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TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 687)

DISCLOSEABLE TRANSACTION DISPOSAL OF SUBSIDIARY OF THE COMPANY

THE DISPOSAL

The Board is pleased to announce that on 22 November 2019 (after trading hours) Tysan Investment (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which Tysan Investment agreed to sell and assign, and the Purchaser agreed to purchase and accept, the Uni-Genius Sale Share and the Uni-Genius Shareholder's Loan, respectively, for an aggregate consideration of HK\$343,200,000 (being the agreed HK\$ equivalent of US\$44,000,000).

LISTING RULES IMPLICATIONS

As one or more of the percentage ratio(s) set forth under Rule 14.07 of the Listing Rules in respect of the Sale and Purchase Agreement is more than 5% but less than 25%, the transaction contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction for the Company and is therefore subject to the reporting and disclosure requirements under Chapter 14 of the Listing Rules.

As the Sale and Purchase Agreement is subject to fulfilment of the conditions precedent, completion of the Sale and Purchase Agreement may or may not take place. Therefore, investors are recommended to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 22 November 2019 (after trading hours) Tysan Investment (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which Tysan Investment agreed to sell and assign, and the Purchaser agreed to purchase and accept, the Uni-Genius Sale Share and the Uni-Genius Shareholder's Loan, respectively.

THE SALE AND PURCHASE AGREEMENT

Date: 22 November 2019

Parties: (1) Tysan Investment (a wholly-owned subsidiary of the Company) as vendor;
and
(2) the Purchaser as purchaser

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party as at the date of this announcement.

Subject matter

Pursuant to the Sale and Purchase Agreement, Tysan Investment agreed to sell and the Purchaser agreed to purchase the Uni-Genius Sale Share, representing all the issued shares of Uni-Genius, and Tysan Investment agreed to assign and the Purchaser agreed to accept the assignment of the Uni-Genius Shareholder's Loan.

Consideration

The aggregate consideration of the Uni-Genius Sale Share and the Uni-Genius Shareholder's Loan is HK\$343,200,000 (being the agreed HK\$ equivalent of US\$44,000,000).

The consideration under the Sale and Purchase Agreement will be paid by the Purchaser in cash at closing of the transaction. As at the date of this announcement, the outstanding amount of the Uni-Genius Shareholder's Loan is HK\$322,013,137.23. For the purposes of apportionment, the amount of the consideration to be paid for the Uni-Genius Shareholder's Loan shall be equal to the amount of the Uni-Genius Shareholder's Loan on a dollar for dollar basis at a specified translation rate between Hong Kong dollars and United States dollars, whilst the remainder of the consideration will be the consideration for the Uni-Genius Sale Share.

The consideration under the Sale and Purchase Agreement was arrived at after arm's length negotiations between Tysan Investment and the Purchaser on normal commercial terms with reference to the subscription price paid by the Group for the investment in Right Time Special Opportunity Investment Fund SP I and the net asset value for the foresaid investment.

Conditions precedent

The sale and purchase of the Uni-Genius Sale Share is conditional on the satisfaction or waiver (if applicable) of the following conditions precedent:

- (a) the receipt by the Purchaser of certain payments under another sale and purchase agreement to which it is a party;
- (b) compliance with the Listing Rules by the Company;
- (c) the warranties given by the Purchaser under the Sale and Purchase Agreement remaining true and accurate in all respects on the date of the Sale and Purchase Agreement and at all times up to the closing date of the Sale and Purchase Agreement; and
- (d) the warranties given by Tysan Investment under the Sale and Purchase Agreement remaining true and accurate in all respects on the date of the Sale and Purchase Agreement and at all times up to the closing date of the Sale and Purchase Agreement.

Tysan Investment and the Purchaser will use their respective reasonable endeavours to procure the relevant condition precedent to be satisfied as soon as practicable, and in any event on or before 6 March 2020 (or such other date as Tysan Investment and the Purchaser may agree).

Closing

Subject to the satisfaction or waiver (if applicable) of the conditions precedent under the Sale and Purchase Agreement, closing will take place on a business day which is three business days after satisfaction of all the conditions precedent under the Sale and Purchase Agreement.

Upon completion of the Sale and Purchase Agreement, Uni-Genius will cease to be a subsidiary of the Company and the financial results of Uni-Genius will no longer be consolidated into the financial statements of the Company.

INFORMATION OF UNI-GENIUS

Uni-Genius is a company incorporated in Hong Kong with limited liability and as at the date of this announcement, Uni-Genius is an indirect wholly-owned subsidiary of the Company. The principal business activity of Uni-Genius is the trading in financial products, and as at the date of this announcement, it holds an investment in Right Time Special Opportunity Investment Fund SP I (being a fund of Right Time Global Investment SPC, a segregated portfolio company incorporated in the Cayman Islands).

A summary of the financial information of Uni-Genius for the two years ended 31 December 2018 and the ten months ended 31 October 2019 is set out below:

	For the year ended 31 December 2017 HK\$ (audited)	For the year ended 31 December 2018 HK\$ (audited)	For the ten month ended 31 October 2019 HK\$ (unaudited)
Net profit/(loss) before taxation and extraordinary items	11,066,499	28,876,581	(18,168,003)
Net profit/(loss) after taxation and extraordinary items	11,066,499	28,876,581	(18,168,003)

As at 31 October 2019, the unaudited total asset value and the unaudited net liabilities of Uni-Genius were approximately HK\$316,038,501 and HK\$6,374,162 respectively.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in Anguilla with limited liability. The Purchaser is an indirectly wholly-owned subsidiary of HNA Group Co., Ltd. and it is an investment holding company.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the financial information of the Uni-Genius as at 31 October 2019, it is estimated that the Company would recognise a gain of approximately HK\$27 million in relation to the disposal of Uni-Genius under the Sale and Purchase Agreement. The estimated gain is determined based on the unaudited net assets of Uni-Genius attributable to the Group as at 31 October 2019. The above financial impact is shown for illustrative purposes only and the actual gain or loss of the disposal to be recorded by the Company can only be determined after completion of the Sale and Purchase Agreement.

The Group intends to apply the proceeds of the Sale and Purchase Agreement for general working capital of the Group and other purposes as determined by the Board from time to time.

REASONS AND BENEFITS OF THE SALE AND PURCHASE AGREEMENT

The Company is incorporated under the laws of Bermuda with limited liability, and is an investment holding company. The Group's principal business includes foundation piling, property development and investment, and investment.

As disclosed in the composite document published by the Company and Times Holdings II Limited dated 11 April 2019 in relation to the mandatory unconditional cash offers for Shares and options over Shares, the offeror intends to, amongst others, optimise and rationalise the assets portfolio of the Group and to continue the Group's existing foundation piling business (being one of the principal businesses of the Group).

As mentioned in the paragraph "Information of Uni-Genius" above, the principal business activity of Uni-Genius is the trading in financial products, and as at the date of this announcement, it holds an investment in Right Time Special Opportunity Investment Fund SP I. The Directors consider it is in the interest of the Company to realise Uni-Genius's investment in Right Time Special Opportunity Investment Fund SP I through the disposal of Uni-Genius to the Purchaser.

In view of the aforesaid, the Directors (apart from Mr. Sun Kin Ho Steven, as explained in the paragraph below) consider that the terms of the Sale and Purchase Agreement is made on normal commercial terms and is fair and reasonable, and that entering into the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

The Purchaser is an associate of HNA Group. Mr. Sun Kin Ho Steven, an executive Director, is also a director of certain subsidiaries of HNA Group. In view of the aforesaid, whilst Mr. Sun Kin Ho Steven has no personal interest in the Sale and Purchase Agreement, he has abstained from voting on the resolutions to approve the Sale and Purchase Agreement to avoid a perception of a conflict of interest.

LISTING RULES IMPLICATIONS

As one of more of the percentage ratio set forth under Rule 14.07 of the Listing Rules in respect of the Sale and Purchase Agreement is more than 5% but less than 25%, the transaction contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction for the Company and is therefore subject to the reporting and disclosure requirements under Chapter 14 of the Listing Rules.

As the Sale and Purchase Agreement is subject to fulfilment of the conditions precedent, completion of the Sale and Purchase Agreement may or may not take place. Therefore, investors are recommended to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“associate(s)”	has the same meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“Company”	Tysan Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the same meaning ascribed thereto under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HNA Group”	HNA Group Co., Ltd., a company incorporated in the People’s Republic of China;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party”	third party independent of the Company and its connected persons;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Purchaser”	HNA Finance I Co., Ltd.;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 22 November 2019 entered into between Tysan Investment and the Purchaser in relation to the sale and purchase and assignment of the Uni-Genius Sale Share and Uni-Genius Shareholder’s Loan;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;

“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Tysan Investment”	Tysan Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Uni-Genius”	Uni-Genius Investments Limited, a company incorporated in Hong Kong with limited liability;
“Uni-Genius Sale Share”	one issued share of Uni-Genius;
“Uni-Genius Shareholder’s Loan”	the shareholder’s loan owed by Uni-Genius to Tysan Investment; and
“US\$”	United States dollar, the lawful currency of the United States.

By order of the Board of
Tysan Holdings Limited
Fung Chiu Chak, Victor
Vice Chairman

Hong Kong, 22 November 2019

As at the date of this announcement, the executive directors of the Company are Mr. Fung Chiu Chak, Victor and Mr. Sun Kin Ho Steven; the non-executive directors of the Company are Mr. Justin Wai, Mr. Wang Tianbing, Mr. David Robert McClure, Mr. Lau Che Hang Alex, Mr. Wu Charles Hsing-yuan and Mr. Yuen Pak Man; 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