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

ANNOUNCEMENT

**(1) PLACING OF EXISTING SHARES BY
CONTROLLING SHAREHOLDER
AND
(2) RESTORATION OF PUBLIC FLOAT**

Reference is made to the composite offer and response document dated 23 December 2013 jointly issued by the Offeror and the Company in relation to the voluntary conditional cash offer to acquire all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it). Reference is also made to the joint announcement dated 22 April 2014 issued by the Offeror and the Company in relation to, among other things, the close of the Share Offer and the waiver of public float requirement.

The Company has been informed by the Controlling Shareholder that it has entered into the Placing Agreement with the Placing Agent on 18 July 2014 for the Placing, on a best-effort basis, of 101,324,520 Placing Shares held by the Controlling Shareholder at a placing price of HK\$2.86 per Placing Share.

The 101,324,520 Placing Shares represent 11.58% of the issued share capital of the Company as at the date of this announcement. Upon completion of the Placing of 101,324,520 Placing Shares, the number of Shares held by the Controlling Shareholder will decrease from 757,323,947 Shares to 655,999,427 Shares, representing a decrease of shareholding from 86.58% to 75.00% of the existing issued share capital of the Company.

The placees and their respective ultimate beneficial owners shall not be core connected persons nor their respective close associates. None of the placees shall become a substantial shareholder of the Company immediately upon completion of the Placing.

Completion of the Placing is expected to take place on 22 July 2014 or such other date as the Controlling Shareholder and the Placing Agent may agree. A further announcement will be made upon completion of the Placing.

Following completion of the Placing of 101,324,520 Placing Shares, 218,666,476 Shares will be held in the hands of the public, representing 25% of the existing issued share capital of the Company. Accordingly, the Company shall restore the 25% minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules.

Trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 23 April 2014. The Company will make an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange once completion of the Placing has taken place and the 25% minimum public float in the Shares has been restored.

INTRODUCTION

Reference is made to the composite offer and response document dated 23 December 2013 jointly issued by Tides Holdings II Ltd. (the “**Offeror**” or “**Controlling Shareholder**”) and the Company (the “**Composite Document**”) in relation to the voluntary conditional cash offer to acquire all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it). Reference is also made to the joint announcement dated 22 April 2014 issued by the Offeror and the Company in relation to, among other things, the close of the Share Offer and the waiver of public float requirement.

Capitalised terms used in this announcement shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

PLACING OF EXISTING SHARES BY THE CONTROLLING SHAREHOLDER

Placing Agreement

The Company has been informed by the Controlling Shareholder that it has entered into a placing agreement (the “**Placing Agreement**”) with Barclays Bank PLC (the “**Placing Agent**”) on 18 July 2014 for the placing (the “**Placing**”), on a best-effort basis, of 101,324,520 Shares (the “**Placing Shares**”) held by the Controlling Shareholder at a placing price of HK\$2.86 per Placing Share.

Placing Shares

The 101,324,520 Placing Shares represent 11.58% of the issued share capital of the Company as at the date of this announcement. As at the date of this announcement, the Controlling Shareholder holds 757,323,947 Shares, representing 86.58% of the issued share capital of the Company as at the date of this announcement.

Upon completion of the Placing of 101,324,520 Placing Shares, the number of Shares held by the Controlling Shareholder will decrease from 757,323,947 Shares to 655,999,427 Shares, representing a decrease of shareholding from 86.58% to 75.00% of the existing issued share capital of the Company.

Placees

The placees and their respective ultimate beneficial owners shall not be core connected persons (as defined in the Listing Rules) nor their respective close associates (as defined in the Listing Rules). None of the placees shall become a substantial shareholder (as defined in the Listing Rules) of the Company immediately upon completion of the Placing.

Placing Price

The placing price is HK\$2.86 per Placing Share, (i) represents a discount of approximately 6.84% to the closing price of HK\$3.07 per Share as quoted on 22 April 2014, being the date of the close of the Share Offer and the last trading day of the Shares before the date of this announcement; and (ii) is equal to the offer price of the Share Offer.

Completion of the Placing

Completion of the Placing is expected to take place on 22 July 2014 or such other date as the Controlling Shareholder and the Placing Agent may agree. A further announcement will be made upon completion of the Placing.

The following is a summary of the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Placing of 101,324,520 Placing Shares:

	Shareholding as at the date of this announcement		Shareholding upon completion of the Placing	
	<i>% of</i>		<i>% of</i>	
	<i>No. of Shares</i>	<i>Shares in issue</i>	<i>No. of Shares</i>	<i>Shares in issue</i>
Controlling Shareholder	757,323,947	86.58%	655,999,427	75.00%
Public Shareholders:				
The places	—	—	101,324,520	11.58%
Other public Shareholders	<u>117,341,956</u>	<u>13.42%</u>	<u>117,341,956</u>	<u>13.42%</u>
Subtotal of public Shareholders	<u>117,341,956</u>	<u>13.42%</u>	<u>218,666,476</u>	<u>25.00%</u>
TOTAL	<u>874,665,903</u>	<u>100%</u>	<u>874,665,903</u>	<u>100%</u>

RESTORATION OF PUBLIC FLOAT

Following completion of the Placing of 101,324,520 Placing Shares, 218,666,476 Shares will be held in the hands of the public, representing 25% of the existing issued share capital of the Company. Accordingly, the Company shall restore the 25% minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules.

Trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 23 April 2014. The Company will make an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange once completion of the Placing has taken place and the 25% minimum public float in the Shares has been restored.

By order of the board of
TYSAN HOLDINGS LIMITED
Fung Chiu Chak Victor
Vice Chairman and Managing Director

Hong Kong, 18 July 2014

As at the date of this announcement, the executive Directors of the Company are Mr. Fung Chiu Chak, Victor, Mr. Chiu Chin Hung and Mr. Lau Kin Fai; the non-executive Directors of the Company are Mr. Wang Tianbing, Mr. Stuart Morrison Grant, Mr. Yang Han Hsiang, Mr. Justin Wai and Mr. Law Yiu Fat Richard; and the independent non-executive Directors of the Company are Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George and Mr. Li Kit Chee.

Company website: www.tysan.com