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TSC Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 206)

APPROVAL OF PROPOSED SPIN-OFF AND SEPARATE LISTING OF TSC OIL & GAS SERVICES ON THE NATIONAL EQUITIES EXCHANGE AND QUOTATIONS SYSTEM (NEEQ), BUSINESS RE-STRUCTURING AND FOCUS, MANAGEMENT CHANGES, RE-DESIGNATION OF DIRECTOR, AND CHANGE OF CHIEF FINANCIAL OFFICER

References are made to the announcements of TSC Group Holdings Limited (the “**Company**” or “**TSC**”) dated 9 June 2015, 23 November 2015 and 1 February 2016 respectively (the “**Announcements**”) in relation to the Potential Quotation of the shares in TSC Oil and Gas Services Holdings Ltd. (“**TSC Oil & Gas Services**”) (formerly known as “**TSC (Qingdao) Manufacture Co., Ltd**”) on NEEQ. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Announcements.

The Board is pleased to announce that TSC Oil & Gas Services recently received an agreement letter from the NEEQ. This letter signifies the approval of TSC Oil & Gas Services’ application to list on NEEQ. Once TSC Oil & Gas Services is listed, it will trade under the stock code of 837290.

The Group has decided to restructure its business into two separate business groups with immediate effect. Subsequent to the above re-structuring, there will be changes in the senior management team of the Group.

Mr. Zhang Menggui, Morgan, will be re-designated from Executive Director to Non-executive Director of the Company. He will resign as the Chief Executive Officer of the Company and will serve as the Executive Chairman of TSC Oil & Gas Services.

Mr. Chung Man Lai, Desmond will resign from the current acting CFO position for family reasons, and Mr. Lim Joo Heng, Paul will replace him as the acting CFO with effect from 2 May 2016.

References are made to the announcements of TSC Group Holdings Limited (the “**Company**” or “**TSC**”) dated 9 June 2015 and 23 November 2015 respectively (the “**Announcements**”) in relation to the Potential Quotation of the shares in TSC Oil & Gas Services on NEEQ.

Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Announcements.

TSC OIL & GAS SERVICES SUCCESSFULLY RECEIVED THE APPROVAL TO LIST ON NEEQ

The Board is pleased to announce that TSC Oil & Gas Services recently received an agreement letter from the NEEQ. This letter signifies the approval of TSC Oil & Gas Services’ application to list on NEEQ. Once TSC Oil & Gas Services is listed, it will trade under the stock code of 837290.

BUSINESS RESTRUCTURING AND MANAGEMENT CHANGES

Following the completion of the Proposed Spin-off, the Group would restructure its business into two separate business groups with immediate effect:

- a) **Offshore Business Group (“Offshore BG”)**: The Offshore BG will focus on providing solutions to the offshore oil and gas fields E&P industry. This business will fully leverage TSC’s previous experiences and expertise in offshore drilling rig solutions to expand the business from the current emphasis on “offshore drilling” to full lifecycle infrastructure solutions such as well workover and intervention (liftboats), production platforms, living quarters, plug and abandonment rigs, decommissioning platforms, offshore wind turbine installation rigs and other offshore rig applications.
- b) **Oil and Gas Field Services Business Group (“OGS BG”)**: The OGS BG will be handled by TSC Oil & Gas Services, a TSC subsidiary, which has been listed on NEEQ. The OGS BG will focus on oilfield services business, including MRO supplies, MRO services and provision of other bullseye and customized services to the E&P industry.

The rationale behind the Proposed Spin-off is to enable the two BGs to operate separately in order to establish an overall environment for both the BGs to expand and grow independently of one another. The restructure of the Group resulting in this Proposed Spin-off will result in higher efficiency and productivity management as well as to effectively optimize the use of resources and potential available at the various locations of the Group. The Spin-off also involves the reduction of personnel, raise efficiency, increase focus and turnover per employee and will result in overall cost savings. This prepares the Group as a whole to be better positioned to innovate and grow in a challenging oil price environment and will be able to achieve its long term growth potential.

CHANGES IN SENIOR MANAGEMENT TEAM AND CHANGE IN CFO

Subsequent to the above re-structuring, there will be the following changes in the senior management team of the Group:

- (a) Mr. Zhang Menggui, Morgan, (“**Mr. Zhang**”) will resign as Chief Executive Officer from the Company to serve as the executive Chairman of OGS BG. Mr. Zhang will be re-designated from Executive Director to Non-executive Director of the Company.
- (b) Mr. Chen Yunqiang (“**Mr. Chen**”), will be resign as senior vice president of the Company and will be serve as the General Manager of OGS BG.
- (c) Mr. Chung Man Lai, Desmond (“**Mr. Chung**”) will resign from his current acting chief financial officer (“**Acting CFO**”) position for family reasons, Mr. Lim Joo Heng, Paul (“**Mr. Lim**”) will replace Mr. Chung as the Acting CFO with effect from 2 May 2016.

Mr. Chung confirmed that there is no disagreement with the Board and there are no matters that need to be brought to the attention of the shareholders of the Company in relation to his resignation.

The Board would like to express its gratitude to Mr. Chung for his valuable contributions to the Company during his term of office.

- (d) The new senior management team for the Company after the re-structuring will be:

Mr. Jiang Bing Hua (“Mr. Jiang”): Executive Chairman

Mr. Jiang, aged 65, is a co-founder of the Group. He is the Executive Chairman and an Executive Director of the Company. Mr. Jiang is responsible for the Company’s overall strategy planning and business development.

Mr. Wang Yong (“Mr. Wang”): President

Mr. Wang, aged 54, will serve as the President of the Company. He is responsible for the daily operations and business activities of the Company. Mr. Wang will also serve as the President of the Offshore BG with responsibilities for the profitability of the Offshore BG.

Mr. Lim Joo Heng, Paul (“Mr. Lim”): Executive Vice President and CFO

Mr. Lim aged 60, who is a Senior Vice President of the Company and also President of the wholly-owned subsidiary, Alliance Offshore Group Ltd., a subsidiary of the Company. He will become Acting CFO of the Company until an official CFO is found, he will take over the management of financial matters of the Company.

(e) Other changes after the re-structuring:

Following are the members of the management teams for the Offshore BG and OGS BG.

OFFSHORE BG:

Mr. Wang Yong will serve as the President of Offshore BG as well as the President of the Company.

Other vice presidents for the Offshore BG include:

Mr. Wang Fudong, aged 44, who will be responsible for China Business Development and Sales.

Mr. Robert Shinfield, aged 44, who will be responsible for Europe Business Development and Sales.

Mr. Shi Zhanqi, aged 49, who will be responsible for Offshore Integrated Solution (OIS) Engineering.

Mr. Alan Chan, aged 39, who will be responsible for Offshore Integrated Solution (OIS) Sales.

Mr. Graham Comport, aged 51, who will be responsible for Offshore Integrated Solution (OIS) Project management.

Mr. Zhang Tao, aged 53, who will be responsible for Jacking Systems and Racks.

Mr. Ba Pingji, aged 51, who will be responsible for HHCT.

Mr. Wes Chain, 38, who will be responsible for Offshore Equipment (OE).

Mr. Chen Shengguang, aged 32, who will be responsible for Offshore Equipment (OE) manufacturing facilities.

Mr. Martin, Hirst, aged 45, who will be responsible for Quality Health Safety and Environment (QHSE).

Mr. Wang Xiaohui, aged 46, who will be responsible for Procurement and Logistics.

OGS BG:

Mr. Zhang Menggui, Morgan, aged 57, who will serve as the Executive Chairman of OGS BG. He will be responsible for OGS BG's overall strategy planning and business development.

Mr. Chen Yunqiang, aged 50, who will serve as the President for the OGS BG. He will be responsible for the daily operations and business activities of the OGS BG.

The other vice presidents of OGS BG after the re-structuring will be:

Mr. Zhang Mengzhen, aged 49, who will be responsible for OGS's international Business Development and operations.

Mr. Wang Ziqiang, aged 53, who will be responsible for accounting and finance.

Mr. Zhang Chunhai, aged 56, who will be responsible OGS's China Business Development and operations.

Mr. Danny Johnson, aged 45, who will be responsible for Business Development and operations in North America.

Ms. Wang Jing, Carrie, aged 38, who will be responsible for leasing and financing.

Mr. Shi Shougang, aged 41, who will be responsible for Business Development in offshore services.

The board is of the belief that the above changes will strengthen our operations teams and will have more resources allocated in the front line to support the company's strategy implementation.

PROFILES OF CERTAIN KEY SENIOR MANAGEMENT TEAM

Mr. Jiang Bing Hua is a co-founder of the Company. He obtained his bachelor's degree in offshore structure engineering from the Tianjin University (天津大學) in the PRC in 1980 and acquired his master's degree in business administration from the University of Dallas in the U.S.A. in 1993. Mr. Jiang has 42 years of experience in the oil and gas industry. Prior to founding the Company, he worked for the Sinopec group, the CNPC group and China National Offshore Oil Corporation ("CNOOC") in various positions such as driller, drilling superintendent, drilling manager, operation manager and company representative.

Mr. Wang Yong joined TSC in April 2012 as the senior Group vice president and Group chief operations officer. Prior to joining TSC, he was the general manager for Weatherford International China. In the past 14 years with Weatherford International, he held several managerial roles including global business alignment manager and business development manager. He started his career in the oil industry as a drilling engineer for CNPC after graduating from the China Petroleum University in 1982. He also spent 5 years in the China Petroleum University teaching drilling engineering courses before completing his first master's degree in petroleum engineering from the Louisiana State University in 1993. He also holds an EMBA from the China Europe International Business School.

Mr. Lim Joo Heng, Paul is a fellow of the Association of Chartered and Certified Accountants. He was previously CFO of the group from July 2009 to May 2014. He has a distinguished career in business, financial and commercial management. He began his career with KPMG as a professional accountant and has held senior management positions in several public listed companies in Malaysia. Prior to joining TSC, he held the position of VP finance at Yantai Raffles Shipyard Ltd.

Mr. Chen Yunqiang was the Group vice president and the management director of TSC Offshore China Limited. Mr. Chen studied industrial enterprise management at the Hangzhou University of Electronic Science and Technology (杭州電子科技大學). Mr. Chen joined the Company in August 2001 as a general manager of TSC-HHCT, a subsidiary of the Company, in Xi'an, China till 2005. Prior to joining the Company, Mr. Chen worked with Xi'an Petroleum Exploration Instrument Complex (西安石油勘探儀器總廠) for 14 years in various positions including assistant factory head, supervisor of electric driven production lines and manager of its sales branch for drilling rigs.

Mr. Zhang Menggui, Morgan, is a co-founder of the Company. He is the compliance officer and authorized representative of the Company, and he is the chairman of compliance committee of the Company, he is also a member of remuneration committee and nomination committee of the Company. He was the chief executive officer and an executive officer and executive Director of the Company. He obtained his bachelor's degree majoring in drilling engineering from the China University of Petroleum (中國石油大學) in 1982 and acquired his master's degree in petroleum engineering from the University of Alaska-Fairbanks in the U.S.A. in 1989 and he received an executive master's in business administration (“EMBA”) from China Europe International Business School in 2012. Mr. Zhang has 33 years of experience in the oil and gas industry. Prior to founding the Company, he worked for CNPC group in China and for Cook Inlet Region Inc. in Alaska. He is the elder brother of Mr. Zhang Mengzhen, Michael, who will re-designate as the executive vice president of OGS BG as disclosed above.

Mr. Zhang has entered into a letter of appointment with the Company for a term of 3 years commencing on 28 April 2016 subject to the retirement by rotation and re-election in accordance with the Articles of Association, unless and until terminated by not less than 3 months' prior notice in writing served by either party on the other. The director's fee of Mr. Zhang is HK\$120,000 per annum which is fixed with reference to his responsibilities and duties within the Group as well as the prevailing market conditions. The Company has no obligation to pay Mr. Zhang compensation when his appointment terminates.

As at the date of this announcement, Mr. Zhang is interested in a total of 124,702,200 Shares, representing approximately 17.64% of the entire issued share capital of the Company of which 120,046,200 Shares are held by Global Energy Investors, LLC, a company which is equally owned by Mr. Zhang and Mr. Jiang Bing Hua, an executive Director; and 4,656,000 Shares are personally held by Mr. Zhang, within the meaning of Part XV of the SFO. Mr. Zhang is a director of Oxford Asia Investments Limited, Richie Tunnel Corp., Classic Price Inc., Thousand Code Limited, TSC Product Development Limited, Top Sino Industrial Limited, Center Mark International Limited, TSC Manufacturing and Supply LLC., TSC Offshore Corporation, Petro Equip Leaders Limited, TSC Tech Investment Limited, TSC International Enterprises Limited, TSC Investment Corporation Limited, TSC Offshore (UK) Limited, TSC Offshore Pte. Limited, Alliance Offshore Group Limited, TSC Malta Limited, TSC United Limited and TSC Oil & Gas Services, all being subsidiaries of the Company.

Save as disclosed, Mr. Zhang does not have any relationships with any Directors, senior management, or substantial or controlling shareholders of the Company nor does he hold other positions in the Company.

Mr. Zhang has confirmed that there is no other information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2) (h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to his re-designation that need to be brought to the attention of the Shareholders.

Shareholders and potential investors of the Company are advised to exercise caution when dealing or intending to deal in the shares of the Company.

By order of the Board
TSC Group Holdings Limited
Jiang Bing Hua
Executive Chairman

As of the date of this announcement, the Board comprises 1 executive Director, namely Mr. Jiang Bing Hua; 4 non-executive Directors, namely Mr. Zhang Menggui, Morgan, Mr. Jiang Longsheng, Mr. Brian Chang and Mr. Yu Yuqun; and 4 independent non-executive Directors, namely Mr. Chan Ngai Sang, Kenny, Mr. Bian Junjiang, Mr. Guan Zhichuan and Mr. Robert William Fogal Jr.

Hong Kong, 28 April 2016