
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tysan Holdings Limited, you should at once hand this circular and the accompanying forms of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 687)

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

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DEFINITIONS

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

“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 (Stock Code: 687)
“Directors”	the directors of the Company, including the non-executive directors, and “Director” means any one of the Directors
“Disposal”	the disposal of the Property pursuant to the Provisional Agreement and the Formal Agreement
“Formal Agreement”	the formal sale and purchase agreement entered into between the Vendor and the Purchaser on 14 March 2005 pursuant to the Provisional Agreement in respect of the Disposal
“Group”	the Company and its subsidiaries
“Independent Third Parties”	independent third parties not connected with the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules
“Latest Practicable Date”	18 March 2005, the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option Holder”	a person holding an option or options to subscribe for Shares on terms determined by the Directors pursuant to a share option scheme of the Company and for the time being subsisting
“Property”	Flat 1, 3rd Floor, Block A and carpark space no. 4 on C2 Floor of Elm Tree Towers, 8-10 Chun Fai Road, Hong Kong
“Provisional Agreement”	the provisional sale and purchase agreement dated 28 February, 2005, entered into between the Vendor and the Purchaser in relation to the Disposal
“Purchaser”	two individual persons who are Independent Third Parties
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company

DEFINITIONS

“Shareholders”	registered holders of Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Top Class Properties Limited, a company incorporated in Hong Kong with limited liability and being a wholly-owned subsidiary of the Company

LETTER FROM THE BOARD



TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 687)

Executive Directors:

CHEUNG Francis (*Chairman*)

FUNG Chiu Chak, Victor

(Vice Chairman and Managing Director)

CHIEN David

KWOK Jennifer

CHIU Chin Hung

WONG Kay

Independent Non-Executive Directors:

FAN Chor Ho, Paul

CHAU Cham Son

TSE Man Bun

Registered office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Head office and principal place
of business in Hong Kong:*

6th Floor, Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

21 March 2005

*To the Shareholders and, for information only,
the Option Holders*

Dear Sirs,

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

INTRODUCTION

The Company announced on 28 February, 2005 that the Vendor and the Purchaser had entered into the Provisional Agreement, pursuant to which the Vendor would dispose the Property to the Purchaser for a total consideration of HK\$13,800,000 in cash.

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

The purpose of this circular is to provide you with further information in relation to the Disposal and other information in compliance with the requirements of the Listing Rules.

LETTER FROM THE BOARD

THE PROVISIONAL AGREEMENT

Date: 28 February, 2005

Parties:

Vendor: Top Class Properties Limited, a wholly-owned subsidiary of the Company.

Purchaser: 2 individual persons who are Independent Third Parties. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Consideration: HK\$13,800,000 which is payable by the Purchaser in the following manner:

- (a) HK\$665,000 upon signing of the Provisional Agreement as initial deposit.
- (b) HK\$715,000 upon signing of the Formal Agreement as further deposit.
- (c) HK\$12,420,000 upon completion on or before 23 May, 2005.

The consideration has been arrived at after arm's length negotiation between the Vendor and the Purchaser taking into consideration the current market value of the properties for residential use in the market in the same area as the Property and in other comparable areas.

Property: The address of the Property is Flat 1, 3rd Floor, Block A and carpark space No. 4 on C2 Floor, Elm Tree Towers, 8-10 Chun Fai Road, Hong Kong. The Property is sold on an "as is" basis.

Completion Date: The sale and purchase of the Property is to be completed on or before 23 May, 2005 when vacant possession of the Property is required to be delivered to the Purchaser.

THE FORMAL AGREEMENT

Pursuant to the terms of the Provisional Agreement, the Formal Agreement for the Disposal was entered into between the Vendor and the Purchaser on 14 March, 2005. Under the terms of the Formal Agreement for the Disposal, completion of the sale and purchase shall take place on or before 23 May 2005 when vacant possession of the Property shall be delivered to the Purchaser. The Vendor and the Purchaser agree that the Vendor has the legal obligation to sell and the Purchaser has the legal obligation to purchase the Property subject to the terms of the Formal Agreement. The Vendor is required to prove a good title to the Property.

INFORMATION ABOUT THE COMPANY

The Company is a company whose shares are listed on the Stock Exchange. The Group is principally engaged in foundation piling, machinery hiring and trading and property investment and development.

LETTER FROM THE BOARD

REASONS FOR THE DISPOSAL

Having regard to the recent improvement in the Hong Kong property market, the Board considers the Disposal will provide the occasion for the Company to realize part of its assets at a reasonable market price where such opportunity arises and so that the general working capital of the Company can be enhanced.

The Property was acquired in January 1997 by the Vendor at a cost of approximately HK\$13,800,000. Based on the audited balance sheet of the Vendor as at 31 March 2004, the carrying value of the Property as valued by Vigers Appraisal and Consulting Limited, a firm of independent professionally qualified property valuers, was HK\$11,800,000, being the latest valuation carried out on the Property. The net loss, both before and after taxation and extraordinary items and having taken into account the aforesaid valuation of the Property, attributable to the Property for the financial year ended 31 March 2003 was HK\$1,620,193. Through the Disposal, which represents an excess of HK\$2,000,000.00 of the consideration over the net book value of the Property, the net profit, both before and after taxation and extraordinary items and having taken into account the aforesaid valuation of the Property, attributable to the Property for the financial year ended 31 March 2004 will be HK\$1,853,176. After deducting all relevant expenses, the Company expects to realise a gain of approximately HK\$1.85 million, subject to audit for the financial year ended 31 March 2005.

The Directors are of the view that the terms of the Disposal are fair and reasonable and in the interests of the shareholders of the Company as a whole. The Property is being sold subject to vacant possession and, not being an asset used in the operations of the Company, the Directors do not foresee any adverse impact that would be caused by the Disposal on the operations of the Company. The net proceeds will be used for full repayment of existing mortgage loan of the Vendor of HK\$675,000 and the remaining balance will be deployed for general working capital purpose of the Group.

GENERAL

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules and this circular is sent to you in compliance with the requirements of the Listing Rules in the connection.

Your attention is drawn to the general information as set out in this circular.

Yours faithfully,
For and on behalf of the Board of
Tysan Holdings Limited
Francis Cheung
Chairman

GENERAL INFORMATION

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors in the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the equity or debt securities of the Company or its associated corporations (within the meaning of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies had been notified to the Company and the Stock Exchange were as follows:-

(i) *Interests in Shares:*

Name	Number of Shares and nature of interest			
	Personal interests	Corporate interests	Other interests	Total interests
Mr. Francis Cheung	35,820,600	179,685,000 ⁽¹⁾	54,247,200 ⁽²⁾	269,752,800
Mr. Fung Chiu Chak, Victor	44,321,600	—	—	44,321,600
Mr. David Chien	98,021,020	—	—	98,021,020
Miss Jennifer Kwok	4,500,000	—	—	4,500,000
Mr. Chiu Chin Hung	1,646,000	—	—	1,646,000
Mr. Wong Kay	2,765,000	—	—	2,765,000
Mr. Tse Man Bun	442,000	—	—	442,000

GENERAL INFORMATION

(ii) *Interests in ordinary shares of associated corporations of the Company:*

Name	Name of associated corporations	Number of ordinary shares and nature of interest		
		Personal interests	Corporate Interests	Total interests
Mr. Fung Chiu Chak, Victor	Tysan Building Construction Company Limited	3,570,000	—	3,570,000
	Tysan Engineering Company Limited	800	—	800
	Tysan Trading Company Limited	20	—	20
Miss Jennifer Kwok	Tysan Trading Company Limited	—	20 ⁽³⁾	20
	Tysan Engineering Company Limited	1,700	—	1,700

(iii) *Interests in share options granted by the Company*

Name	Number of underlying Shares granted pursuant to share options	Date of grant	Exercise period	Exercise Price HK\$
Mr. Francis Cheung	37,500,000	26 March 2004	26 March 2004 to 31 March 2009	0.252
Mr. Fung Chiu Chak, Victor	10,000,000	3 March 2003 ⁽⁴⁾	28 March 2003 to 31 March 2006	0.150
Miss Jennifer Kwok	12,000,000	3 March 2003 ⁽⁴⁾	28 March 2003 to 31 March 2006	0.150
Mr. Chiu Chin Hung	5,000,000	3 March 2003 ⁽⁴⁾	28 March 2003 to 31 March 2006	0.150
Mr. Wong Kay	8,000,000	3 March 2003 ⁽⁴⁾	28 March 2003 to 31 March 2006	0.150
	72,500,000			

Notes:

- 171,237,000 Shares were held by Power Link Investments Limited and 8,448,000 Shares were held by Long Billion International Limited. Both of these companies were controlled by Mr. Francis Cheung.
- Such Shares were held by a discretionary trust, the founder of which is Mr. Francis Cheung.

GENERAL INFORMATION

3. These Shares were held by JM Concept Company Limited which was controlled by Miss Jennifer Kwok.
4. Each grantee is allowed to exercise up to 60 per cent. of the share options granted for the period from 1 April 2004 up to and including 31 March 2005, and further to 100 per cent. for the period from 1 April 2005 up to and including 31 March 2006.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

(b) Disclosure of interests of substantial Shareholders

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as is known to the Directors, the persons or entities who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 5 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital were as follows:

Interests in Shares

Name	Number of Shares held	Percentage of the issued share capital
Power Link Investments Limited ⁽¹⁾	171,237,000	22.38
Eastern Glory Development Limited ⁽²⁾	171,237,000	22.38
Goldcrest Enterprises Limited ⁽²⁾	171,237,000	22.38
Bofield Holdings Limited ⁽²⁾	171,237,000	22.38
Teddy Chien	41,034,399	5.36
Enid Jean Chien	40,180,000	5.25
Liu Chong Hing Bank Limited ⁽³⁾	40,500,000	5.29

Notes:

- (1) The above interest of Power Link Investments Limited has also been disclosed as corporate interest of Mr. Francis Cheung in the section headed "Interests and short positions of the Directors in the Company and its associated corporations" above.

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- (2) These parties were deemed to have interests in 171,237,000 shares by virtue of their equity interests in Power Link Investments Limited.
- (3) Such shares were held by Liu Chong Hing Bank Limited in the capacity as a custodian.

Save as disclosed herein, so far as is known to the Directors, as at the Latest Practicable Date, no person had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 5 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital.

(c) Directors' interests in assets

On 8 July 2004, Great Regent Investments Limited, a wholly-owned subsidiary of the Company, entered into a tenancy agreement which Land Smart Development Limited, a company which is owned as to 50 per cent. by Mr. David Chien, a Director, in relation to the lease of an office premises in Shanghai, PRC. The details of the said lease were announced on 12 July 2004.

Save as disclosed herein above, as at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries since 31 March 2004, the date to which the latest published audited consolidated financial statements of the Group were made up.

(d) Directors' interests in material contracts

Save as disclosed herein above, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular which is significant in relation to the business of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group.

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

GENERAL INFORMATION

5. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.
- (c) The qualified accountant and the Company Secretary of the Company is Mr. Chan Kit Yan. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (d) The branch share registrar of the Company in Hong Kong is Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.