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TSC Group Holdings Limited

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 206)

(1) ISSUE AND SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE; AND (2) APPLICATION FOR WHITEWASH WAIVER

Financial Adviser to the Subscriber



長城環亞融資有限公司

GREAT WALL PAN ASIA CORPORATE FINANCE LIMITED

THE SUBSCRIPTION

On 14 December 2017 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber. Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue to the Subscriber or the Subscriber Nominee, and the Subscriber has conditionally agreed to subscribe for, or nominate the Subscriber Nominee to subscribe for, at Completion, 765,186,000 Subscription Shares (representing approximately 108.21% of the issued share capital of the Company as at the date of this announcement, approximately 51.97% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares, and approximately 51.00% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares and the exercise in full of all the outstanding Share Options at the Subscription Price of HK\$512,674,620, being HK\$0.67 per Subscription Share.

* For identification purpose only

Completion shall be conditional upon the completion conditions as described in the sub-section headed “Conditions of the Subscription” in this announcement.

The Company will allot and issue the Subscription Shares under a specific mandate to be approved by the Independent Shareholders at the EGM by an ordinary resolution.

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Neither the Subscriber nor any parties acting in concert with it has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company during the six months prior to the date of this announcement, and, save for the 92,800,000 Shares held by CIMC (HK), representing approximately 13.12% of the issued share capital of the Company as at the date of this announcement none of them is interested in any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

USE OF PROCEEDS

The gross proceeds from the Subscription is expected to amount to approximately HK\$512.67 million. The Company’s intended use of such proceeds is set out in the section headed “Use of Proceeds” in this announcement.

APPLICATION FOR WHITEWASH WAIVER

Immediately upon Completion, assuming there is no other change in the issued share capital of the Company, the Subscriber (together with parties acting in concert with it (as defined in the Takeovers Code)) will be interested in 857,986,000 Shares, representing approximately 121.34% of the issued share capital of the Company as at the date of this announcement, approximately 58.27% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares and approximately 57.19% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares and the exercise in full of all the outstanding Share Options. Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it, unless the Whitewash Waiver is obtained from the Executive. An application will be made by the Subscriber to the Executive for the Whitewash Waiver in respect of the allotment and issuance of the Subscription Shares.

The Whitewash Waiver, if granted by the Executive, and the Subscription will be subject to approval by the Independent Shareholders at the EGM by way of a poll. In accordance with the Listing Rules and Takeovers Code, CIMC (HK) and Shareholders who are (i) the Subscriber or its associates; (ii) any parties acting in concert with the Subscriber; (iii) parties involved or interested in the Subscription or the Whitewash Waiver and the executive Directors who participated in negotiations with the Subscriber of the terms of the Subscription, namely Mr. Jiang Bing Hua and Mr. Zhang Menggui, Morgan, and the corporate shareholder that they are interested in, i.e. Global Energy Investor, LLC., are required to abstain from voting at the EGM. Save for Mr. Jiang Bing Hua and Mr. Zhang Menggui, Morgan, no other Directors were involved or interested in the Subscription or the Whitewash Waiver.

It is a condition precedent to Completion that the Whitewash Waiver is granted by the Executive. If the Whitewash Waiver is not granted by the Executive or if the conditions (if any) imposed thereon are not fulfilled, the Subscription will not proceed.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been formed pursuant to Rule 2.8 of the Takeovers Code to advise the Independent Shareholders in relation to the Subscription and the Whitewash Waiver. Lego Corporate Finance Limited has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Independent Board Committee will formulate its views with respect to the terms of the Subscription and the Whitewash Waiver after obtaining and considering the advice of the Independent Financial Adviser. The advice of the Independent Board Committee and the Independent Financial Adviser and other relevant information will be set out in the circular.

GENERAL

A circular containing, among other things, (i) details of the Subscription and the Whitewash Waiver; (ii) the letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; and (iv) a notice convening the EGM will be despatched to the Shareholders within 21 days of the date of this announcement and in compliance with the requirements of the Listing Rules and the Takeovers Code.

The resolutions in relation to the Subscription Agreement and the Whitewash Waiver at the EGM will be voted on by the Independent Shareholders by way of a poll.

Warning: The Subscription is subject to the fulfilment or waiver (as the case may be) of a number of Conditions set out under the section headed “Conditions of the Subscription” in this announcement, including approval by the Independent Shareholders at the EGM for the Subscription and the Whitewash Waiver, and the granting of the Whitewash Waiver by the Executive. As such, the Subscription may or may not proceed.

Shareholders, Share Option holders, and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

This announcement made by the Company pursuant to the Takeovers Code, Rule 13.09 of the Listing Rules and the inside information provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 14 December 2017 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber. A summary of the principal terms of the Subscription Agreement is set out below.

SUBSCRIPTION AGREEMENT

Date: 14 December 2017 (after trading hours)

Parties

- (i) The Company, as issuer; and
- (ii) China Merchants & Great Wall Ocean Strategy & Technology Fund (L.P.), as Subscriber.

Save for the 92,800,000 Shares held by CIMC (HK), representing approximately 13.12% of the issued share capital of the Company as at the date of this announcement, (i) the Subscriber and its ultimate beneficial owner are independent of, not connected with and not acting in concert with any of the Directors, the chief executives or the substantial Shareholders of the Company or its subsidiaries or any of their respective associates; and (ii) as at the date of this announcement, the Subscriber and its concert parties do not hold any existing Shares.

The Subscription

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue to the Subscriber (or a company wholly owned by the Subscriber as may be nominated by the Subscriber by giving not less than one Business Day's prior notice to the Company (the "**Subscriber Nominee**")), before the latest practicable date of the circular of the Company convening the general meeting for approving, among others, the Whitewash Waiver and the Subscriber has conditionally agreed to subscribe for or nominate the Subscriber Nominee to subscribe for, at Completion, 765,186,000 Subscription Shares (representing approximately 108.21% of the issued share capital of the Company as at the date of this announcement, approximately 51.97% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares and approximately 51.00% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares and the exercise in full of all the outstanding Share Options) at the Subscription Price of HK\$512,674,620, being HK\$0.67 per Subscription Share. The Subscriber, together with parties acting in concert with it, including CIMC (HK), will be interested in 857,986,000 Shares at the date of the announcement and which is approximately 58.27% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares. The Subscriber Nominee will be formed prior to the despatch of the circular to be despatched by the Company to the Shareholders.

The effect on the changes in the Company's shareholding structure immediately upon the allotment and issuance of the Subscription shares at Completion is set out in the section headed "Effect of the Subscription on the Shareholding Structure of the Company" in this announcement.

Completion shall be conditional upon the completion conditions as described in the sub-section headed "Conditions of the Subscription".

The Company will allot and issue the Subscription Shares under a specific mandate to be approved by the Independent Shareholders at the EGM by an ordinary resolution.

The Subscription Shares, when issued and fully paid, will rank equally in all respects among themselves and with all other Shares in issue as at the date of their allotment and issue. The Subscriber (or the Subscriber Nominee) will be entitled to receive all dividends and distributions which are declared, made or paid after the date of allotment of the Subscription Shares in their fully-paid form. Each Subscription Share is an ordinary share.

The Subscription Price

The aggregate amount of the consideration for the Subscription Shares is HK\$512,674,620, which shall be payable by the Subscriber or the Subscriber Nominee in cash at Completion by telegraphic transfer payable to the Company on the Completion Date.

The Subscription Price being HK\$0.67 per Subscription Share represents:

- (i) a discount of approximately 30.21% to the closing price of HK\$0.960 per Share as quoted on the Stock Exchange on 14 December 2017, being the Last Trading Day;
- (ii) a discount of approximately 21.18% to the average of the closing prices per Share of approximately HK\$0.850 for the last five (5) trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iii) a discount of approximately 19.28% to the average of the closing prices per Share of approximately HK\$0.830 for the last ten (10) trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iv) a discount of approximately 17.89% to the average of the closing prices per Share of approximately HK\$0.816 for the last thirty (30) trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (v) a discount of approximately 9.34% to the average of the closing prices per Share of approximately HK\$0.739 for the last 90 trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (vi) a discount of approximately 34.95% to the consolidated unaudited net asset value per Share of approximately US\$0.132 (equivalent to approximately HK\$1.03) (calculated by dividing the unaudited net asset value as at 30 June 2017 as shown in the interim report of the Company for the six months ended 30 June 2017 of approximately US\$93,348,000 divided by 707,120,204 Shares in issue as at the date of this announcement); and
- (vii) a discount of approximately 36.79% to the consolidated net asset value per Share of approximately US\$0.136 (equivalent to approximately HK\$1.06) (calculated by dividing the audited net asset value as at 31 December 2016 as shown in the annual report of the Company for the year ended 31 December 2016 of approximately US\$96,074,000 divided by 707,120,204 Shares in issue as at 31 December 2016).

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber, where the Company has taken into consideration the following factors:

(i) the audited financial information of the Company for the year ended 31 December 2016, in particular:

- for the year ended 31 December 2016, the Group generated a loss of approximately US\$111.6 million;
- the Group did not generate any net cash from its operating activities for the year ended 31 December 2016; and
- as of 31 December 2016, the Group had bank balances and cash of only approximately US\$10.0 million and pledged bank deposits of approximately US\$1.5 million;

(ii) the unaudited financial information of the Company for the six months ended 30 June 2017, in particular:

- for the six months ended 30 June 2017, the Group generated a loss of approximately US\$3.7 million;
- the Group did not generate any net cash from its operating activities for the six months ended 30 June 2017; and
- as of 30 June 2017, the Group had bank balances and cash of only approximately US\$12.1 million and pledged bank deposits of approximately US\$1.9 million;

(iii) the Subscription is a valuable opportunity for the Group to bring in a solid strategic investor namely the Subscriber, whose general partner is the Fund GP (a company jointly held by CM Group indirectly as to an aggregate of 75% and GW Asset Management indirectly as to 25%). The Subscriber is primarily focused on making investments in the marine industry. As informed by the Subscriber, subject to further review on the Group's business performance and financial position, the Subscriber plans to seek for new investment opportunities for the Group after Completion, which is expected to enhance the business mix, business network, growth prospects, capital structure, financing capability, branding and business profile of the Group; and

- (iv) through the Subscription, the Company will raise a substantial amount of additional funds which will improve the financial position and liquidity of the Group and provide the Company with the financial flexibility necessary for the expansion of the Group's existing business and the capability to capture any prospective acquisition opportunities as and when they arise.

In light of the factors set out above, the Directors (excluding the members of the Independent Board Committee who will express their opinion to be disclosed in the circular after considering the advice of the Independent Financial Adviser as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver) consider that the basis in determining of the Subscription Price is fair and reasonable and the entering into of the Subscription Agreement is in the best interests of the Company and the Shareholders as a whole.

Conditions of the Subscription

Completion is conditional upon satisfaction (or waiver) of the following Conditions:

- (i) the obtaining of all necessary approval by the Independent Shareholders at the EGM as required by the Listing Rules to approve the allotment and issuance of the Subscription Shares to the Subscriber or the Subscriber Nominee;
- (ii) the obtaining of all necessary approvals by the Independent Shareholders at the EGM as required by the Takeovers Code for the Whitewash Waiver;
- (iii) the SFC granting the Whitewash Waiver to the Subscriber and the Whitewash Waiver remaining valid;
- (iv) the Listing Committee of the Stock Exchange having granted the approval (either unconditionally or subject only to conditions to which neither the Company nor the Subscriber reasonably objects) for the listing of and permission to deal in the Subscription Shares, and such approval not having been revoked or withdrawn prior to the Completion;
- (v) the Subscriber having notified the Company in writing that it is satisfied, in its absolute discretion, with the results of the due diligence review conducted or to be conducted on the Group and its business and operations (including but not limited to the financials, corporate information, taxation, business, operations and assets of each member of the Group);

- (vi) each of the warranties of the Company under the Subscription Agreement remaining true, complete and accurate and not misleading at the Completion as if repeated at the Completion and at all times between the date of the Subscription Agreement and the Completion;
- (vii) the Company having duly performed and observed all of the obligations, undertakings, covenants and agreements required to be performed and observed by it prior to the Completion under the Subscription Agreement;
- (viii) there having been no material adverse changes prior to the Completion;
- (ix) each of the Subscriber's warranties under the Subscription Agreement remaining true, complete and accurate and not misleading at the Completion as if repeated at the Completion and at all times between the date of the Subscription Agreement and the Completion; and
- (x) the Company having made filings with the relevant PRC regulatory authorities regarding:
 - (i) the alteration of capital increase in Qingdao TSC Offshore Equipment Co., Ltd. (青島天時海洋石油裝備有限公司), an indirect wholly owned subsidiary of the Company, to the satisfaction of the Subscriber;
 - (ii) the registration of supervisor and supervising committee of TSC-HHCT (Xi'an) Control Technologies Limited* (海爾海斯(西安)控制技術有限公司), an indirect wholly owned subsidiary of the Company; and
 - (iii) the amendment of owner of the patent held with TSC Oil and Gas Services Holdings Ltd* (青島天時油氣裝備服務股份有限公司), an indirect wholly owned subsidiary of the Company, to the satisfaction of the Subscriber.

The Subscriber may at any time by notice in writing to the Company waive all or any of the Conditions (save for those set out in (i) to (iv) and (ix)) above. The Company may at any time by notice in writing to the Subscriber waive the Condition (ix) above. The Conditions set out in (i) to (iv) are not waivable by any party. Hence, among other things, if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders at the EGM, the Subscription will not proceed.

As at the date of this announcement, the conditions set out above are ongoing and none of them have been satisfied.

Warning: The Subscription is subject to the fulfilment or waiver (as the case may be) of a number of Conditions set out under the section headed “Conditions of the Subscription” in this announcement, including approval by the Independent Shareholders at the EGM for the Subscription and the Whitewash Waiver, and the granting of the Whitewash Waiver by the Executive. As such, the Subscription may or may not proceed.

Shareholders, Share Options holders, and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

Completion

Completion will take place on the third Business Day after all of the Conditions have been fulfilled or waived, or on such later date as the Subscriber and the Company may agree.

Proposed change to the Board Composition

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Jiang Bing Hua, Mr. Zhang Menggui, Morgan and Mr. Wang Yong; three non-executive Directors, namely Mr. Jiang Longsheng, Mr. Brian Chang and Mr. Wang Jianzhong; and three independent non-executive Directors, namely Mr. Chan Ngai Sang, Kenny, Mr. Guan Zhichuan and Dr. Lu Xiaoming.

With effect from Completion, it is expected that the Board shall continue to consist of nine Directors, comprising:

- (i) four executive Directors, two of which are existing executive Directors and two of which are persons nominated by the Subscriber;
- (ii) two non-executive Directors, one of which is an existing non-executive Director and one of which is a person nominated by the Subscriber; and
- (iii) three independent non-executive Directors.

Undertaking by Mr. Zhang Menggui, Morgan, Mr. Jiang Bing Hua and Global Energy Investors, LLC.

Pursuant to the Subscription Agreement, each of Mr. Zhang Menggui, Morgan, Mr. Jiang Bing Hua and Global Energy Investors, LLC. jointly and severally undertakes to the Subscriber that they will (i) vote as a Director (for Mr. Zhang Menggui, Morgan and Mr. Jiang Bing Hua) and (ii) vote, and Mr. Zhang Menggui, Morgan and Mr. Jiang Bing Hua will procure Global Energy Investors, LLC. to vote, as a shareholder of the Company in favour of any resolutions approving any capital that may be contributed by the Subscriber to the Company from time to time after the Completion to be used for purposes in connection with business expansion, and not to be used for repayment of any debts, provided always that they need not vote in favour of any such resolutions if such voting would be inconsistent with Mr. Zhang Menggui, Morgan's and Mr. Jiang Bing Hua's exercise of their fiduciary duties to the shareholders of the Company under applicable laws.

Lock-up

Pursuant to the Subscription Agreement, each of Mr. Zhang Menggui, Morgan, Mr. Jiang Bing Hua and Global Energy Investors, LLC. jointly and severally undertakes to the Subscriber that at any time during the period commencing on the date of the Subscription Agreement, and ending on a date which is twelve months from the Completion Date (the "**Lock-Up Period**"), he/it will not sell, dispose of or offer to sell or dispose of any Shares (or securities, options or rights convertible or exchangeable into Shares), except that each of Mr. Zhang Menggui, Morgan, Mr. Jiang Bing Hua and Global Energy Investor, LLC. may sell or dispose of, or offer for sale or disposal of, up to 20% of the Shares held by each of them respectively as of the date of the Subscription Agreement during the Lock-Up Period provided that:

- (i) during the period commencing on the date of the Subscription Agreement and ending on the date immediately preceding the Completion, they have obtained the prior written consent of the Subscriber which can be withheld by the Subscriber in its sole and absolute discretion; and
- (ii) during the period commencing on the date of the Completion and ending on a date which is twelve months from the date of Completion, they have obtained the prior written consent of the board of Directors of the Company which can be withheld by the board of Directors of the Company in its sole and absolute discretion.

Apart from the Subscription Agreement, there is no other understanding, arrangement or agreement between Global Energy Investors, LLC., Mr. Zhang Menggui, Morgan and Mr. Jiang Bing Hua on the one hand and the Company or the Subscriber on the other.

EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has a total of 707,120,204 Shares and existing Share Options entitling the holders thereof to subscribe for a total of 28,058,000 Shares, representing 3.97% of the issued share capital of the Company. Save for the above, the Company does not have any other Shares, outstanding warrants, options, derivatives or other securities carrying conversion or subscription rights into Shares.

The following table illustrates the shareholding structure of the Company:

- (i) as at the date of this announcement;
- (ii) immediately upon Completion, assuming there is no other change in the issued share capital of the Company other than the issuance of the Subscription Shares; and
- (iii) immediately upon Completion, assuming that all the outstanding Share Options had been exercised.

Name of Shareholder	(i) At the date of this announcement		(ii) Immediately upon Completion and assuming no other change in the issued share capital of the Company other than the issuance of the Subscription Shares		(iii) Immediately upon Completion and assuming all the outstanding Share Options had been exercised	
	No. of Shares	Approx %	No. of Shares	Approx %	No. of Shares	Approx %
The Subscriber and parties acting in concert with it						
The Subscriber	–	–	765,186,000	51.97	765,186,000	51.00
CIMC (HK) (Note 1)	92,800,000	13.12	92,800,000	6.30	92,800,000	6.19
Sub-total	92,800,000	13.12	857,986,000	58.27	857,986,000	57.19
Global Energy Investor, LLC. (Note 2)	120,046,200	16.98	120,046,200	8.15	120,046,200	8.00
Mr. Zhang Menggui, Morgan (Note 2)	4,656,000	0.66	4,656,000	0.32	4,656,000	0.31
Mr. Jiang Bing Hua (Note 2)	4,656,000	0.66	4,656,000	0.32	4,656,000	0.31
Mr. Jiang Longsheng (Note 3)	–	–	–	–	400,000	0.03
Mr. Chan Ngai Sang, Kenny (Note 3)	500,000	0.07	500,000	0.03	500,000	0.03
Mr. Guan Zhichuan (Note 3)	300,000	0.04	300,000	0.02	300,000	0.02
Mr. Bian Junjiang (Note 3)	–	–	–	–	350,000	0.02
Mr. Wang Yong (Note 3)	–	–	–	–	3,000,000	0.20
Windmere International Limited (Note 4)	66,072,800	9.34	66,072,800	4.49	66,072,800	4.40
Harmony Master Fund (Note 5)	70,687,800	10.00	70,687,800	4.80	70,687,800	4.71
Other public shareholders (Note 6)	347,401,404	49.13	347,401,404	23.60	371,709,404	24.77
Total	707,120,204	100.00	1,472,306,204	100.00	1,500,364,204	100.00

Notes:

1. CIMC (HK) is the beneficial owner of 92,800,000 Shares. CIMC (HK) is a wholly-owned subsidiary of CIMC (Group). CM Industry indirectly, through two wholly owned subsidiaries, holds approximately 24.5% of the total issued shares in CIMC (Group). CM Industry is a limited partner of the Subscriber holding 37.5% limited partnership interest in the Subscriber. CM Industry also holds 30% of equity interest in Fund GP.
2. As at the date of this announcement, Global Energy Investors, LLC. is the beneficial owner of 120,046,200 Shares. The entire share capital of Global Energy Investors, LLC. is beneficially owned as to 50% each by Mr. Zhang Menggui, Morgan, an executive Director and Mr. Jiang Bing Hua, an executive Director and Executive Chairman. Accordingly, both Mr. Zhang Menggui, Morgan and Mr. Jiang Bing Hua are deemed to be interested in the 120,046,200 Shares beneficially owned by Global Energy Investors, LLC. under Part XV of the SFO. Each of Mr. Zhang Menggui, Morgan and Mr. Jiang Bing Hua is personally interested in 4,656,000 Shares.
3. Mr. Wang Yong, an executive Director, holds 3,000,000 Share Options. Mr. Jiang Longsheng, a non-executive Director, holds 400,000 Share Options. Mr. Chan Ngai Sang, Kenny and Mr. Guan Zichuan are independent non-executive Directors. Mr. Bian Junjiang is the former independent non-executive Director, who has resigned on 25 May 2017 and holds 350,000 Share Options.
4. As at the date of this announcement, Mr. Brian Chang, a non-executive Director, indirectly holds 66,072,800 Shares through Windmere International Limited which is his wholly-owned company.
5. Harmony Master Fund (“**Harmony Fund**”) is a long-only equity fund registered in Cayman Islands. Harmony Fund is managed by DM Fund Management Limited, a company registered in Cayman Islands and of its sole shareholder is DM Capital Limited, a company incorporated in British Virgin Islands. DM Capital Limited is held by four individuals, namely Lixin Zheng, Zhixin Wang, Jun Li and Hangbing Zhou, who are independent third parties of the Company. Harmony Fund primarily holds long equity positions in small capitalization stocks that derive a majority of their revenues within the Greater China region. Harmony Fund will be counted as a public Shareholder upon Completion.
6. The other public Shareholders including the employees hold 24,308,000 Share Options.

7. The details of the outstanding Share Options as at the date of this announcement are as follows:

Date of Grant	Exercisable Period	Exercise price per share (HK\$)	Balance as at the date of this announcement
15 January 2008	15 January 2008 to 14 January 2018	5.23	1,000,000
12 August 2008	12 August 2008 to 11 August 2018	2.32	1,700,000
29 December 2008	29 December 2008 to 28 December 2018	0.54	1,730,000
18 September 2009	18 September 2009 to 17 September 2019	2.06	7,288,000
1 September 2010	1 September 2010 to 31 August 2020	1.27	2,320,000
4 September 2012	4 September 2012 to 3 September 2022	1.02	7,065,000
30 August 2013	30 August 2013 to 29 August 2023	2.90	4,105,000
2 September 2014	2 September 2014 to 1 September 2024	4.16	2,250,000
24 December 2014	24 December 2014 to 23 December 2024	2.11	600,000

8. The Company adopted a share award plan (“**Share Award Plan**”) on 16 January 2015 and a share award incentive scheme (“**Share Award Incentive Scheme**”) on 27 May 2016. Pursuant to the Share Award Incentive Scheme, the Company can grant awards of new Shares of not more than 3% of the total number of issued Shares as at the adoption date of Share Award Incentive Scheme (i.e. 21,213,606 new Shares). For details of the Share Award Plan, please refer to the Company’s announcement dated 16 January 2015. Regarding the Share Award Incentive Scheme, please refer to the Company’s announcement dated 7 April 2016 and the Company’s circular dated 8 April 2016. No awards have been granted as at the date of this announcement.
9. Certain figures and percentage figures included in the above table have been subject to rounding adjustments.

INFORMATION ON THE GROUP

The Group is principally engaged in developing, manufacturing, marketing, installing and servicing a comprehensive line of products for the onshore and offshore oil and gas exploration and production and decommissioning industries.

INFORMATION ON THE SUBSCRIBER

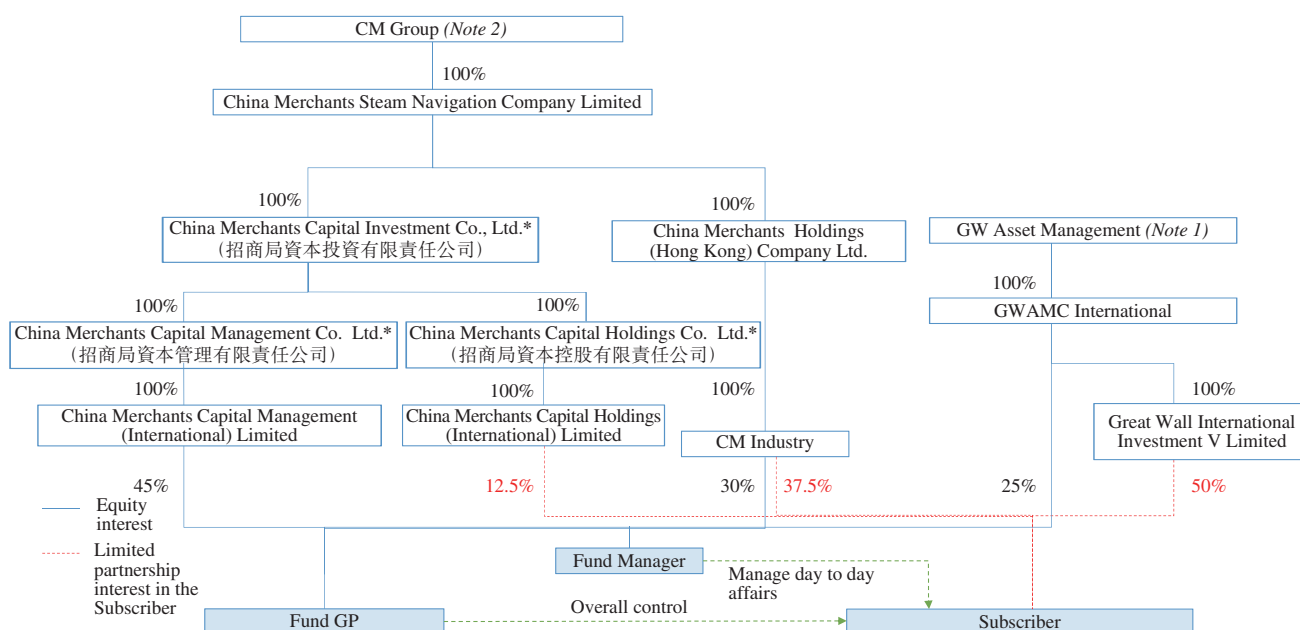
The Subscriber is a Cayman Islands exempted limited partnership fund.

The Subscriber's general partner is the Fund GP, a Cayman Islands exempted company. CM Group holds indirectly, in aggregate, 75% of equity interest in Fund GP. GW Asset Management holds indirectly the remaining 25% of equity interest in Fund GP.

The Subscriber's limited partners are China Merchants Capital Holdings (International) Limited, CM Industry and Great Wall International Investment V Limited, each holding 12.5%, 37.5% and 50% of limited partnership interest in the Subscriber, respectively. CM Group is the indirect holding company of and holding 100% in each of China Merchants Capital Holdings (International) Limited and CM Industry. Through GWAMC International, GW Asset Management is the indirect holding company of and holding 100% equity interest in Great Wall International Investment V Limited. As such, CM Group and GW Asset Management each indirectly holds 50% of limited partnership interests in the Subscriber.

The Fund Manager is the management company of the Subscriber. CM Group and GW Asset Management hold indirectly, in aggregate, 75% and 25% of equity interest in Fund Manager, respectively. The Fund Manager is responsible for managing the day-to-day affairs of the Subscriber, while the overall control of the Subscriber is vested exclusively in the Fund GP, which is indirectly controlled by CM Group.

The following chart depicts the corporate structure of the Subscriber:



Note 1: The ultimate beneficial shareholders of GW Asset Management are Ministry of Finance of the People’s Republic of China, National Council for Social Security Fund of the People’s Republic of China and China Life Insurance (Group) Company, each holding 97%, 2% and 1% of equity interest, respectively.

Note 2: CM Group is wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China.

The Subscriber is primarily focused on making investments in the marine industry including, but not limited to, existing or future equipment of CM Group or its affiliates, up and down streams of offshore oil and gas production chains, automated manufacturing, logistics, marine technology research centres, marine industrial real assets and other frontier or profitable marine technology sectors.

Save for the 92,800,000 Shares held by CIMC (HK), which is indirectly held by CM Group through its subsidiaries including CM Industry, representing approximately 13.12% of the issued share capital of the Company as at the date of this announcement, (i) the Subscriber and its ultimate beneficial owners are parties independent of the Company and the connected persons (as defined under the Listing Rules) of the Company; and (ii) before the Completion, the Subscriber and parties acting in concert with it do not have any interest in the Company.

DEALING AND INTEREST OF THE SUBSCRIBER AND PARTIES ACTING IN CONCERT WITH IT IN THE SECURITIES OF THE COMPANY

As at the date of this announcement, save for the Subscription:

- (i) save for the 92,800,000 Shares held by CIMC (HK), which is indirectly held by CM Group through its subsidiaries including CM Industry, representing approximately 13.12% of the issued share capital of the Company as at the date of this announcement, the Subscriber and parties acting in concert with it do not hold, control or have direction over any Shares and right over Shares, outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (ii) the Subscriber and parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (iii) there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Subscriber, which might be material to the Subscription and/or the Whitewash Waiver, with any other persons;
- (iv) there is no agreement or arrangement to which the Subscriber is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Subscription and/or the Whitewash Waiver;
- (v) none of the Subscriber or any party acting in concert with it have received any irrevocable commitment to vote for or against the Subscription or the Whitewash Waiver; and
- (vi) neither the Subscriber nor any parties acting in concert with it, has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares, during the six months prior to the date of this announcement.

CONFIRMATION OF NO DISQUALIFYING TRANSACTIONS

Except for entering into the Subscription Agreement, neither the Subscriber nor any party acting in concert with it has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company during the six months prior to the date of this announcement, and, save for 92,800,000 Shares held by CIMC (HK), which is indirectly held by CM Group through its subsidiaries including CM Industry, representing approximately 13.12% of the issued share capital of the Company as at the date of this announcement, none of them is interested in any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

FUTURE INTENTIONS OF THE SUBSCRIBER REGARDING THE GROUP

The Directors were informed by the Subscriber that, upon obtaining control of the Company, the Subscriber intends that the Company's existing principal activities will be maintained, and at the same time after completion of the Subscription, the Subscriber will assist the Company in reviewing its business and operations, developing its existing business and seeking for new investment opportunities. In this regard, the Subscriber may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

Save for the Subscriber's intention regarding the Group as set out above and subject to the review on existing business and operations, the Subscriber has no current intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. Save for the proposed change as mentioned in the section headed "Proposed change to the Board Composition", the Subscriber will, depending on the business operations and development of the Group in the future, review the composition of the Board and senior management. Any changes to the Board composition will be made in the best interests of the Group and the Shareholders as a whole and in compliance with the Takeovers Code and the Listing Rules. However, the Subscriber reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors (excluding the members of the Independent Board Committee who will express their opinion to be disclosed in the circular after considering the advice of the Independent Financial Adviser as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver) are of the view that:

- (i) the Subscriber is primarily focused on making investments in the marine industry and its general partner, the Fund GP, is indirectly held by CM Group as to 75% and GW Asset Management as to 25%. The Subscription represents a valuable opportunity for the Group to bring in a strategic investor, CM Group, with extensive expertise and business network in its own industries, including construction and installation of offshore production equipment, to develop the existing businesses and to broaden the income streams for the Group. It also represents a good opportunity to introduce valuable investment opportunities to the Company which will be beneficial to the Company and the Shareholders as a whole in the long term;
- (ii) the Subscription will enlarge the shareholder base and significantly strengthen the shareholder profile of the Company by introducing a reputable investor, namely, the Subscriber, which is controlled by the Fund GP. The Fund GP is indirectly controlled by the CM Group, which is a leading state-owned conglomerate with three business platforms of industry, finance, capital investment and operating;
- (iii) the Subscription will raise a substantial amount of additional funds for the Company;
- (iv) the Subscription will improve the financial position and liquidity of the Group;
- (v) the Subscription will provide the Group with the needed management capability and resources, and financial flexibility for future business development and capturing prospective investment opportunities when they arise; and
- (vi) the Subscription represents a good opportunity to introduce valuable investment opportunities to the Company which will be beneficial to the Company and the Shareholders as a whole in the long term. CM Group has a mature market network and rich experience in maritime trade and industry. It is expected that the Company will be able to benefit from the investment opportunities available to CM Group as the Subscriber becomes the Shareholder.

In light of the factors set out above, the Directors (excluding the members of the Independent Board Committee who will express their opinion as to be disclosed in the circular after considering the advice of the Independent Financial Adviser as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver) consider that the terms of the Subscription are fair and reasonable and on normal commercial terms and the entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds from the Subscription is expected to amount to approximately HK\$512,674,620. The net proceeds, after taking into account the estimated expenses in relation to the Subscriptions, would be approximately HK\$505,069,620, representing a net price of approximately HK\$0.66 per Subscription Share.

It is intended that the net proceeds from the Subscription will be used to (i) the repayment of a portion of the existing debts of the Group; (ii) expansion of the Group's existing business and/or potential acquisition to be decided by the board of Directors after Completion; and (iii) the remainder will be used as general working capital of the Group.

The Company confirms that none of the creditors to be paid are shareholders of the Company.

FUND RAISING EXERCISE FOR THE PAST 12 MONTHS PERIOD IMMEDIATELY BEFORE THE DATE OF THIS ANNOUNCEMENT

Save for the Subscription, the Company did not undertake any equity fund raising exercise in the past 12 months immediately prior to the date of this announcement.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND THE APPLICATION FOR WHITEWASH WAIVER

Immediately after Completion, assuming there is no other change in the issued share capital of the Company, the Subscriber (together with parties acting in concert with it (as defined in the Takeovers Code)) will be interested in 857,986,000 Shares, representing approximately 121.34% of the issued share capital of the Company as at the date of this announcement, approximately 58.27% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares and approximately 57.19% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares and the exercise in full of all the outstanding Share Options. Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned

or agreed to be acquired by the Subscriber and parties acting in concert with it, unless the Whitewash Waiver is obtained from the Executive. An application will be made by the Subscriber to the Executive for the Whitewash Waiver in respect of the allotment and issuance of the Subscription Shares.

The Whitewash Waiver, if granted by the Executive, will be subject to approval by the Independent Shareholders at the EGM by way of a poll. In accordance with the Listing Rules and Takeovers Code, CIMC (HK) and Shareholders who are (i) the Subscriber or its associates; (ii) any parties acting in concert with the Subscriber; (iii) parties involved or interested in the Subscription or the Whitewash Waiver, as well as the executive Directors who participated in extensive negotiations with the Subscriber of the terms of the Subscription, namely Mr. Jiang Bing Hua and Mr. Zhang Menggui, Morgan and the corporate shareholder that they are interested in, i.e. Global Energy Investor, LLC., are required to abstain from voting at the EGM.

If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Subscription will not proceed.

None of the Subscriber and parties acting in concert with it has dealt in the relevant securities (as defined under Note 4 to Rule 22 under Takeovers Code) of the Company in the six months prior to the date of this announcement.

As at the date of this announcement, the Company does not believe that the proposed Subscription gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular. The Company notes that the Executive may not grant the Whitewash Waiver if the proposed Subscription does not comply with other applicable rules and regulations.

If the Whitewash Waiver is approved by the Independent Shareholders and Completion occurs, the aggregate shareholding of the Subscriber and parties acting in concert with it in the Company will exceed 50%. The Subscriber may further increase its shareholding in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been formed pursuant to Rule 2.8 of the Takeovers Code, comprising all non-executive Directors, namely Mr. Jiang Longsheng, Mr. Brian Chang, Mr. Chan Ngai Sang, Kenny, Mr. Guan Zhichuan and Dr. Lu Xiaoming, except for Mr. Wang Jianzhong, to advise the Independent Shareholders in relation to the Subscription and the Whitewash Waiver. Mr. Wang Jianzhong, a non-executive Director, who is the president of CIMC Raffles Offshore (Singapore) Limited, an indirect subsidiary of CIMC (Group). CM Industry indirectly, through two wholly owned subsidiaries, holds approximately 24.5% of the total issued shares in CIMC (Group). CM Industry is a limited partner of the Fund holding 37.5% limited partnership interest in the Subscriber. CM Industry also directly holds 30% of equity interest in Fund GP. CM Group is the ultimate holding company holding 100% of equity interest in CM Industry. Thus, to avoid any potential conflict of interest, Mr. Wang Jianzhong will not be a member of the Independent Board Committee.

Lego Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver. Such appointment has been approved by the Independent Board Committee.

The letter of advice from the Independent Financial Adviser will be included in the circular to be despatched by the Company to the Shareholders in due course. The Independent Board Committee will formulate its views with respect to the terms of the Subscription and the Whitewash Waiver and make a recommendation on voting after obtaining and considering the advice of the Independent Financial Adviser. The advice of the Independent Board Committee and the Independent Financial Adviser and other relevant information will be set out in the circular.

GENERAL

The EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things: (i) the execution, delivery and performance of the Subscription Agreement; (ii) the allotment and issuance of the Subscription Shares in accordance with the Subscription Agreement; (iii) the specific mandate under which the Subscription Shares will be issued; and (iv) the Whitewash Waiver.

A circular containing, among other things, (i) details of the Subscription and the Whitewash Waiver; (ii) the letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; and (iv) a notice convening the EGM will be despatched to the Shareholders within 21 days of the date of this announcement and in compliance with the requirements of the Listing Rules and the Takeovers Code.

The resolutions in relation to the Subscription Agreement and the Whitewash Waiver at the EGM will be voted on by the Independent Shareholders by way of a poll.

Save for 92,800,000 Shares held by CIMC (HK), representing approximately 13.12% of the issued share capital of the Company as at the date of this announcement, the Subscriber and parties acting in concert with it do not currently hold any Shares and accordingly will not vote on any of the resolutions at the EGM.

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

It is a condition precedent to Completion that the Whitewash Waiver is granted by the Executive. If the Whitewash Waiver is not granted by the Executive or if the conditions (if any) imposed thereon are not fulfilled, the Subscription will not proceed.

Shareholders, Share Options holders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

DEFINITIONS

“%”	per cent.
“associate(s)”	has the meaning given in the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	means a day (other than a Saturday or Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rain warning signal is hoisted in Hong Kong) on which commercial banks are open for business in Hong Kong and in the PRC
“CIMC (HK)”	China International Marine Containers (Hong Kong) Limited (中國國際海運集裝箱(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CIMC (Group), holding approximately 13.12% of the total issued share capital of the Company as at the date of this announcement
“CIMC (Group)”	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司) (stock code: 2039), a joint stock company incorporated in the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange and the H shares of which are listed on the Stock Exchange, CM Group is the indirect single largest shareholder of the CIMC (Group), holding, through its wholly owned subsidiaries, approximately 24.5% of the total issued shares in CIMC (Group)
“CM Group”	China Merchants Group Limited* (招商局集團有限公司), a company incorporated in the PRC with limited liability. It is wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China. CM Group is the ultimate holding company holding 100% of equity interest in CM Industry

“CM Industry”	China Merchants Industry Holdings Company Limited, a company incorporated in Hong Kong with limited liability and is indirectly wholly owned by CM Group
“Company”	TSC Group Holdings Limited (stock code: 206), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	means completion of the Subscription pursuant to the terms of the Subscription Agreement
“Completion Date”	means the third Business Day after all of the Conditions have been fulfilled or waived (or such later date as the parties to the Subscription Agreement may agree in writing)
“Condition(s)”	means the conditions precedent set out under the section headed “Conditions of the Subscription” in this announcement
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Directors”	members of the board of directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held to approve, among other things, the Subscription and the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Fund GP”	China Merchants Great-Wall GP Limited, an exempted company incorporated in Cayman Islands with limited liability
“Fund Manager”	China Merchants Great-Wall Capital Management Limited, an exempted company incorporated in Cayman Islands with limited liability

“Group”	the Company and each of its Subsidiaries from time to time, and “Group Company” means any one of them accordingly
“GW Asset Management”	China Great Wall Asset Management Co., Ltd., a joint stock company incorporated in the PRC with limited liability. Its ultimate beneficial shareholders are Ministry of Finance of the People’s Republic of China, National Council for Social Security Fund of the People’s Republic of China and China Life Insurance (Group) Company, each holding 97%, 2% and 1% of equity interest, respectively
“GWAMC International”	China Great Wall AMC (International) Holdings Company Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by GW Asset Management
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee, comprised of all the non-executive Directors, namely Mr. Jiang Longsheng, Mr. Brian Chang, Mr. Chan Ngai Sang, Kenny, Mr. Guan Zhichuan and Dr. Lu Xiaoming, except for Mr. Wang Jianzhong, to advise the Independent Shareholders in relation to the Subscription and the Whitewash Waiver
“Independent Financial Adviser”	Lego Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver
“Independent Shareholders”	shareholders other than CIMC (HK), the Subscriber, its associates and the parties acting in concert with it and other Shareholders, including Mr. Jiang Bing Hua, Mr. Zhang Menggui, Morgan, Global Energy Investor, LLC. and his/its respective associates, who are interested or involved in the Subscription and the Whitewash Waiver

“Last Trading Day”	14 December 2017, being the last trading day on or before the entering into of the Subscription Agreement
“Listing Committee”	has the meaning given to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	The Securities and Futures Ordinance (Cap. 571)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the capital of the Company
“Share Option(s)”	the share option(s) issued under the pre-IPO share option scheme, post-IPO share option scheme and the new share option scheme adopted by the Company on 19 October 2005, 20 October 2005 and 5 August 2009, respectively, entitling the holder thereof to subscribe for Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 14 December 2017 and entered into between the Company and the Subscriber
“Subscriber”	China Merchants & Great Wall Ocean Strategy & Technology Fund (L.P.), an exempted limited partnership registered in the Cayman Islands
“Subscription”	the subscription of the Subscription Shares by the Subscriber subject to the terms and conditions of the Subscription Agreement

“Subscription Price”	the price of HK\$0.67 for the subscription of each Subscription Share
“Subscription Shares”	subject to the fulfilment of the Conditions and the terms of the Subscription Agreement, 765,186,000 newly issued Shares to be subscribed by the Subscriber upon Completion
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“US\$”	United States of America dollars, the lawful currency of the United States of America
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Subscriber to make a mandatory general offer for all of the Shares not already owned or agreed to be acquired by the Subscriber or parties acting in concert with it which would, if the Subscription proceeds, otherwise arise as a result of the allotment and issuance of the Subscription Shares to the Subscriber

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

Hong Kong, 14 December 2017

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Jiang Bing Hua, Mr. Zhang Menggui, Morgan and Mr. Wang Yong; three non-executive Directors, namely Mr. Jiang Longsheng, Mr. Brian Chang and Mr. Wang Jianzhong; and three independent non-executive Directors, namely Mr. Chan Ngai Sang, Kenny, Mr. Guan Zhichuan and Dr. Lu Xiaoming.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Subscriber) contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Subscriber) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The directors of China Merchants Great-Wall GP Limited, namely, Mr. Zhang Rizhong, Mr. Wang Hongyuan, Mr. Chen Anhua, Mr. Huang Xiaohua and Mr. Wu Sichuan, accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The directors of China Merchants Great-Wall Capital Management Limited, namely, Mr. Zhang Rizhong, Mr. Wang Hongyuan, Mr. Chen Anhua, Mr. Huang Xiaohua, Mr. Wu Sichuan, Mr. Tian Jiong and Mr. Kang Dong, accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.