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TSUN YIP HOLDINGS LIMITED

進業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8356)

DISCLOSEABLE TRANSACTION ACQUISITION OF 17% ISSUED SHARE CAPITAL OF CHINA NEW MEDIA (HK) COMPANY LIMITED

THE ACQUISITION

On 28th July 2011, the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Purchaser has conditionally agreed to acquire from the Vendor 17% of the total issued share capital of the Target at a consideration of HK\$70,040,000, which will be satisfied as to: (i) HK\$10,000,000 by cash to the Vendor or its nominee as refundable deposit upon signing of the Agreement; (ii) HK\$15,000,000 by cash to the Vendor or its nominee upon Completion; and (iii) HK\$45,040,000 by the issue of the Promissory Note by the Purchaser to the Vendor or its nominee upon Completion.

GEM LISTING RULES' IMPLICATIONS

As the applicable percentage ratios in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 19.06 of the GEM Listing Rules, which is subject to the reporting and announcement requirements under the GEM Listing Rules.

The Board is pleased to announce that on 28th July 2011, the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Purchaser has conditionally agreed to acquire from the Vendor 17% of the total issued share capital of the Target at a consideration of HK\$70,040,000.

THE AGREEMENT

Date: 28th July 2011

Parties: 1. Win Today Limited as the vendor
2. Profit Station Limited as the purchaser

To the best of the Directors' information and belief after making reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties. The principal activity of the Vendor is investment holdings.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire from the Vendor the Sale Shares, representing 17% of the total issued share capital of the Target.

Consideration

The Consideration is HK\$70,040,000, which will be satisfied as to: (i) HK\$10,000,000 by cash to the Vendor or its nominee as refundable deposit upon signing of the Agreement; (ii) HK\$15,000,000 by cash to the Vendor or its nominee upon Completion; and (iii) HK\$45,040,000 by the issue of the Promissory Note by the Purchaser to the Vendor or its nominee upon Completion.

The cash portion of the Consideration will be funded by internal resources of the Company. The Consideration was arrived at based on normal commercial terms after arm's length negotiations between the Company and the Vendor which the Board has made reference to the valuation of the entire equity interest in the Target as prepared by the Valuer of approximately HK\$412,000,000 as at 30th June 2011 and the consideration for the Acquisition of HK\$70,040,000 represents 17% of the Target's value based on the said valuation. For further details of the valuation, please see the section headed "Valuation" below.

In view of the above, the Directors consider that the terms for the Acquisition is fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The completion of the Agreement is subject to the following conditions precedent:

- (a) the Purchaser being reasonably satisfied with the results of the due diligence review of the assets, liabilities, operations and affairs of the Target;
- (b) all necessary consents and approvals required to be obtained on the part of the Vendor, the Purchaser and the Company in respect of the Agreement and the transactions contemplated thereby having been obtained;

(c) all necessary waiver, consent, approval, licence, authorisation, permission, order (if required) from the relevant governmental or regulatory authorities or other third parties which are necessary in connection with the Agreement and the transactions contemplated thereby; and

(d) the warranties by the Vendor set out in the Agreement remaining true and accurate in all respects.

If the above conditions are not satisfied (or as the case may be, waived by the Purchaser) on or before 5:00 p.m. on 31st August 2011, or such later date as the Vendor and the Purchaser may agree, the Agreement shall cease and terminate and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

The Directors currently have no intention of waiving any of the conditions precedent.

COMPLETION

Completion will take place on the business day after all the conditions precedent of the Agreement have been fulfilled or waived (as the case may be) (the “**Completion Date**”) or such other date as the Vendor and the Purchaser may agree.

Major Terms of the Promissory Note

The major terms of the Promissory Note are as follows:

Principal amount	in the aggregate amount of HK\$45,040,000
Maturity date	the 3rd anniversary of the Completion date (the “ PN Maturity Date ”)
Interest	an annual interest rate of 3% all interest accrued shall be payable on the PN Maturity Date
Redemption	the Company may at any time from the date of issue of the Promissory Note up to the date immediately prior to the PN Maturity Date, repay the entire Promissory Note or any part of it by payment to the holder of the Promissory Note of the outstanding principal amount thereof, without penalty
Transferability	the Promissory Note is freely transferable and assignable by the holder to any person whether in whole or in part

INFORMATION ON THE TARGET

The Target is a company incorporated in Hong Kong and is owned as to 51% by China New Media Company Limited (“CNM”), 19% by Superior Luck Investments Limited (“Superior Luck”) and 30% by the Vendor. CNM is a wholly owned subsidiary of China Outdoor Media Group Limited (Stock

Code: 254) (“COMG”), a company whose shares are listed on the Main Board of the Stock Exchange. The Target is a subsidiary of COMG. Superior Luck is a wholly owned subsidiary of Inno-Tech Holdings Limited (Stock Code: 8202), a company whose shares are listed on the GEM.

According to the audited accounts of the Target prepared under Hong Kong Financial Reporting Standards:

1. the loss before and after taxation for the period from 19 June 2009 (date of incorporation) to 30 June 2010 were both approximately HK\$0.7 million;
2. the loss before and after taxation for the six month period ended 31 December 2010 were both approximately HK\$0.35 million; and
3. the net liabilities of the Target as at 31 December 2010 was approximately HK\$1 million.

The Target is principally engaged in outdoor advertising in Hong Kong, specializing in advertising spaces in lifts and outer walls of buildings. Currently the Target has secured exclusive rights for lift spaces in 18 residential buildings, 8 commercial buildings and 3 industrial buildings located in Hong Kong Island, Kowloon and the New Territories and the outer wall of an industrial building located in the New Territories. The tenure of such rights for lift spaces range from 3 to 5 years and for the outer wall, 10 years. Besides outdoor advertising, the Target also provides marketing consultancy services and referral services to its related company on an ad hoc basis, which includes, planning, organizing and liaising promotional activities.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the provision of waterworks engineering services, road works and drainage services and site formation works for the public sector in Hong Kong.

It is the corporate strategy of the Group to strengthen its existing business and at the same time, broaden its source of income and expand the business operations by identifying and capitalizing new opportunities to achieve financial growth for the Group and to maximum Shareholders’ value. In this connection, the Directors consider the Acquisition as an opportunity for the Group to expand its business by tapping into the outdoor advertising and display industry.

After completion of the Acquisition, the Company’s interest in the Target will be accounted for as an investment.

VALUATION

According to the valuation report prepared by the Valuer on 30 June 2011, the valuation report adopted the income-based approach using discounted cash flow method which involves projections of profits, earnings and cash flows and are regarded as profit forecasts under Rule 19.61 of the GEM Listing Rules (the “Profit Forecast”). Pursuant to Rule 19.62(1) of the GEM Listing Rules, certain specific assumptions have been adopted in the valuation report and the major ones are as follows:

- all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target operates or intends to operate would be officially obtained and renewable upon expiry;
- the projections outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and will be materialized;
- there will be sufficient supply of technical staff in the industry in which the Target operates, and the Target will retain competent management, key personnel and technical staff to support its ongoing operations and developments;
- there will be no major change in the current taxation laws in the localities in which the Target operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- there will be no major change in the political, legal, economic or financial conditions in the localities in which the Target operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target; and
- interest rates and exchange rates in the localities for the operation of the Target will not differ materially from those presently prevailing.

The Directors have reviewed the principal assumptions upon which the Profit Forecast is based and are of the view that the Profit Forecast has been made after due and careful enquiry. A letter from Dominic K.F. Chan & Co. and a letter from the financial adviser of the Company, Athens Capital Limited, are included in the appendices of this announcement for the purposes of Rules 19.60A and 19.62 of the GEM Listing Rules.

The following are the qualifications of the experts who have given their opinion and advice included in this announcement:

Name	Qualification
Ample Appraisal Limited	Professional valuer
Dominic K.F. Chan & Co.	Certified public accountants
Athens Capital Limited	Corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on type 6 regulated activity

As at the date of this announcement, each of the Valuer, Dominic K.F. Chan & Co. and FA does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for securities in any member of the Group.

Each of the Valuer, Dominic K.F. Chan & Co. and FA has given and has not withdrawn its consent to the publication of this announcement with inclusion of its report and all reference to its name in the form and context in which it appears.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 19.06 of the GEM Listing Rules, which is subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Acquisition”	the acquisition of the Sale Shares pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 28 July 2011 entered into between the Vendor and the Purchaser relating to the sale and purchase of the Sale Shares
“Board”	the board of Directors
“Company”	Tsun Yip Holdings Limited, a company incorporated under the laws of Cayman Islands with limited liability and the Shares of which are listed on GEM

“Completion”	the completion to the Acquisition pursuant to the Agreement
“connected persons”	has the meaning ascribed to it in the GEM Listing Rules
“Consideration”	the consideration to the Acquisition, in the aggregate amount of HK\$70,040,000
“Directors”	the directors of the Company
“FA”	Athens Capital Limited, a financial adviser appointed by the Company in connection with the comfort letter on forecasts of the valuations of the Target
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Independent Third Party(ies)”	an independent third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons
“Promissory Note”	the promissory note in the sum of HK\$45,040,000 to be issued by the Purchaser to satisfy part of the consideration of the Acquisition
“Purchaser”	Profit Station Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Sale Shares”	17 ordinary shares of HK\$1.00 each in the issued share capital of the Target held and beneficially owned by the Vendor, representing 17% of the total issued share capital of the Target
“Shareholders”	holders of ordinary shares of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	China New Media (HK) Company Limited, a company incorporated in Hong Kong with limited liability

“Valuer”	Ample Appraisal Limited, an independent valuer appointed by the Company in connection with the Acquisition
“Vendor”	Win Today Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Ms. Yu Wai Yin, Vicky, an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
Tsun Yip Holdings Limited
Kan Kwok Cheung
Chairman and Executive Director

Hong Kong, 28 July 2011

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Kan Kwok Cheung
Cheng Ka Ming, Martin
Chia Thien Loong, Eric John
Hui Chi Kwong

Independent non-executive Directors:

Chan Hon Yuen
Chu Siu Lun, Ivan
Hau Chi Kit

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the day of its posting and on the Company’s website at <http://www.tsunyip.hk>.

APPENDIX I
LETTER FROM THE AUDITORS

28 July 2011

The Board of Directors
Tsun Yip Holdings Limited
Flat 314, 3/F
Fuk Shing Commercial Building
28 On Lok Man Street
Fanling
New Territories
Hong Kong

Dear Sirs,

Tsun Yip Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”)

Report on discounted future estimated cash flows in connection with the business valuations of China New Media (HK) Company Limited (the “Target Company”)

We report on the calculations of the discounted future estimated cash flows on which the business valuation (the “**Valuation**”) dated 28 July 2011 prepared by Ample Appraisal Limited in respect of the Valuation of the Target Company as at 30 June 2011 in connection with proposed acquisition of the 17% equity interest in the Target Company. The Valuation which is determined based on the discounted cash flows is regarded as a profit forecast under Rule 19.61 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

Respective responsibilities of the directors of the Company and the reporting accountants

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows for the valuation which is regarded as a profit forecast under paragraph 19.62 of the GEM Listing Rules. It is our responsibility to report, as required by Rule 19.62(2) of the GEM Listing Rules, on the calculations of the discounted future estimated cash flows on which the Valuation is based. The discounted future estimated cash flows do not involve the adoption of accounting policies. The discounted future estimated cash flows depend on future events and on a number of bases and assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Consequently, we have not reviewed, considered or conducted any work on the appropriateness and validity of the bases and assumptions and express no opinion on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows, and thus the Valuation, are based.

Basis of opinion

We conducted our work in accordance with Hong Kong Standards on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to the procedures under Auditing Guideline 3.341 “Accountants’ report on profit forecasts” issued by Hong Kong Institute of Certified Public Accountants. We examined the arithmetical accuracy of the Valuation. Our work has been undertaken solely to assist the directors of the Company in evaluating whether the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled and for no other purpose. We accept no responsibility to any other person in respect of, arising out of in connection with our work. Our work does not constitute any valuation of the Target Company.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the bases and assumptions made by the directors of the Company.

Yours faithfully

Dominic K. F. Chan & Co.,
Certified Public Accountants (Practising)
Hong Kong

APPENDIX II
LETTER FROM ATHENS CAPITAL LIMITED

28 July 2011

The Board of Directors
Tsun Yip Holdings Limited
Flat 314
3/F Fuk Shing Commercial Building
28 On Lok Mun Street
Fanling
New Territories

Dear Sirs,

Comfort letter on forecasts on the valuation of China New Media (HK) Company Limited (the “Target”) — in connection with a discloseable transaction for the acquisition of 17% issued share capital of the Target

We refer to the announcement of Tsun Yip Holdings Limited (the “**Company**”) dated 28 July 2011 in relation to the Acquisition which constitutes a discloseable transaction under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “**Announcement**”). Unless otherwise defined or if the context otherwise requires, all terms defined in the Announcement shall have the same meaning when used in this letter.

Athens Capital Limited (“**ACL**”) hereby confirms that it has reviewed and discussed with the Company, the bases and assumptions adopted in the profit forecast prepared by Ample Appraisal Limited, the independent valuer of the Company (the “**Independent Valuer**”) in the course of their work, and has satisfied itself that the bases and assumptions have been made with due care and objectivity, and on a reasonable basis and that the profit forecast has been made by the Directors after due and careful enquiry.

We have not independently verified the computations leading to the Independent Valuer’s determination of the fair value and market value of the Target. We have had no role or involvement and have not provided and will not provide any assessment of the fair value and market value of the Target. Accordingly, save as expressly stated in this letter, we take no responsibility for and express no views, whether expressly or implicitly, on the fair value and market value of the Target as determined by the Independent Valuer and set out in the valuation reports issued by the Independent Valuer or otherwise.

ACL further confirms that the assessment, review and discussion carried out by it as described above are primarily based on financial, economic, market and other conditions in effect, and the information made available to us as of the date of this letter and that it has, in arriving at its views, relied on information and materials supplied to it by the Independent Valuer, the Group and the Target and opinions expressed by, and representations of, the employees and/or management of the Independent Valuer, the Group and the Target. We have assumed that all information, materials and representations

so supplied, including all information, materials and representations referred to or contained in the Announcement, for which the Directors of the Company are wholly responsible, were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of the Announcement and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, expressed or implied, is made by ACL on the accuracy, truth or completeness of such information, materials, opinions and/or representations. Circumstances could have developed or could develop in the future that, if known to ACL at the time of this letter, would have altered our respective assessment and review. Further, while the qualifications, bases and assumptions adopted by the Independent Valuer are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and the Independent Valuer.

ACL is acting as financial adviser to the Company in reviewing the forecast on the valuation of the Target and will receive fees for such advice. ACL and its directors and affiliates will, neither jointly or severally, be responsible to anyone other than the Company for providing advice in connection with the review on the forecast on the valuation of the Target, nor will ACL, its directors or affiliates, whether jointly or severally, owe any responsibility to anyone other than the Company.

Nothing in this letter should be construed as an opinion or view as to the fair value, market value or any other value of the Target or as an opinion or recommendation to any person as to whether they should acquire Shares of the Company. Shareholders are recommended to read the Announcement with care.

A copy of this letter in its entirety may be reproduced in the Announcement on the basis that none of the Company, the Independent Valuer or any other person may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent. In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

Yours faithfully,
For and on behalf of
Athens Capital Limited

Ross Cheung
Director