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TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 687)

PROFIT WARNING

This announcement is made by Tysan Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”, Chapter 571 of the Laws of Hong Kong).

Reference is made to the joint announcement issued by HNA Finance I Co., Ltd. (“**HNA Finance I**”) and the Company dated 19 April 2016 (the “**Joint Announcement**”) in relation to, among other things, the Tides Transaction. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the Joint Announcement.

As a result of completion of the Tides Transaction, the new controlling shareholder of the Company is HNA Finance I and payments of approximately HK\$197.98 million under the Management Incentive Scheme has become payable. Taking into account accruals made in the year ended 31 March 2016, an amount of approximately HK\$192.41 million (“**Management Incentive Scheme Expense**”) would be charged to the consolidated statement of profit or loss for the year ending 31 March 2017.

According to the Company's interim results announcement dated 27 November 2015 and annual results announcement dated 29 June 2016, the consolidated profit attributable to ordinary equity holders of the Company for the six months ended 30 September 2015 and for the year ended 31 March 2016 were HK\$167,999,000 and HK\$396,874,000, respectively.

The Board wishes to inform the Shareholders and the potential investors of the Company that it does not expect a gain on disposal of subsidiaries of approximately HK\$113 million which occurred during the year ended 31 March 2016 to recur during the year ending 31 March 2017 and in light of the Management Incentive Scheme Expense being charged to the consolidated statement of profit or loss for the year ending 31 March 2017, there will be a significant and negative impact on the Group's financial results for the six months ending 30 September 2016 and the full financial year ending 31 March 2017 (the "**Profit Warning**"). The Management Incentive Scheme Expense is a one-off expense and following the completion of the Tides Transaction, there will be no more payments or entitlements under the Management Incentive Scheme.

The Board would like to remind Shareholders and potential investors of the Company that the results for the six months ending 30 September 2016 are not available and the information contained in this announcement is based on a preliminary assessment by the Board with reference to information currently available.

Pursuant to Rule 10 of the Takeovers Code, the Profit Warning constitutes a profit forecast under Rule 10 of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). As such, the Company is required to comply with the requirements under Rule 10 of the Takeovers Code with respect to the Profit Warning which has to be reported on by the Company's accountants and the Independent Financial Adviser. Taking into account (i) the practical difficulties in terms of the additional time required for the preparation of the reports by the Company's accountants and Independent Financial Adviser; and (ii) the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and Part XIVA of the SFO, the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code. The Company has arranged for the Profit Warning to be reported on in accordance with Rule 10 of the Takeovers Code in the Composite Document to be issued jointly by the Company and HNA Finance I to the Shareholders as soon as reasonably practicable.

Shareholders and potential investors should note that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus are advised to exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offer disclosed in the Joint Announcement and/or dealing in the securities of the Company.

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

Hong Kong, 4 July 2016

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. 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.

The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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.

Company website: www.tysan.com