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TSC Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 206)

SALES OF JACKING SYSTEMS

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

PURCHASE AND SERVICE AGREEMENT

On 22 November 2013, EMER, a wholly-owned subsidiary of the Company, entered into a purchase and service agreement with Zentech for the sale of SJ1000 Jacking Systems for the R550D Jack-up drilling rig to Zentech.

The total contract value for the Jacking Systems and Technical Services is approximately USD14.0 million to USD16.0 million (approximately HK$108.9 million to HK$124.5 million) in aggregate subject to terms and conditions as stated in the Agreement.

GENERAL

As at the date of this announcement, Mr. Robert William Fogal Jr. (an independent non-executive Director of the Company) is the director of Zentech. However, according to the Company's enquiries, Zentech is not an associate of Mr. Robert William Fogal Jr. Accordingly, the Agreement and the transaction contemplated under the Agreement do not constitute a connected transaction of the Company. Moreover, the transaction is one of a revenue nature in the ordinary and usual course of business of the Group.

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PURCHASE AND SERVICE AGREEMENT

On 22 November 2013, EMER, a wholly-owned subsidiary of the Company, entered into purchase and service agreement with Zentech in respect of the sale of SJ1000 Jacking Systems (“**Jacking Systems**”) for the R550D Jack-up drilling rig to Zentech.

BACKGROUND

Zentech had previously entered into a contract for the supply of rig designs for the R550D Jack-up drilling rig being built by CSSC Guangzhou Huangpu Shipbuilding Co. Ltd. (“**HPS**”). Zentech has also entered into contract with HPS to supply proprietary Jacking Systems to HPS to be used on the R550D Jack up drilling rig and has engaged EMER to manufacture and supply these Jacking Systems.

SCOPE OF SUPPLY (“JACKING SYSTEMS”)

Pursuant to the Agreement, EMER shall, at its own cost, be responsible for the site training (to the Shipbuilder and End User), as the case may be, testing, pre-commissioning, commissioning, equipment installation supervision, site services and other technical services relating to the Jacking Systems.

CONTRACT VALUE

The contract value of the Agreement for the Jacking Systems and Technical Services is approximately USD14.0 million to USD16.0 million (approximately HK$108.9 million to HK$124.5 million) in aggregate subject to terms and conditions as stated in the Agreement.

PAYMENT TERMS

The consideration of the Agreement shall be settled in cash in accordance with six payments based on various completion milestones.

WARRANTY PERIOD

EMER shall solely guarantee that the Jacking Systems hereof are made of the best materials as per the requirement of the Agreement, with first class workmanship, brand new, unused, fit for purpose and complies in all respects with the quality and specification stipulated in the Agreement. The guarantee period shall be twelve (12) months upon delivery of Rig to the End User but no later than 31 October 2016 whichever terminates first (the “**Warranty Period**”), when the Jacking Systems are correctly mounted, properly operated and in proper maintenance by Zentech and/or the End User.

LIQUIDATED DAMAGES

Should EMER fail to make delivery on time as stipulated in the Agreement due to EMER's default, EMER shall as Zentech's sole remedy pay liquidated damages which shall be deducted by the paying bank from the payment. The rate of the liquidated damages is calculated at 0.25% of the price of the delayed Jacking System units for every seven days. However, in no event shall the total Liquidated Damage payable by EMER due to late delivery exceed 5% of the total Contract price.

DELIVERY SCHEDULE

The SJ1000 Jacking Systems will be delivered in three batches, over a period of 12 months from the date of signing of the Agreement.

REASONS FOR AND BENEFITS OF THE ZENTECH SALES

The Company is a global product and service provider serving both the offshore and land drilling rig industry worldwide. The principal activities of the Group are the construction, manufacturing and trading of rig products and technology (including rig electrical control system and other rig equipment), oilfield expendables and supplies, provision of rig turnkey solutions and engineering services.

Zentech is a Houston based marine engineering and naval architecture consulting firm specializing in the offshore oil and gas and renewable energy industries. The Company has a thirty year history of providing innovative engineering solutions, and employs a professional staff of over 160 in six international locations. Zentech's expertise encompasses dynamically positioned semi-submersibles, drillships, jackup drilling units, barges, fixed offshore platforms, fabrication yards, floating production systems, risers and pipelines.

The Zentech Sales are conducted in the ordinary and usual course of business of the Group. The contract value of the Agreement is approximately USD14 million to USD16 million (approximately HK$108.9 million to HK$124.5 million) in aggregate, represents approximately 7.6% to 8.7% of the Group's turnover of approximately USD184 million for the year ended 31 December 2012. Therefore, the Zentech Sales will increase the turnover of the Group. Furthermore, the Zentech sales will raise profit and credit of the Group in the oil and gas industries.

GENERAL

As at the date of this announcement, Mr. Robert William Fogal Jr. (an independent non-executive Director of the Company) is the director of Zentech. However, according to the Company's enquiries, Zentech is not an associate of Mr. Robert William Fogal Jr. Accordingly, the Agreement and the transaction contemplated under the Agreement do not constitute a connected transaction of the Company. Moreover, the transaction is one of a revenue nature in the ordinary and usual course of business of the Group.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Agreement"	The purchase and service agreement entered into between EMER and Zentech on 22 November 2013 in relation to the supply of the Commodities and Technical Services to Zentech
"associates"	The meaning ascribed to it in the Listing Rules
"Board" or "Director(s)"	the board of directors of the Company
"Company"	TSC Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
"connected person"	has the meaning ascribed thereto in the Listing Rules and the word "connected" shall be construed accordingly
"EMER"	EMER International Limited, a company established in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

"Jacking Systems and Technical Services"	SJ1000 jacking units for R550D in total to be supplied by EMER to Zentech pursuant to the Agreement
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	The People's Republic of China
"Shareholders"	The holders of shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD"	US dollars, the lawful currency of the United States of America
"Zentech"	Zentech Incorporated, a company incorporated under the laws of United States with limited liability
"Zentech Sales"	The sale of the Jacking Systems and Technical Services by EMER to EMER pursuant to the Agreement
"%"	per cent

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

As of the date of this announcement, the Board comprises 2 executive Directors, namely Mr. Jiang Bing Hua and Mr. Zhang Menggui; 3 non-executive Directors, namely 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, 22 November 2013