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TIDES HOLDINGS II LTD.

*(Incorporated in the British Virgin Islands
with limited liability)*

TYSAN HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)
(Stock Code: 687)*

JOINT ANNOUNCEMENT

**SATISFACTION OF PRE-CONDITIONS TO THE
POSSIBLE VOLUNTARY CONDITIONAL CASH OFFER BY
BARCLAYS CAPITAL ASIA LIMITED
ON BEHALF OF**

TIDES HOLDINGS II LTD.

**TO ACQUIRE ALL THE ISSUED SHARES IN TYSAN HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY TIDES HOLDINGS II LTD.
AND PARTIES ACTING IN CONCERT WITH IT)**

Sole financial adviser to Tides Holdings II Ltd.



Barclays Capital Asia Limited

**Independent financial adviser to the independent board committee of
Tysan Holdings Limited**



Sommerley Limited

Reference is made to the announcement dated 19 August 2013 jointly issued by the Offeror and the Company pursuant to which the Offeror and the Company jointly announced that Barclays would, on behalf of the Offeror, subject to the satisfaction or waiver of the Pre-Conditions, make a voluntary conditional cash offer to (i) acquire all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it), and (ii) to cancel all outstanding Options.

Reference is also made to the announcement dated 16 December 2013 of the Company whereby the Company announced that the Code Independent Shareholders and the LR Independent Shareholders had at the special general meeting of the Company held on 16 December 2013 approved the Special Deal Transactions and the Non-exempt Connected Transactions, respectively. The consent of the Executive had also been obtained to proceed with the Special Deal Transactions in accordance with Rule 25 of the Takeovers Code.

Reference is also made to the announcement dated 19 December 2013 of the Company whereby the Company announced that the legal proceedings HCMP 841 of 2013, HCMP 2892 of 2012 and HCMP 207 of 2013 had been unconditionally withdrawn and that the injunction granted by the High Court of Hong Kong in legal proceedings HCMP 2892 of 2012 and HCMP 207 of 2013 had ceased to have effect on the terms as set out in the Settlement Agreement.

On 20 November 2013, the Offeror formally obtained clearance by MOFCOM under the Anti-Monopoly Law of the PRC of the Offers.

As all other Pre-Conditions have already been satisfied, in particular all necessary and required consents or notifications (as the case may be) for the Offers pursuant to the loan agreements and security documents to which members of the Group are parties have been obtained, prior to the date of this announcement, all Pre-Conditions have now been satisfied.

Accordingly, Barclays, on behalf of the Offeror, will make a 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). Since the Options in respect of 2,000,000 Shares granted under the 2002 Share Option Scheme which were outstanding as at the date of the Pre-Conditional Offer Announcement had been exercised as at the date of this announcement and that there is no other outstanding Option, the Option Offer will not be made by the Offeror.

Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Composite Document should be despatched to the holders of the Shares within seven (7) days of the satisfaction or waiver of the Pre-Conditions, i.e. on or before 27 December 2013.

Shareholders and/or potential investors of the Company should note that the Share Offer is subject to the Conditions being satisfied (or waived) and therefore the Share Offer may or may not become unconditional. Accordingly, the issue of this announcement does not imply that the Share Offer will become or will be declared unconditional or will not lapse. Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the Shares or other rights in respect of any of them. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

INTRODUCTION

Reference is made to the announcement dated 19 August 2013 jointly issued by the Offeror and the Company (the “**Pre-Conditional Offer Announcement**”) pursuant to which the Offeror and the Company jointly announced that Barclays would, on behalf of the Offeror, subject to the satisfaction or waiver of the Pre-Conditions, make a voluntary conditional cash offer to (i) acquire all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it), and (ii) to cancel all outstanding Options.

Capitalised terms used in this announcement shall have the same meanings as defined in the Pre-Conditional Offer Announcement unless the context requires otherwise.

SATISFACTION OF PRE-CONDITIONS

As announced in the Pre-Conditional Offer Announcement, the making of the Offers by the Offeror is subject to the satisfaction or waiver of the following Pre-Conditions on or prior to the Long Stop Date:

- (1) the submission by the Offeror to, and acceptance by MOFCOM, under the Anti-Monopoly Law of the PRC in respect of the Offers and the clearance or deemed clearance (through the expiration of the relevant statutory time periods for review by MOFCOM) by MOFCOM under the Anti-Monopoly Law of the PRC of the Offers, on terms reasonably acceptable to the Offeror;

- (2) no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, public investigation or public enquiry, or enacted or made or publicly proposed, and there is no outstanding statute, regulation, demand or order that would make the Offers or any of the Special Deal Transactions void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to the Offers or any of the Special Deal Transactions;
- (3) the Code Independent Shareholders having at the SGM approved the Special Deal Transactions and the consent of the Executive having been obtained to proceed with the Special Deal Transactions in accordance with Rule 25 of the Takeovers Code;
- (4) the LR Independent Shareholders having at the SGM approved the Non-exempt Connected Transactions;
- (5) the Company having obtained or having caused all relevant members of the Group to obtain any necessary and required consents or notifications (as the case may be) for the Offers pursuant to any loan agreements or security documents to which any relevant member of the Group is a party;
- (6) the legal proceedings HCMP 841 of 2013, HCMP 2892 of 2012 and HCMP 207 of 2013 having been unconditionally withdrawn and that the injunction granted by the High Court of Hong Kong in legal proceedings HCMP 2892 of 2012 and HCMP 207 of 2013 having ceased to have effect on such terms as set out in the Settlement Agreement;
- (7) since the date of the last audited consolidated financial statements of the Company and up to and including the time when the last of the Pre-Conditions set out in (1) to (6) above is satisfied, there having been no change, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on the financial position or operations of the Group taken as a whole;
- (8) there having been no acquisition or establishment of any subsidiary or acquisition of any share in any other company or participation in any partnership or joint venture by any member of the Group (other than in the ordinary and usual course of the Group's business and other than in connection with any transaction contemplated by or disclosed in this announcement) during the period from the date of the Irrevocable Undertakings up to and including the time when the last of the Pre-Conditions set out in (1) to (6) above is satisfied;

- (9) none of the members of the Group having incurred any additional borrowings or incurred any other indebtedness in the nature of borrowings (save for any re-financing of existing borrowings or indebtedness of the same amount as any such existing borrowings or indebtedness, and the procurement of the issue of any performance bonds under existing borrowings or banking facilities, and borrowings related to the Group's foundation piling business under existing banking facilities) during the period from the date of the Irrevocable Undertakings up to and including the time when the last of the Pre-Conditions set out in (1) to (6) above is satisfied;
- (10) without prejudice to the Pre-Condition set out in (9) above, none of the members of the Group having entered into (i) any new contract in relation to the Group's foundation piling business of a value that exceeds HK\$800 million or (ii) any new contract in relation to the Group's property development or property investment and management business of a value that exceeds HK\$190 million, or renewed or amended the terms and conditions of any existing contract which falls within the scope of (i) and (ii) above, in each case during the period from the date of the Irrevocable Undertakings up to and including the time when the last of the Pre-Conditions set out in (1) to (6) above is satisfied;
- (11) none of the members of the Group having acquired or disposed of any land or real properties (other than the disposal of real properties in the ordinary and usual course of business of the Group) or change the existing usage of the Group's real properties during the period from the date of the Irrevocable Undertakings up to and including the time when the last of the Pre-Conditions set out in (1) to (6) above is satisfied; and
- (12) all warranties given by the Undertaking Shareholders in the Irrevocable Undertakings remaining true and accurate in all respects and not misleading in any respect up to and including the time when the last of the Pre-Conditions set out in (1) to (6) above is satisfied and no frustration action (as defined in Rule 4 of the Takeovers Code) has been taken by the Board or announced by the Company (other than the issue of 2,000,000 Shares as a result of the exercise of the outstanding Options) up to and including the time when the last of the Pre-Conditions set out in (1) to (6) above is satisfied.

Reference is also made to the announcement dated 16 December 2013 of the Company whereby the Company announced that the Code Independent Shareholders and the LR Independent Shareholders had at the special general meeting of the Company held on 16 December 2013 approved the Special Deal Transactions and the Non-exempt Connected Transactions, respectively. The consent of the Executive had also been obtained to proceed with the Special Deal Transactions in accordance with Rule 25 of the Takeovers Code.

Reference is also made to the announcement dated 19 December 2013 of the Company whereby the Company announced that the legal proceedings HCMP 841 of 2013, HCMP 2892 of 2012 and HCMP 207 of 2013 had been unconditionally withdrawn and that the injunction granted by the High Court of Hong Kong in legal proceedings HCMP 2892 of 2012 and HCMP 207 of 2013 had ceased to have effect on the terms as set out in the Settlement Agreement.

On 20 November 2013, the Offeror formally obtained clearance by MOFCOM under the Anti-Monopoly Law of the PRC of the Offers.

As all other Pre-Conditions have already been satisfied, in particular all necessary and required consents or notifications (as the case may be) for the Offers pursuant to the loan agreements and security documents to which members of the Group are parties have been obtained, prior to the date of this announcement, all Pre-Conditions have now been satisfied.

Accordingly, Barclays, on behalf of the Offeror, will make a 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). Since the Options in respect of 2,000,000 Shares granted under the 2002 Share Option Scheme which were outstanding as at the date of the Pre-Conditional Offer Announcement had been exercised as at the date of this announcement and that there is no other outstanding Option, the Option Offer will not be made by the Offeror.

CONDITIONS OF THE SHARE OFFER

As announced in the Pre-Conditional Offer Announcement, the Share Offer to be made by the Offeror is subject to the satisfaction or waiver of the following Conditions:

- (a) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which will result in the Offeror and persons acting in concert with it holding more than 50% of the voting rights in the Company; and

(b) up to and including the time when the Condition in (a) above is satisfied, no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, public investigation or public enquiry, or enacted or made or publicly proposed, and there is no outstanding statute, regulation, demand or order that would make the Offers or any of the Special Deal Transactions void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to the Offers or any of the Special Deal Transactions.

The Offeror reserves the right to waive, in whole or in part, Condition (b) set out above. Condition (a) set out above cannot be waived.

DESPATCH OF THE COMPOSITE DOCUMENT

Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Composite Document should be despatched to the holders of the Shares within seven (7) days of the satisfaction or waiver of the Pre-Conditions, i.e. on or before 27 December 2013.

Shareholders and/or potential investors of the Company should note that the Share Offer is subject to the Conditions being satisfied (or waived) and therefore the Share Offer may or may not become unconditional. Accordingly, the issue of this announcement does not imply that the Share Offer will become or will be declared unconditional or will not lapse. Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the Shares or other rights in respect of any of them. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

By order of the board of
TIDES HOLDINGS II LTD.
Anthony Beovich
Director

By order of the board of
TYSAN HOLDINGS LIMITED
Francis Cheung
Chairman

Hong Kong, 19 December 2013

As at the date of this announcement, the executive Directors of the Company are Mr. Francis Cheung, Mr. Fung Chiu Chak, Victor, Mr. David Chien, Miss Jennifer Kwok, Mr. Chiu Chin Hung, Mr. Lau Kin Fai and Mr. Harvey Jackel Cheung; 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.

As at the date of this announcement, the directors of the Offeror are Mr. Anthony Beovich and Ms. Pinda Eng.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and the Shareholders), 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 and the Shareholders) 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 jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror and parties acting in concert with it), 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 Offeror and parties acting in concert with it) 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