal pursuant to the Agreement, 10% of the preliminary consideration shall be paid to the Vendor as liquidated damages.

If the Purchaser terminates the Agreement as a result of the Vendor failing to comply with “Conditions precedent (i), (v) or (vi)” above, or the Vendor failing to attend pre-completion meeting or completion of the Disposal pursuant to the Agreement, 10% of the preliminary consideration shall be paid to the Purchaser as liquidated damages.

If either party terminates the Agreement as a result of failing to satisfy “Conditions precedent (ii), (iii) or (iv)”, the full amount deposited in the Escrow Account shall be returned to the Purchaser.

FINANCIAL EFFECT OF THE DISPOSAL

As a result of the Disposal, the Group is expected to record a gain of approximately HK\$87.9 million), which is calculated on the basis of the preliminary consideration for the Disposal, the net asset value of the Target Company as at 30 June 2015 and the expenses incurred in connection with the Disposal. The net proceeds from the Disposal will be used by the Group for loan repayment and general working capital purposes.

INFORMATION ON THE TARGET COMPANY

The Target Company is principally engaged in property leasing and management business in Shanghai, the PRC and is the registered owner of the Property. The Property comprises residential properties collectively known as “China Garden”.

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

	For the year ended	
	31 December	
	2013	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit/(loss) (before taxation and extraordinary items)	29,134	(29,697)
Net profit/(loss) (after taxation and extraordinary items)	21,587	(24,685)

The unaudited net asset value of the Target Company as at 30 June 2015 was approximately HK\$287 million.

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. Based on the assessment as set out in the paragraph headed “Financial Effect of the Disposal” above, the Company considers that the Disposal provides a good opportunity for the Group to realise its investment. The Disposal will enable the Group to increase its working capital and future investment potential and will accordingly improve the liquidity and strengthen the overall finance position of the Group. 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 17 November 2015 entered into between the Vendor and the Purchaser in relation to the Disposal
“AIC”	the Shanghai Municipal Administration of Industry and Commerce or the relevant branch thereof
“Business Day”	a day other than a Saturday, Sunday or a public holiday, on which banks are open to the general public for business in New York, Hong Kong, Singapore and the PRC
“Company”	Tysan Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion Accounts”	the unaudited balance sheet of the Target Company as at the Completion Date and the unaudited income statement of the Target Company prepared in accordance with GAAP for the period starting on 1 January 2015 and ending on the Completion Date
“Completion Date”	the date of completion of the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the entire equity interest from the Vendor to the Purchaser under the Agreement
“Escrow Account”	an interest-bearing deposit account of an escrow agent for the Vendor and the Purchaser
“GAAP”	the Generally Accepted Accounting Principles currently applicable in the PRC
“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
“LAOF”	LAOF IV Investments Pte Ltd., an affiliate of the Purchaser
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Property”	the residential properties with a gross floor area of 9,484.48 square metres located in Changning District in Shanghai, the PRC
“Purchaser”	Shanghai Hua Yuan Holdings Pte Ltd., a company incorporated under the laws of Singapore
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shanghai China Garden International Real Estate Development & Management Company Limited (上海華園國際房地產開發經營有限公司), a wholly foreign owned enterprise incorporated under the laws of the PRC and a wholly-owned subsidiary of the Vendor
“Vendor”	CG (HY) International Limited, a company incorporated under the laws of 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 RMB1.00 to HK\$1.22. 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, 17 November 2015

As at the date of this announcement, the executive directors of the Company are Mr. Fung Chiu Chak, Victor, Mr. Chiu Chin Hung and Mr. Lau Kin Fai; the non-executive directors of the Company 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 of the Company are Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George and Mr. Li Kit Chee.

Company website: www.tysan.com