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TYSAN HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(Stock Code: 687)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

SUBSCRIPTION OF NEW SHARES

On 22 August 2016 (after trading hours), the Company and each of the Subscribers entered into the Subscription Agreements pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to issue a total of 171,000,000 Subscription Shares at a price of HK\$4.08 per Subscription Share.

The Subscription Price represents:

- (a) a discount of approximately 9.73% to the closing price of HK\$4.52 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (b) a discount of approximately 9.61% to the average closing price of approximately HK\$4.514 per Share for the last five trading days immediately prior to the Last Trading Date.

According to the Subscription Agreements, each of CSCEC Capital (Hong Kong), BCEGI and HKMC will subscribe for 57,000,000 Subscription Shares respectively. The Subscription Shares will be issued under the General Mandate and will rank pari passu in all respects among themselves and with the existing Shares. The Subscription Shares in aggregate represent approximately 19.55% of the existing issued Shares as at the date of this announcement and approximately 16.35% of the issued Shares as enlarged by the Subscription Shares.

The gross proceeds arising from the Subscription will be HK\$697,680,000 and the net proceeds arising from the Subscription will amount to approximately HK\$697,580,000 which is intended to be used for financing any investment opportunities when they arise and as the general working capital of the Group. The net proceeds raised per Subscription Share arising from the Subscription will be approximately HK\$4.079 per Subscription Share.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

RESTORATION OF THE MINIMUM PUBLIC FLOAT

Upon Completion, the public float of the Company will be restored to 27.71% of the issued Shares of the Company in compliance with the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules.

GENERAL

Upon Completion, an application will be made by the Company to the Stock Exchange for the resumption of trading in the Shares.

Since the Subscription is subject to the condition set out in the Subscription Agreements, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 22 August 2016 (after trading hours), the Company and each of the Subscribers entered into the Subscription Agreements pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to issue a total of 171,000,000 Subscription Shares at a price of HK\$4.08 per Subscription Share.

The terms of the Subscription Agreements are substantially the same. Set out below is a summary of the principal terms of the Subscription Agreements.

SUBSCRIPTION AGREEMENTS

Date

22 August 2016

Issuer

The Company

Subscribers

- (1) CSCEC Capital (Hong Kong)
- (2) BCEGI
- (3) HKMC

CSCEC Capital (Hong Kong) is a company incorporated in Hong Kong, which is principally engaged in financing, leasing, restructuring and other capital market transactions, and related management services. Its parent company is China State Construction Engineering Corporation Limited (“CSCEC”), which was incorporated on 10 December 2007 and became listed on the Shanghai Stock Exchange in 2009 (stock code: 601668). The principal businesses of CSCEC include building construction, infrastructure construction and investment, property development, investment and design survey. It has been rated by Standard & Poor’s, Moody’s and Fitch as investment grades A/A2/A respectively, the highest rating for the construction industry globally. Based on publicly available information on CSCEC, its turnover for the year 2015 was over RMB880 billion and profit for the year 2015 was approximately RMB47.7 billion. Based on publicly available information, CSCEC was ranked 27th in “Global 500” in 2016 and 3rd in “China’s Top 500” in 2016 by the Fortune magazine, and ranked 17th in the Top 250 International Contractors in 2015 by the Engineering News-Record magazine.

BCEGI is a company incorporated in Hong Kong, which is principally engaged in fund management, investment and financing management. Its parent company is Beijing Construction Engineering Group, which is a building construction contractor for premium enterprises. The principal businesses of Beijing Construction Engineering Group include construction engineering, property management, energy saving and environmental protection, industrial operations and services. Based on the website of Beijing Construction Engineering Group, it was ranked among the Top 250 International Contractors, China's Top 500 and China's Top 10 contractor companies.

HKMC is a company incorporated in Hong Kong, which is principally engaged in construction of marine works, investment and financing management. Its parent company is China Communications Construction Group Ltd., which is an ultra large state-owned transportation infrastructure group, the largest port design and construction company in China and the largest dredging company in the world. Based on publicly available information, China Communications Construction Group Ltd. was ranked 110th in "Global 500" by the Fortune magazine and ranked 5th in the Top 250 International Contractors in 2015 by the Engineering News-Record magazine. The principal businesses of China Communications Construction Group Ltd. include survey, design, construction and supervision of highway, bridge, port, terminal, channel, railway, tunnel and civil work infrastructure, coastal port and channel dredging, manufacturing of heavy marine machinery, port and road machinery manufacturing.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Subscribers and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. Each of the Subscribers is independent of and not connected with each other and their respective close associates.

Immediately upon Completion, each of the Subscribers will not become a substantial shareholder of the Company.

Number of Subscription Shares

According to the Subscription Agreements, each of CSCEC Capital (Hong Kong), BCEGI and HKMC will subscribe for 57,000,000 Shares respectively, being 171,000,000 Shares in aggregate. The Subscription Shares in aggregate represent approximately 19.55% of the existing

issued Shares as at the date of this announcement and approximately 16.35% of the issued Shares as enlarged by the Subscription Shares. The Subscription Shares to be subscribed under the Subscription Agreements will be issued under the General Mandate. The aggregate nominal value of the Subscription Shares is HK\$17,100,000.

Ranking of Subscription Shares

The Subscription Shares will rank *pari passu* in all respects among themselves and with the existing Shares in issue on the date of Completion.

Subscription Price

The Subscription Price is HK\$4.08 per Subscription Share. The Subscription Price represents:

- (a) a discount of approximately 9.73% to the closing price of HK\$4.52 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (b) a discount of approximately 9.61% to the average closing price of approximately HK\$4.514 per Share for the last five trading days immediately prior to the Last Trading Date.

After deduction of relevant expenses of the Subscription, the net proceeds raised per Subscription Share is approximately HK\$4.079.

The Subscription Price was determined after arm's length negotiations between the Company and each of the Subscribers with reference to (i) the requirement imposed by the Stock Exchange for restoration of the minimum public float of the Company; (ii) the prevailing market price of the Shares; and (iii) the current market conditions. Accordingly, the Directors consider that the terms of the Subscription Agreements and the Subscription Price are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

The aggregate consideration for the Subscription Shares shall be HK\$697,680,000, and HK\$232,560,000 pursuant to each of the Subscription Agreements, and shall be payable in cash by each of the Subscribers to the Company on Completion.

Condition of the Subscription

Completion of the Subscription is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

If the above condition is not fulfilled on or before 27 October 2016 (or such other date as may be agreed between the Company and the Subscribers), the rights and obligations of the Subscribers and the Company in respect of the Subscription shall forthwith terminate and none of them can have any claim against the other save and except any liability for antecedent breaches by either party.

Non-disposal Undertaking

Each of the Subscribers undertakes to the Company that for a period of nine months after the date of the Completion (both dates inclusive), it will not sell or enter into any agreement to sell the Subscription Shares and will not impose any options, rights, interests or encumbrances on the Subscription Shares.

Completion

Completion shall take place on the later of (i) the next Business Day immediately after the date of satisfaction of the condition precedent as stipulated in the Subscription Agreements or (ii) 1 September 2016, or such other dates as may be agreed between the Company and the Subscribers.

GENERAL MANDATE

The Company was authorised to allot and issue a maximum of 174,933,180 new Shares, being 20% of the number of Shares in issue as at the date of the passing of the resolution under the General Mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 7 August 2015. As at the date of this announcement, no new Shares have been allotted and issued under the General Mandate. The Subscription Shares will be issued under the General Mandate and is not subject to approval of the Shareholders.

EFFECT OF ISSUE OF SUBSCRIPTION SHARES ON SHAREHOLDING

The existing and enlarged shareholding structure of the Company immediately before and after the issue of the Subscription Shares (assuming that there is no change in the issued Shares from the date of this announcement and up to date of Completion other than as a result of the allotment and issue of the Subscription Shares) is set out below:

Shareholders	As at the date of the Subscription Agreements		Immediately upon issue of the Subscription Shares	
	<i>Number of Shares</i>	<i>Approx%</i>	<i>Number of Shares</i>	<i>Approx%</i>
Controlling Shareholder:				
HNA Finance I and its Concert Parties	755,862,228	86.42	755,862,228	72.29
Public:				
Public Shareholders	40,083,744	4.58	40,083,744	3.83
Tides Holdings II	78,719,931	9.00	78,719,931	7.53
CSCEC Capital (Hong Kong)	0	0.00	57,000,000	5.45
BCEGI	0	0.00	57,000,000	5.45
HKMC	0	0.00	57,000,000	5.45
Total	<u>874,665,903</u>	<u>100</u>	<u>1,045,665,903</u>	<u>100</u>

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any equity fund raising exercises during the 12 months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors consider that the Subscription represents an opportunity to (i) restore the public float of the Company to 27.71% of the issued Shares in compliance with the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules; (ii) raise capital for the Company; (iii) broaden the Company's shareholder and capital base; and (iv) strengthen the financial position of the Company.

The gross proceeds arising from the Subscription will be HK\$697,680,000 and the net proceeds arising from the Subscription will amount to approximately HK\$697,580,000 which is intended to be used for financing any investment opportunities when they arise and as the general working capital of the Group. The net proceeds raised per Subscription Share arising from the Subscription will be approximately HK\$4.079 per Subscription Share.

RESTORATION OF THE MINIMUM PUBLIC FLOAT

As at the date of this announcement, the public Shareholders held 118,803,675 Shares, representing approximately 13.58% of the issued Shares. The Subscription is a feasible and practicable solution for the purpose of restoring the minimum public float of the Shares prescribed under Rule 8.08(1)(a) of the Listing Rules. Upon Completion, the public float will be restored to 27.71% of the issued Shares in compliance with the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules.

GENERAL

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Group is principally engaged in foundation piling, property development and property investment and management.

Upon Completion, an application will be made by the Company to the Stock Exchange for the resumption of trading in the Shares.

Since the Subscription is subject to the condition set out in the Subscription Agreements, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

“associate(s)” and/or “close associate(s)”	has the meaning ascribed to it under the Listing Rules
“BCEGI”	BCEGI (Hong Kong) Company Limited 北京建工國際(香港)有限公司, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“Business Day”	a day on which banks are generally open for business in Hong Kong (other than a Saturday, Sunday or public holiday)
“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 (Stock Code: 687)

“Completion”	completion of the Subscription under and pursuant to the terms and conditions of the Subscription Agreements
“Concert Parties”	in relation to HNA Finance I, persons acting in concert with HNA Finance I
“connected person”	has the meaning ascribed to it under the Listing Rules
“CSCEC Capital (Hong Kong)”	CSCEC Capital (Hong Kong) Limited 中建資本(香港)有限公司, a company incorporated in Hong Kong with limited liability
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting held on 7 August 2015 to issue and allot up to 174,933,180 new Shares, representing 20% of the number of Shares in issue as at the date of passing of the relevant resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKMC”	Hong Kong Marine Construction Limited 香港海事建設有限公司, a company incorporated in Hong Kong with limited liability
“HNA Finance I”	HNA Finance I Co., Ltd., a company incorporated in Anguilla with limited liability and a wholly-owned subsidiary of HNA Group Co., Ltd., the controlling shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Date”	28 July 2016, the last trading date before dealings in the Shares were suspended on 29 July 2016
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Subscribers”	CSCEC Capital (Hong Kong), BCEGI and HKMC, the subscribers of the Subscription Shares under the Subscription Agreements
“Subscription”	the subscription for the Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“Subscription Agreements”	the conditional subscription agreements dated 22 August 2016 entered into between the Company as issuer and each of the Subscribers as subscriber respectively in relation to the Subscription
“Subscription Price”	HK\$4.08 per Subscription Share
“Subscription Shares”	a total of 171,000,000 new Shares
“Tides Holdings II”	Tides Holdings II Ltd., a company incorporated in British Virgin Islands
“%”	per cent.

By order of the board of
TYSAN HOLDINGS LIMITED
Li Tongshuang
Chairman

Hong Kong, 22 August 2016

As at the date of this announcement, the executive Directors are Mr. Li Tongshuang, Mr. Fung Chiu Chak, Victor, Mr. Chiu Chin Hung, Mr. Lau Kin Fai, Mr. Fan Ning and Mr. Meng Yongtao; the non-executive Director is Mr. Liu Junchun; and the independent non-executive Directors are Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George and Mr. Li Kit Chee.

Company website: www.tysan.com