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TSC Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 206)

CONNECTED TRANSACTION SALE AGREEMENT OF PUMP(S)

THE SALE AGREEMENT

The Board is pleased to announce that on 11 January 2019 (after trading hours), TSCOE, an indirectly wholly-owned subsidiary of the Company, entered into the Sale Agreement with CMHI (Jiangsu) pursuant to which TSCOE agreed to sell and CMHI (Jiangsu) agreed to purchase pump(s).

The Consideration shall be RMB7,490,000.00 (equivalent to approximately HK\$8,493,660.00), which was determined after arm's length negotiations between the parties to the Sale Agreement with reference to the market for prices of comparable pumps.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CMHI (Jiangsu) is a wholly-owned subsidiary of CM Industry, whereas CM Industry is ultimately wholly-owned by CM Group. And the Fund is a Controlling Shareholder (beneficially interested in an aggregate of 765,186,000 Shares, representing approximately 51.94% of the entire issued share capital of the Company as at the date of this announcement) of the Company and therefore a connected person of the Company. The Fund is indirectly controlled by CM Group. CMHI (Jiangsu) is therefore an associate of CM Group, CM Industry and the Fund, and is a connected person of the Company under the Listing Rules. As a result, the Sale Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction value relating to the Sale Agreement is more than 0.1% and less than 5%, the connected transaction shall be subject to the reporting, annual review and announcement requirements under Rule 14A.76 of the Listing Rules, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As part of the ordinary and usual course of business, the Group sells its products to the CMHI (Jiangsu).

INTRODUCTION

The Board is pleased to announce that on 11 January 2019, TSCOE, an indirectly wholly-owned subsidiary of the Company, entered into the Sale Agreement with CMHI (Jiangsu) pursuant to which TSCOE agreed to sell and CMHI (Jiangsu) agreed to purchase of pump(s).

THE SALE AGREEMENT

The principal terms of the Sale Agreement are as follows:

- Date: 11 January 2019
- Parties:
- (1) CMHI (Jiangsu), being the purchaser
 - (2) TSCOE, being the seller

Subject matters

Pursuant to the Sale Agreement, CMHI (Jiangsu) agreed to purchase and TSCOE agreed to sell the pump(s).

Consideration

The consideration for the pump(s) (the “**Consideration**”) shall be RMB7,490,000.00 (equivalent to approximately HK\$8,493,660). It was determined after arm's length negotiations between the parties to the Sale Agreement with reference to market prices for comparable pumps.

Delivery date

Shipment shall be arranged by the seller to the place of designated destination on or before 1 June 2019.

INFORMATION ON THE PARTIES**Information on the Group**

The Group has principally been engaged in the business of designing and manufacturing of rig equipment, manufacture and trading of oilfield expendables and offshore rig construction and services.

Information on the CMHI (Jiangsu)

CMHI (Jiangsu) is a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of CM Industry, whereas CM Industry is ultimately wholly-owned by CM Group. CMHI (Jiangsu) is principally engaged in shipbuilding, building of marine engineering and special engineering vessels, production of drilling platforms and offshore special supporting.

REASONS FOR ENTERING INTO THE SALE AGREEMENT

The transactions arising from the Sale Agreement will be conducted in the ordinary and normal course of business of the Company. The Sale Agreement not only shows that TSC's products meet the international standards required by CMHI (Jiangsu), but also our business relationship with CM Group has strengthened after the China Merchants & Great Wall Ocean Strategy & Technology Fund has become the Controlling Shareholders of the Company. The Company expects that the transaction will provide positive revenue growth to the Group.

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Sale Agreement is on normal commercial terms, the terms contained therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CMHI (Jiangsu) is a wholly-owned subsidiary of CM Industry, whereas CM Industry is ultimately wholly-owned by CM Group. And the Fund is a Controlling Shareholder (beneficially interested in an aggregate of 765,186,000 Shares, representing approximately 51.94% of the entire issued share capital of the Company as at the date of this announcement) of the Company and therefore a connected person of the Company. The Fund is indirectly controlled by CM Group. CMHI (Jiangsu) is therefore an associate of CM Group, CM Industry and the Fund, and is a connected person of the Company under the Listing Rules. As a result, the Sale Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transaction value relating to the Sale Agreement is more than 0.1% and less than 5%, the connected transaction shall be subject to the reporting, annual review and announcement requirements under Rule 14A.76 of the Listing Rules, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Wang Hongyuan (our executive chairman and executive Director) declared that he was part of the management team of the manager of the Fund, and Mr. Lou Dongyang (our non-executive Director) declared that he is the chief financial officer of CM Industry, therefore, Mr. Wang Hongyuan and Mr. Lou Dongyang have abstained from voting on the board resolutions in relation to the Sale Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 PRC

“CM Industry”	China Merchants Industry Holdings Co., Ltd., a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by CM Group
“CMHI (Jiangsu)”	China Merchant Heavy Industry (Jiangsu) Co., Ltd., a company established in the PRC with limited liability and a wholly owned subsidiary of the CM Group
“Company”	TSC Group Holdings Limited, a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 206)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fund”	China Merchants & Great Wall Ocean Strategy & Technology Fund (L.P.), an exempted limited partnership registered in the Cayman Islands, Controlling Shareholder of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC

“Sale Agreement”	the sale agreement entered into between TSCOE as seller and CMHI (Jiangsu) as purchaser on 11 January 2019 in relation to the sale of pump(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“TSCOE”	Qingdao TSC Offshore Equipment Co., Ltd.* (青島天時海洋石油裝備有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

For illustrative purposes in this announcement, the amounts in RMB were translated into HK\$ at the rate of RMB1 = HK\$1.1340. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at the above rate or at any other rates or at all.

By order of the Board
TSC Group Holdings Limited
Wang Hongyuan
Executive Chairman

Hong Kong, 11 January 2019

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wang Hongyuan, Mr. Jiang Bing Hua and Mr. Zhang Menggui, Morgan; two non-executive Directors, namely Mr. Lou Dongyang and Mr. Wang Jianzhong; and three independent non-executive Directors, namely Mr. Chan Ngai Sang, Kenny, Mr. Zou Zhendong and Mr. Chen Weidong.

* *For identification purpose only*