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

**FURTHER SUBSCRIPTION OF
NEW SHARES UNDER GENERAL MANDATE**

FURTHER SUBSCRIPTION OF NEW SHARES

On 5 September 2016 (after trading hours), the Company entered into the Terart Subscription Agreement with Terart and Hwabao (as trustee for and on behalf of Terart), pursuant to which the Company has conditionally agreed to allot and issue and Hwabao has conditionally agreed to, for and on behalf of and for the benefit of Terart, subscribe for the 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.

The Subscription Shares will be issued under the 2016 General Mandate and will rank *pari passu* in all respects among themselves and with the existing Shares. The Subscription Shares represent approximately 1.00% of the existing issued Shares as at the date of this announcement and approximately 0.99% of the issued Shares as enlarged by the Subscription Shares.

The gross proceeds arising from the Terart Subscription will be HK\$42,840,000 and the net proceeds arising from the Terart Subscription will amount to approximately HK\$42,540,000 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 Terart Subscription will be approximately HK\$4.05 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.

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

INTRODUCTION

On 5 September 2016 (after trading hours), the Company entered into the Terart Subscription Agreement with Terart and Hwabao (as trustee for and on behalf of Terart), pursuant to which the Company has conditionally agreed to allot and issue and Hwabao has conditionally agreed to, for and on behalf of and for the benefit of Terart, subscribe for the Subscription Shares at a price of HK\$4.08 per Subscription Share.

Set out below is a summary of the principal terms of the Terart Subscription Agreement.

TERART SUBSCRIPTION AGREEMENT

Date

5 September 2016

Issuer

The Company

Subscriber

Hwabao as trustee for and on behalf of and for the benefit of Terart.

As far as the Company is aware:

- (i) Terart is a company incorporated in the PRC, which is principally engaged in construction and decoration design; and
- (ii) Hwabao is a company established in the PRC, acting as trustee for and on behalf of and for the benefit of Terart under a QDII trust in respect of the Terart Subscription Agreement and the transactions contemplated thereunder.

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

Immediately upon Completion, each of Terart and Hwabao will not become a substantial shareholder of the Company.

Number of Subscription Shares

According to the Terart Subscription Agreement, Hwabao will subscribe for the Subscription Shares for and on behalf of and for the benefit of Terart. The Subscription Shares represent approximately 1.00% of the existing issued Shares as at the date of this announcement and approximately 0.99% of the issued Shares as enlarged by the Subscription Shares. The Subscription Shares to be subscribed under the Terart Subscription Agreement will be issued under the 2016 General Mandate. The aggregate nominal value of the Subscription Shares is HK\$1,050,000.

Ranking of the 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 Terart Subscription, the net proceeds raised per Subscription Share is approximately HK\$4.05.

The Subscription Price was determined after arm's length negotiations between the Company and Terart with reference to (i) the prevailing market price of the Shares; and (ii) the current market conditions. Accordingly, the Directors consider that the terms of the Terart Subscription Agreement 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\$42,840,000 and shall be payable in cash by Hwabao to the Company on Completion.

Conditions of the Terart Subscription

Completion will be subject to and conditional upon the following conditions:

- (a) the Listing Committee of the Stock Exchange having granted the listing approval for the listing of and permission to deal in the Subscription Shares and such approval not having been withdrawn or revoked prior to Completion; and
- (b) all other necessary approvals and consents as may be required from any Government Authorities and/or other persons, or pursuant to applicable law for the Terart Subscription, the Terart Subscription Agreement and the transactions contemplated thereunder having been obtained and not having been withdrawn or revoked prior to Completion.

If the above conditions are not fulfilled on or before 19 October 2016 (or such other date as may be agreed between parties to the Terart Subscription Agreement), the rights and obligations of the relevant parties in respect of the Terart 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

Hwabao has undertaken to the Company, and Terart has undertaken to the Company to procure Hwabao, not to sell or enter into any agreement to sell the Subscription Shares and not to impose any options, rights, interests or encumbrances on the Subscription Shares for a period of nine months after the date of the Completion (both dates inclusive).

Completion

Completion shall take place on the later of (i) the date falling 10 Business Days immediately after the date of satisfaction of the conditions precedent as stipulated in the Terart Subscription Agreement or (ii) 20 September 2016, or such other dates as may be agreed between the parties to the Terart Subscription Agreement.

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 2016 General Mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 23 August 2016. As at the date of this announcement, no new Shares have been allotted and issued under the 2016 General Mandate. The Subscription Shares will be issued under the 2016 General Mandate and is not subject to further 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 Terart Subscription Agreement		Immediately upon Completion of the Terart Subscription Agreement	
	<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	72.29	755,862,228	71.57
Public:				
Public Shareholders	40,083,744	3.83	40,083,744	3.80
Tides Holdings II	78,719,931	7.53	78,719,931	7.45
CSCEC	57,000,000	5.45	57,000,000	5.40
BCEGI	57,000,000	5.45	57,000,000	5.40
HKMC	57,000,000	5.45	57,000,000	5.40
Terart	<u>0</u>	<u>0</u>	<u>10,500,000</u>	<u>0.99</u>
Total	<u>1,045,665,903</u>	<u>100</u>	<u>1,056,165,903</u>	<u>100</u>

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities during the 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Estimated net proceeds raised	Intended use of proceeds	Actual use of proceeds
22 August 2016	Issue of new Shares under the 2015 General Mandate	Approximately HK\$697,580,000	Financing any investment opportunities when they arise and as general working capital of the Group	Not yet utilized

REASONS FOR AND BENEFITS OF THE TERART SUBSCRIPTION

The Directors consider that the Terart Subscription represents an opportunity to (i) raise capital for the Company; (ii) broaden the Company's shareholder and capital base; (iii) increase the overall liquidity of the Shares and (iv) strengthen the financial position of the Company.

The gross proceeds arising from the Terart Subscription will be HK\$42,840,000 and the net proceeds arising from the Terart Subscription will amount to approximately HK\$42,540,000 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 Terart Subscription will be approximately HK\$4.05 per Subscription Share.

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.

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

DEFINITIONS

“2015 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
“2016 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 23 August 2016 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
“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 Terart Subscription under and pursuant to the terms and conditions of the Terart Subscription Agreement
“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”	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
“Governmental Authority”	any government in Hong Kong, Bermuda, the PRC or elsewhere or political subdivision thereof, any department, agency or instrumentality of any government or political subdivision thereof; any court or arbitral tribunal; and the governing body of any securities exchange, including but not limited to the Stock Exchange
“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
“Hwabao”	華寶信託有限責任公司 (Hwabao Trust Co., Ltd.*), a company established in the PRC, acting as trustee on behalf of and for the benefit of Terart under a QDII trust in respect of the Terart Subscription Agreement and the transactions contemplated thereunder
“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
“QDII”	Qualified Domestic Institutional Investor regulated by the China Banking Regulatory Commission
“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
“Subscription Price”	HK\$4.08 per Subscription Share
“Subscription Shares”	10,500,000 new Shares
“Terart”	深圳市特藝達裝飾設計工程有限公司(Shenzhen Terart Decoration Design Engineering Co., Ltd.*), a company established in the PRC
“Terart Subscription”	the allotment and issuance by the Company and the subscription by Hwabao (for and on behalf of and for the benefit of Terart) for the Subscription Shares pursuant to the Terart Subscription Agreement
“Terart Subscription Agreement”	the conditional subscription agreement dated 5 September 2016 entered into between the Company, Terart and Hwabao in relation to the Terart Subscription
“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

* The English names of the PRC entities referred to in this announcement are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name will prevail.

Hong Kong, 5 September 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