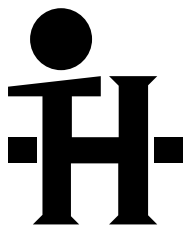


If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 687)

PROPOSAL ON THE GRANT OF OPTION AND REFRESHING OF THE INITIAL LIMIT UNDER THE SHARE OPTION SCHEME

A notice convening a special general meeting of the Company to be held at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Monday, 10 May 2004 to approve the ordinary resolution in relation to the proposed grant of share option is set out on pages 13 to 14 of this circular.

A notice convening a special general meeting of the Company to be held at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Thursday, 13 May 2004 to approve the ordinary resolutions in relation to the refreshing of the initial limit of the existing share option scheme of the Company is set out on pages 15 to 16 of this circular.

Whether or not you are able to attend the meetings in person, you are requested to complete and return the accompanying forms of proxy in accordance with the instructions printed thereon to the Company's head office and principal place of business in Hong Kong at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the relevant meeting (or any adjournment thereof).

Completion and return of the forms of proxy will not preclude you from attending and voting in person at the relevant meetings (or any adjournment thereof) should you so wish.

CONTENTS

	<i>Page</i>
Responsibility Statement	ii
Definitions	1
Letter from the Board	
1. Introduction	5
2. Grant of the Option	6
3. A summary of the terms of the Option	8
4. Refreshing of the Initial Limit under the Scheme	10
5. Special General Meetings	11
6. Recommendation	11
Letter from the Independent Non-Executive Directors	12
Notice of the First Special General Meeting	13
Notice of the Second Special General Meeting	15

RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company 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.

DEFINITIONS

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

“2002 AGM”	the annual general meeting of the Company held on 28 August 2002
“2003 SGM”	the special general meeting of the Company held on 8 April 2003
“Board”	the board of Directors
“Company”	Tysan Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Eligible Person(s)”	any director (including both executive directors and non-executive directors), executive or employee of the Company or a Subsidiary
“Exercise Price”	the price per Share payable by the Grantee to the Company as decided upon by the Directors (and proposed to the Shareholders for approval at the First Special General Meeting) on the exercise of the Option herein proposed to be granted to the Grantee
“First Special General Meeting”	the special general meeting of the Company to be held at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Monday, 10 May 2004 for the purpose of seeking approval from the independent Shareholders on the proposed grant of the Option, the notice of which is set out on pages 13 to 14 of this circular
“Grantee”	Mr. Francis Cheung, being an Eligible Person who, subject to the approval by the independent Shareholders in the First Special General Meeting (with all connected persons (bearing the meaning as given under the Listing Rules) of the Company abstaining from voting in favour), will be granted an Option to subscribe for 37,500,000 Shares (representing about 5.00% of the 750,165,903 Shares in issue as at the date of the proposed grant of the Option) under the Scheme
“Group”	the Company and its Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of PRC

DEFINITIONS

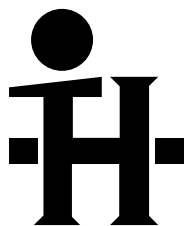
“Individual Limit”	the limit under the Scheme whereby the total number of Shares issued and to be issued upon the exercise of Options granted to each Eligible Person (including both exercised and outstanding Options) under the Scheme in any 12-month period must not exceed 1% (equivalent to 7,501,659 Shares) of the 750,165,903 Shares in issue at the time of the granting of the Option in question
“Initial Limit”	the initial mandate limit of the Scheme, being 10% (equivalent to 73,186,590 Shares) of the 731,865,903 Shares in issue as at the date of the 2002 AGM when the Scheme was approved by the Shareholders
“Latest Practicable Date”	21 April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mandate Limit”	the existing mandate limit of the Scheme, being 10% (equivalent to 73,186,590 Shares) of the 731,865,903 Shares in issue as at the date of the 2003 SGM when the ordinary resolutions in relation to the revising/refreshing of the Initial Limit were passed by the Shareholders
“Old Scheme”	the share option scheme of the Company approved by the Shareholders in general meeting on 27 September 2000, which was terminated contemporaneous with the Scheme taking effect unconditionally on 28 August 2002
“Option(s)”	option(s) to subscribe for Shares granted to Eligible Persons(s) on terms determined by the Directors from time to time pursuant to the Scheme and for the time being subsisting
“Option Holder(s)”	holder(s) of Option(s)
“Overall Limit”	the overall total limit of the Scheme, being the limit whereby the total number of Shares which may be issued upon the exercise of all outstanding Options granted under the Scheme, when aggregated with any Shares which may be issued under any outstanding Options granted under any other schemes of the Company, must not exceed 30% (equivalent to 225,049,770 Shares) of the 750,165,903 Shares in issue at the time of the granting of the Option in question
“PRC”	the People’s Republic of China

DEFINITIONS

“Prescribed Minimum Exercise Price”	<p>in respect of any particular Option, pursuant to the rules of the Scheme, the minimum price per Share payable to the Company on the exercise of the Option such that the exercise price as may be decided upon by the Directors upon the grant of the Option must be at least the highest of the following:</p> <ul style="list-style-type: none">(a) the nominal value of a Share;(b) the closing price of a Share as stated in the Stock Exchange’s daily quotations sheet on the date of grant of the Option, which must be a business day; and(c) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five (5) business days immediately preceding the date of grant of the Option
“Refreshed Mandate Limit”	<p>the mandate limit of the Scheme proposed by the Directors and to be approved by the Shareholders at the Second Special General Meeting, being 10% of the Shares in issue as at the date of passing by the Shareholders at the Second Special General Meeting of the ordinary resolutions in relation to the refreshing of the Initial Limit</p>
“Scheme”	<p>the share option scheme of the Company approved by the Shareholders in the 2002 AGM</p>
“Scheme Period”	<p>the period of ten (10) years commencing from 28 August 2002 and expiring on 27 August 2012, both dates inclusive</p>
“Second Special General Meeting”	<p>the special general meeting of the Company to be held at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Thursday, 13 May 2004 for the purpose of seeking approval from the Shareholders on the refreshing of the Initial Limit, the notice of which is set out on pages 15 to 16 of this circular</p>
“Share(s)”	<p>ordinary share(s) of HK\$0.10 each in the capital of the Company</p>
“Shareholder(s)”	<p>holder(s) of Share(s)</p>
“Special General Meetings”	<p>the First Special General Meeting and the Second Special General Meeting</p>
“Stock Exchange”	<p>The Stock Exchange of Hong Kong Limited</p>

DEFINITIONS

“Subsidiary”	a subsidiary of the Company within the meaning of Section 2 of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) or Section 86 of The Companies Act 1981 of Bermuda (as amended), whether incorporated in Hong Kong, Bermuda or elsewhere
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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

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

22 April 2004

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

Dear Sirs,

**PROPOSAL ON THE GRANT OF OPTION
AND
REFRESHING OF THE INITIAL LIMIT
UNDER THE SHARE OPTION SCHEME**

1. INTRODUCTION

At the 2002 AGM held on 28 August 2002, ordinary resolutions were passed approving the adoption of the Scheme and, contemporaneous with the Scheme taking effect unconditionally, the termination of the Old Scheme.

Under the Scheme, the Directors may, during the Scheme Period at their absolute discretion and subject to such conditions as they may think fit, offer to an Eligible Person an Option or Options to subscribe for such number of Shares as the Directors may determine, provided that, subject to other rules and limits as set out in the Scheme, the total number of Shares which may be issued upon the exercise of all options to be granted under the Scheme and any other schemes of the Company must

LETTER FROM THE BOARD

not, in aggregate, exceed the Initial Limit, or if the Shareholders subsequently approved of the refreshing of the Initial Limit, the total number of Shares which may be issued upon the exercise of all options to be granted under the Scheme and any other schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of approval by the Shareholders in general meeting of refreshing the Initial Limit, being the Mandate Limit.

It is proposed that the First Special General Meeting of the Company be held at 10:00 a.m. on Monday, 10 May 2004 for the purpose of seeking approval from the independent Shareholders on the proposed grant of an Option in favour of Mr. Francis Cheung, the Chairman of the Board of Directors of the Company, an executive Director and a substantial Shareholder, to subscribe for 37,500,000 Shares (representing about 4.99% of the 751,965,903 Shares in issue as at the Latest Practicable Date) under the Scheme at the Exercise Price of HK\$0.252 per Share, and subject to the exercise period and the rules of the Scheme referred to in paragraph 3 hereinbelow.

It is further proposed that the Second Special General Meeting of the Company be held at 10:00 a.m. on Thursday, 13 May 2004 for the purpose of seeking approval from the Shareholders for the refreshing of the Initial Limit, such that the total number of Shares which may be issued upon the exercise of all options to be granted under the Scheme and any other schemes of the Company or its Subsidiaries, excluding Options previously granted, and excluding options outstanding, cancelled, lapsed or exercised in accordance with the Scheme, shall not exceed 10% of the Shares in issue as at the date of approval of such limit by the Shareholders.

The purpose of this circular is to provide you with information on the ordinary resolutions to be proposed at the Special General Meetings with regard to the proposed grant of the Option and the refreshing of the Initial Limit.

2. GRANT OF THE OPTION

Pursuant to the passing of the ordinary resolutions by the Shareholders in the 2002 AGM, the Scheme was adopted and, contemporaneous with the Scheme taking effect unconditionally, the Old Scheme was terminated on 28 August 2002.

Pursuant to the rules of the Scheme, subject to the Overall Limit not being exceeded, the total number of Shares which may be issued upon the exercise of all options to be granted under the Scheme and any other schemes of the Company or its Subsidiaries (there being no such schemes) must not, in aggregate, exceed the Initial Limit, or if the Shareholders subsequently approved of the refreshing of the Initial Limit, the total number of Shares which may be issued upon the exercise of all options to be granted under the Scheme and any other schemes of the Company or its Subsidiaries (there being no such schemes) must not, in aggregate, exceed the Mandate Limit.

As at the Latest Practicable Date, there were outstanding Options to subscribe for 48,000,000 Shares under the Scheme, and the Overall Limit has not been exceeded. From the date of approval by Shareholders in the 2003 SGM of the Mandate Limit in the place and stead of the Initial Limit, being 8 April 2003, up to and including the date of the meeting of the Board proposing the grant of the

LETTER FROM THE BOARD

Option to Mr. Francis Cheung, being 26 March 2004, no Options have been granted by the Company. As at 8 April 2003, there were 731,865,903 Shares in issue. The Company is therefore permitted under the Mandate Limit to grant Options to subscribe for up to 73,186,590 Shares, representing 10% of the issued share capital of the Company as at the date of the 2003 SGM.

It was proposed in a meeting of the Board on 26 March 2004 that an Option be granted in favour of Mr. Francis Cheung to subscribe for 37,500,000 Shares (representing about 5.00% of the 750,165,903 Shares in issue on that date) under the Scheme at the Exercise Price of HK\$0.252 per Share. There are no outstanding options previously granted to Mr. Cheung under the Scheme.

Mr. Francis Cheung is the Chairman of the Board of Directors of the Company and an executive Director, and is primarily responsible for pioneering and formulating the overall policy making, investment and business development of the Group. The Directors are of the view that not only will the grant of the proposed Option to Mr. Cheung serve as a reward for and an acknowledgment of his tremendous contribution to the operations and growth of the Group in the past, but also, it is hoped that it will encourage him to continue to perform his best in achieving the goals and objectives of the Group and to contribute to the business success of the Group.

Under the rules of the Scheme, any grant of Option(s) to an Eligible Person who is a Director must be approved by the independent non-executive Directors. If the grant of Option(s) to an Eligible Person would result in the Individual Limit being exceeded, such grant must be approved by Shareholders in general meeting with such Eligible Person and his/her associates abstaining from voting. Further, if such Eligible Person is a substantial Shareholder and the grant of such Option(s) would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to him/her in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the total number of Shares in issue at the date of such grant; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of such Option, in excess of HK\$5 million,

the grant of such Option(s) must be approved by the Shareholders in general meeting with all connected persons (bearing the meaning as given under the Listing Rules) of the Company abstaining from voting in favour at such general meeting and that any vote taken at such general meeting to approve the grant of the Option must be taken on a poll.

As at the Latest Practicable Date, Mr. Francis Cheung was interested in 269,752,800 Shares, representing about 35.87% of the 751,965,903 Shares in issue. The proposed grant of the Option to Mr. Cheung would result in the issue of 37,500,000 Shares (being over 0.1% of the 750,165,903 Shares in issue as at the date of such proposed grant) upon the exercise of such Option, and the aggregate value of such Shares is in excess of HK\$5 million (based on the closing price of HK\$0.225 on the date of such proposed grant). As such, the proposed grant of the Option to Mr. Cheung is subject to

LETTER FROM THE BOARD

approval by the independent Shareholders in general meeting with all connected persons (bearing the meaning as given under the Listing Rules) of the Company abstaining from voting in favour of such resolution, and any vote taken at the meeting to approve the proposed grant of the Option must be taken on a poll.

Approval has been obtained from the Board (by way of an unanimous resolution passed in a meeting in which the independent non-executive Directors were present and voting) on 26 March 2004 with regard to the proposed grant of the Option to Mr. Francis Cheung.

3. A SUMMARY OF THE TERMS OF THE OPTION

The terms of the Option proposed to be granted to the Grantee, Mr. Francis Cheung, are summarized as follows:

A. Exercise price and the basis for determination of the exercise price

Under the rules of the Scheme, the exercise price of the Option shall be at least the highest of: (i) the nominal value per Share; (ii) the closing price per Share as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the Option, which must be a business day; and (iii) the average closing price of the Shares as stated in the daily quotations sheets for the five business days immediately preceding the date of grant of the Option, being 26 March 2004 (the “Prescribed Minimum Exercise Price”).

At the aforesaid meeting of the Board, it was resolved to adopt the Prescribed Minimum Exercise Price as the Exercise Price for the Option proposed to be granted to the Grantee.

Pursuant to the rules of the Scheme, the date of the Board meeting for proposing such grant of the Option, i.e. 26 March 2004, should be taken as the date of grant for the purpose of calculating the exercise price of the Option.

As (i) the nominal value per Share is HK\$0.10; (ii) the closing price per Share on 26 March 2004 was HK\$0.225; and (iii) the average closing price of the Shares for the five business days immediately preceding 26 March 2004 (being the period from 19 March 2004 to 25 March 2004, both days inclusive) was HK\$0.252 per Share, the Exercise Price shall be HK\$0.252 per Share.

B. Exercise period

The exercise period of the Option shall be the period from the date of grant of the Option to the Grantee (but subject to approval by independent Shareholders of the proposed grant of the Option in the First Special General Meeting) up to 31 March 2009 (both dates inclusive).

There is no minimum period for which the Option must be held by the Grantee before it can be exercised.

LETTER FROM THE BOARD

C. Performance targets

There are no performance targets that must be achieved before the Option can be exercised.

D. Amount payable on application of the Option

In respect of the Option (or part thereof) which the Grantee intends to exercise, the aggregate amount payable to the Company in respect of the Option (or part thereof) shall be equal to the exercise price of HK\$0.252 per Share (subject to such adjustment as may from time to time be required pursuant to the Scheme) multiplied by the relevant number of Shares that are to be issued pursuant to the exercise of the Option (or part thereof).

E. Voting, dividend, transfer and other rights

Under the rules of the Scheme, Shares issued upon the exercise of an Option shall not carry voting rights until the registration of the Option Holder (or his nominee or any other person) as the holder thereof. If, under the terms of a resolution passed or an announcement made by the Company prior to the date of effective exercise of an Option, a dividend is to be or is proposed to be paid to Shareholders on the register on a date prior to such date of exercise, the Shares to be issued upon such exercise will not rank for such dividend. Subject as aforesaid, Shares allotted upon the exercise of an Option shall be subject to all the provision of the Bye-laws of the Company for the time being in force and shall rank *pari passu* in all respects with the Shares in issue on the date of such exercise.

If, in consequences of any general or partial offer made to the Shareholders (being an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, any person shall have obtained control of the Company, then the Directors shall as soon as practicable thereafter notify every Option Holder accordingly, and each Option Holder shall, notwithstanding any other term on which his/her Options were granted, be entitled at any time on or before the expiry of the period of three months after such control has been obtained to exercise any Option in whole or in part, and to the extent that it shall have not been so exercised within the said period, any Option shall upon expiry of such period cease and determine, provided that if, during such period, such person becomes entitled to exercise rights of compulsory acquisition of the Shares pursuant to Section 103 of The Companies Act 1981 of Bermuda (as may be amended from time to time) and gives notice in writing to any Shareholders that he intends to exercise such rights, the Options shall be and remain exercisable until the expiry of one month from the date of such notice and, to the extent that they shall have not been so exercised within the said period, shall thereupon automatically cease and determine.

In the event that a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of approving a resolution to voluntarily wind up the Company, the Company shall, on the same date as or soon after it despatches such notice to each Shareholder, give notice thereof to all Option Holders, and each Option Holder shall thereupon be entitled to exercise all or any of his Options at any time not later than two business days prior to the record date for ascertaining entitlements to attend and vote at the proposed general meeting of the Company, whereupon the Company shall as soon as possible and in any event not later than the record date referred to above, allot the relevant Shares to the Option Holder credited as fully paid.

LETTER FROM THE BOARD

In the event that an effective resolution has been passed for the voluntary winding-up of the Company during the exercise period of the Options, or a court order is made for the winding-up of the Company, the Option Holder may, subject to the provisions of all applicable laws, by written notice to the Company within 21 days after the date of such resolution or court order elect to be treated as if the Option (to the extent that it had not been so exercised) had been exercised immediately before the passing of such resolution or the making of such order, and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the Shareholders such sum (if any) as he would have received had he been allotted and issued on the day prior to the date of such resolution or order the Shares in respect of which such election was made reduced by an amount equal to the subscription price which would otherwise have been payable in respect thereof.

F. Other terms of the Option

Unless specifically stated hereinabove, the proposed Option is subject to the rules of the Scheme.

4. REFRESHING OF THE INITIAL LIMIT UNDER THE SCHEME

As at the Latest Practicable Date, Options to subscribe for a total of 53,000,000 Shares have been granted under the Initial Limit under the Scheme. No Options have been granted under the Mandate Limit (of 73,186,590 Shares) under the Scheme. Subject to the approval by independent Shareholders (with all connected persons (bearing the meaning as given under the Listing Rules) of the Company abstaining from voting in favour) in the First Special General Meeting of the proposed grant of the Option to subscribe for a total of 37,500,000 Shares to the Grantee, the Company may only further grant Options to subscribe for a total of 35,686,590 Shares (representing about 4.75% of the 751,965,903 Shares in issue as at the Latest Practicable Date) unless the Initial Limit under the Scheme is refreshed.

The Directors consider that the Company should refresh the Initial Limit pursuant to the rules of the Scheme such that the Company could have more flexibility in providing incentives to those Eligible Persons by way of the granting of the Options. Should the ordinary resolutions in relation to the refreshing of the Initial Limit by replacing the same with the Refreshed Mandate Limit be approved by Shareholders at the Second Special General Meeting, and assuming that no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the Second Special General Meeting, and that there is no change in the share structure of the Company in the meantime, the Directors will be able to grant Options for the subscription of up to a total of 75,196,590 Shares, representing 10% of the Shares in issue as at the date of the Second Special General Meeting. The Directors consider that the refreshing of the Initial Limit is in the interests of the Company and its Shareholders as it enables the Company to continue to reward and motivate its employees under the Scheme.

The refreshing of the Initial Limit by the proposed grant of the Refreshed Mandate Limit in place of the Mandate Limit is conditional upon the passing of the ordinary resolutions in relation to the same by the Shareholders in the Second Special General Meeting. An application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any share options under the Refreshed Mandate Limit.

LETTER FROM THE BOARD

5. SPECIAL GENERAL MEETINGS

A notice convening the First Special General Meeting is set out on pages 13 to 14 of this circular. At the First Special General Meeting, an ordinary resolution will be proposed to approve the proposed grant of the Option to subscribe for Shares under the Scheme to Mr. Francis Cheung. Mr. Francis Cheung and his associates, together with all connected persons (bearing the meaning as given under the Listing Rules) of the Company, shall abstain from voting in favour of the ordinary resolution as set out in the Notice of the First Special General Meeting on pages 13 to 14 of this circular.

A notice convening the Second Special General Meeting is set out on pages 15 to 16 of this circular. At the Second Special General Meeting, approval of the Shareholders will be sought for the passing of the ordinary resolutions in relation to the grant of the Refreshed Mandate Limit in place of the Mandate Limit.

Forms of proxy for use in connection with each of the Special General Meetings are enclosed with this circular. To be valid, the forms of proxy, together with the power of attorney or other authority (if any) under which they are signed or a notarially certified copy thereof, must be deposited at the Company's head office and principal place of business in Hong Kong at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the relevant meeting (or any adjournment thereof). Completion and return of the accompanying forms of proxy will not preclude you from attending and voting in person at the relevant meetings (or any adjournment thereof) should you so wish.

6. RECOMMENDATION

The independent non-executive Directors, having considered the terms of the Option, consider that the proposed grant of the Option to Mr. Francis Cheung to be fair and reasonable so far as the independent Shareholders are concerned, and that it is in the interests of the Company and its Shareholders. They therefore recommend the independent Shareholders to vote in favour of the ordinary resolution in relation to the proposed grant of the Option as set out in the Notice of the First Special General Meeting. Your attention is drawn to the letter from the independent non-executive Directors as set out on page 12 of this circular.

The Directors are of the view that the proposed grant of the Refreshed Mandate Limit in place of the Mandate Limit is in the interests of the Company and its Shareholders and, accordingly, recommend the Shareholders to vote in favour of the proposed resolutions in relation to the grant of the Refreshed Mandate Limit in place of the Mandate Limit as set out in the Notice of the Second Special General Meeting.

Yours faithfully,
For and on behalf of the Board of
Tysan Holdings Limited
Fung Chiu Chak, Victor
Vice Chairman and Managing Director



TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

To the independent Shareholders

22 April 2004

Dear Sirs,

**PROPOSAL ON THE GRANT OF OPTION
AND
REFRESHING OF THE INITIAL LIMIT
UNDER THE SHARE OPTION SCHEME**

We have been appointed to advise you in connection with the proposed grant of an Option in favour of Mr. Francis Cheung, the Chairman of the Board of Directors, an executive Director and a substantial Shareholder, to subscribe for 37,500,000 Shares under the Scheme. Details of the proposed grant of the Option are set out in the letter from the Board contained in the circular of the Company dated 22 April 2004 (the “Circular”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the terms of the Option, we consider that the proposed grant of the Option to Mr. Francis Cheung to be fair and reasonable so far as the independent Shareholders are concerned, and that it is in the interests of the Company and its Shareholders. We therefore recommend you to vote in favour of the proposed ordinary resolution to approve the proposed grant of the Option in favour of Mr. Cheung, as set out in the notice of the First Special General Meeting dated 22 April 2004.

Yours faithfully,

FAN Chor Ho, Paul CHAU Cham Son
Independent non-executive Directors



TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a special general meeting of Tysan Holdings Limited (the “Company”) will be held at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Monday, 10 May 2004 for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

“**THAT** the directors of the Company (the “Directors”) be and are hereby authorized to grant an option (the “Option”) in favour of Mr. Francis Cheung, the Chairman of the Board of Directors, an executive Director and a substantial shareholder of the Company (the “Grantee”) to subscribe for 37,500,000 shares in the Company (“Shares”) at the exercise price of HK\$0.252 per Share, and subject to the rules of the share option scheme of the Company approved by shareholders of the Company at the annual general meeting of the Company conducted on 28 August 2002 and the exercise period as set out in the Schedule hereto.

Schedule

Exercise Period

From the date of grant of the Option up to 31 March 2009 (both dates inclusive)

There is no minimum period for which the Option must be held by the Grantee before it can be exercised.”

By Order of the Board of Directors of
Tysan Holdings Limited
Fung Chiu Chak, Victor
Vice Chairman and Managing Director

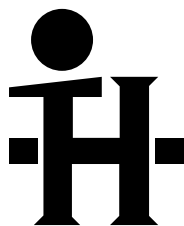
Hong Kong, 22 April 2004

*Head office and principal place
of business in Hong Kong:*
6th Floor, Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

NOTICE OF THE FIRST SPECIAL GENERAL MEETING

Notes:

1. Any member (other than a Clearing House (as hereinafter defined)) entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. A recognized clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “Clearing House”), being a member of the Company, may authorize such person or persons as it thinks fit to act as its representative or representatives at the meeting provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized.
3. A white form of proxy for use in connection with the meeting is enclosed herewith.
4. To be valid, a white form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company’s head office and principal place of business in Hong Kong at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof).
5. Completion and return of the accompanying white form of proxy will not preclude members from attending and voting in person at the meeting (or any adjournment thereof) should they so wish.



TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a special general meeting of Tysan Holdings Limited (the “Company”) will be held at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Thursday, 13 May 2004 for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

- (1) **“THAT** the initial mandate limit under the share option scheme of the Company adopted on 28 August 2002 (the “Scheme”) be refreshed such that the total number of shares in the Company (“Shares”) which may be issued upon the exercise of all options to be granted under the Scheme and any other schemes of the Company or its subsidiaries, excluding options previously granted, and excluding options outstanding, cancelled, lapsed or exercised in accordance with the Scheme, shall not exceed 10% of the Shares in issue as at the date of the passing of this resolution (the “Refreshed Mandate Limit”); and
- (2) **“THAT** conditional on the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any options under the Scheme up to the Refreshed Mandate Limit, the directors of the Company be and are hereby authorised to grant options up to the Refreshed Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the Shares pursuant to the exercise of such options.”

By Order of the Board of Directors of
Tysan Holdings Limited
Fung Chiu Chak, Victor
Vice Chairman and Managing Director

Hong Kong, 22 April 2004

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

6th Floor, Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

NOTICE OF THE SECOND SPECIAL GENERAL MEETING

Notes:

1. Any member (other than a Clearing House (as hereinafter defined)) entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. A recognized clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “Clearing House”), being a member of the Company, may authorize such person or persons as it thinks fit to act as its representative or representatives at the meeting provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized.
3. A pink form of proxy for use in connection with the meeting is enclosed herewith.
4. To be valid, a pink form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company’s head office and principal place of business in Hong Kong at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof).
5. Completion and return of the accompanying pink form of proxy will not preclude members from attending and voting in person at the meeting (or any adjournment thereof) should they so wish.