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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in TSC Offshore Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any losses howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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## **TSC Offshore Group Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8149)**

### **REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME**

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A notice convening the EGM to be held at 20th Floor, Central Tower, 28 Queen’s Road, Central, Hong Kong on Tuesday, 4 November 2008 at 10:00 a.m. is set out on pages 7 to 8 of this circular. A form of proxy for use at the EGM is enclosed.

Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed form of proxy to the Company’s principal place of business at Unit 1612, 16th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

*This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for seven days from the date of its publication and on the website of the Company at [www.tsoffshore.com](http://www.tsoffshore.com).*

20 October 2008

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## CHARACTERISTICS OF GEM

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### **Characteristics of The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Exchange”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Board”	the board of Directors;
“Company”	TSC Offshore Group Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the GEM;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the necessary resolutions in respect of the Proposed Refreshment;
“GEM”	the Growth Enterprises Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries;
“Latest Practicable Date”	15 October 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Committee”	the listing committee of the Stock Exchange;
“PRC”	the People’s Republic of China;
“Pre-IPO Share Option Scheme”	share option scheme adopted by the Company on 19 October 2005 and ceased to be effective on 21 November 2005 save for the unexercised portion of the options granted and accepted during its life time, of which a total of 10,951,200 share options remain valid and outstanding as at the Latest Practicable Date
“Proposed Refreshment”	the proposed refreshment of the limit in respect of the granting of share options under the Share Option Scheme and all other share option scheme(s) up to 10% of the total number of Shares in issue as at the date of approval of such refreshment by passing of an ordinary resolution by the Shareholders at the EGM;

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## DEFINITIONS

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“Scheme Mandate Limit”	the maximum number of Shares that may be issued upon the exercise of all options to be granted under the Share Option Scheme and other share option schemes;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share;
“Share Option Scheme”	the share option scheme adopted by the Company on 20 October 2005;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent

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## LETTER FROM THE BOARD

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### **TSC Offshore Group Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8149)**

*Executive Directors:*

Mr. Jiang Binghua  
Mr. Zhang Menggui  
Mr. Zhang Hongru  
Mr. Chen Yunqiang

*Non-executive Director:*

Mr. Jiang Longsheng

*Independent non-executive Directors:*

Mr. Chan Ngai Sang, Kenny  
Mr. Bian Junjiang  
Mr. Guan Zhichuan

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Unit 1612, 16th Floor  
China Merchants Tower  
Shun Tak Centre  
200 Connaught Road  
Central  
Hong Kong

20 October 2008

*To the Shareholders*

Dear Sir or Madam,

### **REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information in relation to the resolution to be proposed at the EGM relating to the Proposed Refreshment and to give you notice of the EGM.

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## LETTER FROM THE BOARD

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### PROPOSED REFRESHMENT

The Board proposes to refresh the limit in respect of the granting of share options under the Share Option Scheme and all other share option scheme(s) up to 10% of the total number of Shares in issue as at the date of approval of such refreshment by passing of an ordinary resolution by the Shareholders at the EGM. Under the existing Scheme Mandate Limit, the Directors were authorised to grant options to subscribe for up to 24,000,000 Shares, representing 10% of the Shares in issue immediately following the completion of the initial listing of Shares of the Company on 28 November 2005. As at the Latest Practicable Date, 23,980,000 options were granted pursuant to the Scheme Mandate Limit under the Share Option Scheme, which were included 278,000 options were exercised, 290,000 options were lapsed, 0 option was cancelled and only 20,000 options are available for granting. In order to provide the Company with greater flexibility in granting share options to eligible persons (including Directors and employees of the Company) under the Share Option Scheme as incentives or rewards for their contribution to the Group, the Board decides to seek the approval from the Shareholders at the EGM to refresh the limit in respect of the granting of share options under the Share Option Scheme and all other share option scheme(s) up to 10% of the total number of Shares in issue as at the date of approval of such refreshment by passing of an ordinary resolution by the Shareholders at the EGM. The Directors consider that the Proposed Refreshment is in the interest of the Company and the Shareholders as a whole.

Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. Based on 548,908,004 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are repurchased or issued prior to the EGM, upon the approval of the Proposed Refreshment, the refreshed Scheme Mandate Limit will be 54,890,800 Shares.

Save for the Share Option Scheme, the Company has no other share option scheme as at the Latest Practicable Date. Pursuant to the GEM Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme of the Company if this will result in the 30% limit being exceeded.

As at the Latest Practicable Date, the Company has 34,363,200 outstanding share options (representing about 6.26% of the Shares in issue) which entitle holders thereof to subscribe for (i) 10,951,200 new Shares under the Pre-IPO Share Option Scheme at a subscription price of HK\$0.2383, (ii) 7,002,000 new Shares under the Share Option Scheme at a subscription price of HK\$2.43 per new Share, (iii) 9,410,000 new Shares under the Share Option Scheme at a subscription price of HK\$5.60 per new Share, (iv) 2,000,000 new Shares under the Share Option Scheme at a subscription price of HK\$5.23 per new Share, and (v) 5,000,000 new Shares under the Share Option Scheme at a subscription price of HK\$2.32 per new Share, subject to adjustment. As at the Latest Practicable Date, save for the share options, the Company does not have any other outstanding convertible securities, warrants, derivatives, conversion rights or subscription rights.

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## LETTER FROM THE BOARD

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The Proposed Refreshment is conditional upon:

1. the passing of an ordinary resolution at the EGM to approve the Proposed Refreshment by the Shareholders; and
2. the Listing Committee granting approval for the listing of, and the permission to deal in, any new Shares to be issued pursuant to the exercise of share options which may be granted under the Share Option Scheme and all other share option scheme(s), up to 10% of the Shares in issue as at the date of approval of the resolution at the EGM.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted upon the exercise of any options that may be granted under the Share Option Scheme and all other share option scheme(s), up to 10% of the Shares in issue as at the date of approval of the resolution at the EGM.

### **EGM**

The notice convening the EGM is set out on pages 7 to 8 of this circular. Resolution in respect of the Proposed Refreshment will be proposed at the EGM.

None of the Shareholders are required to abstain from voting to approve the Proposed Refreshment.

A form of proxy for the EGM is enclosed with this circular and published on the GEM website ([www.hkgem.com](http://www.hkgem.com)). If you are not able to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's principal place of business in Hong Kong at Unit 1612, 16th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or adjourned meeting (as the case may be).

Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so desire.

### **PROCEDURES FOR DEMANDING A POLL**

The following procedure by which the Shareholders may demand a poll at a general meeting of the Company (including the annual general meeting) pursuant to the articles of association of the Company (the "Articles").



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## LETTER FROM THE BOARD

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Pursuant to Article 66 of the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded: (a) by the chairman of such meeting; or (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding the Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or (e) by any Director or Directors who, individually or collectively, hold proxies in respect of the Shares representing 5% or more of the total voting rights at such meeting.

### RECOMMENDATION

The Directors consider that the Proposed Refreshment is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the relevant resolutions to be proposed at the EGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and is not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

Yours faithfully,  
For and on behalf of the Board  
**TSC Offshore Group Limited**  
**Jiang Binghua**  
*Executive Chairman*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### **TSC Offshore Group Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8149)**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “EGM”) of TSC Offshore Group Limited (the “Company”) will be held at 20th Floor, Central Tower, 28 Queen’s Road, Central, Hong Kong on Tuesday, 4 November 2008 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendment, the following ordinary resolution:

#### **ORDINARY RESOLUTION**

“**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, the shares in the share capital of TSC Offshore Group Limited (the “Company”) to be issued pursuant to the exercise of options which may be granted under the Refreshed Scheme Mandate Limit (as defined below), the refreshment of the limit in respect of the granting of share options under the existing share option scheme (the “Scheme”) of the Company adopted on 20 October 2005 up to a new 10 per cent limit (the “Refreshed Scheme Mandate Limit”) be approved provided that:

- (a) the total number of shares in the share capital of the Company which may be issued upon exercise of options to be granted under the Scheme after the date of the passing of this resolution, together with all options to be granted under any other share option scheme(s) of the Company on or after the date of passing this resolution, must not exceed 10 per cent of the number of shares in the share capital of the Company in issue as at the date of passing this resolution;
- (b) options granted prior to the date of passing this resolution under the Scheme or any other share option scheme(s) of the Company (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Scheme or such other scheme(s) of the Company) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit; and
- (c) any director of the Company be and is hereby authorised to do such act and execute such document to effect the Refreshed Scheme Mandate Limit.”

By order of the Board  
**TSC Offshore Group Limited**  
**Jiang Binghua**  
*Executive Chairman*

Hong Kong, 20 October 2008

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. Every member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's principal place of business in Hong Kong at Unit 1612, 16th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong not less than 48 hours before the time appointed for holding the EGM (or any adjournment thereof).
3. A form of proxy for use in connection with the EGM is enclosed and such form of proxy is also published on the GEM website ([www.hkgem.com](http://www.hkgem.com)).
4. Completion and deposit of the form of proxy will not preclude members from attending and voting at the EGM or any adjournment thereof should they so wish, and in such event, the form of proxy will be deemed to be revoked.
5. Where there are joint registered holders of any share(s) of the Company, any one of such joint holders may attend and vote at the EGM, either in person or by proxy, in respect of such share(s) as if he/she were solely entitled thereto, but if more than one of such joint holders are present, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the registered members of the Company in respect of the joint holding.
6. The shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the shares of the Company in issue from time to time. No options shall be granted under any scheme of the Company if this will result in the 30% limit being exceeded.