

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement appears for information purposes only and does not constitute an intention or offer to acquire, purchase or subscribe for any securities of Shun Cheong Holdings Limited.



**Titan Gas Technology Investment
Limited**

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

Shun Cheong Holdings Limited

順昌集團有限公司*

*(incorporated in Bermuda
with limited liability)
(Stock Code: 650)*

JOINT ANNOUNCEMENT

(1) THE S&P COMPLETION;

(2) THE SUBSCRIPTION COMPLETION;

(3) THE ACQUISITION COMPLETION;

(4) THE CN SUBSCRIPTION COMPLETION;

(5) THE DIVESTMENT COMPLETION;

AND

**(6) UNCONDITIONAL MANDATORY CASH OFFER BY
ESSENCE INTERNATIONAL SECURITIES (HONG KONG) LIMITED**

FOR AND ON BEHALF OF

**TITAN GAS TECHNOLOGY INVESTMENT LIMITED
TO ACQUIRE ALL THE ISSUED ORDINARY SHARES
OF SHUN CHEONG HOLDINGS LIMITED**

**(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY**

**TITAN GAS TECHNOLOGY INVESTMENT LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

THE S&P COMPLETION

The Company (as informed by the Sellers and Mr. Mo) and the Offeror are pleased to announce that the S&P Agreement had become unconditional and the S&P Completion took place on 29 July 2016.

* For identification purposes only

THE SUBSCRIPTION COMPLETION

The Board is pleased to announce that the conditions precedent of the Subscription Agreement have been fulfilled, and the Subscription Completion took place on 29 July 2016, simultaneously with the Acquisition Completion, the CN Subscription Completion and the Divestment Completion. Sonic Gain Limited has reduced its Ordinary Shares Subscription by 5,000,000 Ordinary Subscription Shares and pursuant to the terms of the Subscription Agreement, the Offeror has agreed to correspondingly subscribe for such 5,000,000 Ordinary Subscription Shares. The total number of Ordinary Subscription Shares subscribed for, and allotted and issued to the Offeror under the Subscription increases from 649,641,578 to 654,641,578. Save as disclosed above, there is no other material change to the Subscription.

THE ACQUISITION COMPLETION

The Board is pleased to announce that the conditions precedent of the Acquisition Agreement have been fulfilled, and the Acquisition Completion took place on 29 July 2016, simultaneously with the Subscription Completion, the Divestment Completion and the CN Subscription Completion.

THE CN SUBSCRIPTION COMPLETION

The Board is pleased to announce that the conditions precedent of the CN Subscription Agreement have been fulfilled, and the CN Subscription Completion took place on 29 July 2016, simultaneously with the Subscription Completion, the Acquisition Completion and the Divestment Completion.

THE DIVESTMENT COMPLETION

The Board is pleased to announce that the conditions precedent of the Divestment Agreement have been fulfilled, and the Divestment Completion took place on 29 July 2016, simultaneously with the Subscription Completion, the Acquisition Completion and the CN Subscription Completion. Upon the Divestment Completion, the principal business of the Restructured Group will be upstream oil exploration, development and production.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately after the S&P Completion (prior to the Subscription Completion and the CN Subscription Completion), the Offeror and parties acting in concert with it became interested in an aggregate of 199,410,000 Ordinary Shares (representing approximately 57.41% of the total number of Ordinary Shares in issue as at the date of the S&P Completion and prior to the Subscription Completion and the CN Subscription Completion) and the Sale Bonds with an aggregate principal amount of HK\$96,832,526. Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for all the issued Ordinary Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Essence Securities will, on behalf of the Offeror, make the Offer.

DESPATCH OF COMPOSITE DOCUMENT

Pursuant to the consent granted by the Executive pursuant to Note 2 to Rule 8.2 of the Takeovers Code dated 29 June 2016, the latest time for the despatch of the Composite Document (together with the Form of Acceptance) will be a date falling within seven days of the S&P Completion or 7 September 2016, whichever is earlier. It is expected that the Composite Document and the accompanying Form of Acceptance will be despatched to the Shareholders on 5 August 2016. Further announcement in relation to the despatch of the Composite Document and the accompanying Form of Acceptance will be made by the Offeror and the Company as and when appropriate.

References are made to the (i) joint announcement of Shun Cheong Holdings Limited (the “**Company**”) and Titan Gas Technology Investment Limited (the “**Offeror**”) dated 27 October 2015 (the “**Joint Announcement**”) in relation to, among other things, the Transfer and the Transactions; (ii) the Company’s announcement dated 20 November 2015; (iii) the announcements dated 7 January 2016, 28 January 2016, 23 March 2016 and 28 June 2016 jointly issued by the Offeror and the Company; (iv) the circular of the Company dated 29 June 2016 in relation to, among others, the Transfer and the Transactions contemplated thereunder (the “**Circular**”); and (v) the announcement of the Company dated 22 July 2016 in relation to the poll results of the SGM held on 22 July 2016. Unless the context otherwise requires, terms defined in this joint announcement shall have the same meaning as those defined in the Joint Announcement and the Circular.

THE S&P COMPLETION

The Company (as informed by the Sellers and Mr. Mo) and the Offeror are pleased to announce the S&P Agreement became unconditional and the S&P Completion took place on 29 July 2016. Upon the S&P Completion, the Offeror has paid the consideration for the Sale Shares and the Sale Bonds in full. Pursuant to the S&P Agreement, the Offeror has acquired (i) the Sale Shares (including those under the Tranche 1 Transfer and the Tranche 2 Transfer), representing approximately 50.38% of the total number of Ordinary Shares in issue as at the date of the S&P Completion (prior to the Subscription Completion and the CN Subscription Completion), and (ii) the Sale Bonds (including those under the Tranche 1 Transfer and the Tranche 2 Transfer), being part of the Convertible Bonds, with an aggregate principal amount of HK\$96,832,526, at a consideration of HK\$117,180,000 for the Sale Shares, being equivalent to HK\$0.6696 per Sale Share, and HK\$175,477,833 for the Sale Bonds, being equivalent to HK\$0.6696 per underlying CB Conversion Share (which may fall to be issued upon exercise of the conversion rights attached to the Sale Bonds at the Existing CB Conversion Price of HK\$0.3695 per CB Conversion Share (being the effective conversion price at the time of the S&P Completion)).

THE SUBSCRIPTION AGREEMENT

As set out in the Joint Announcement and the Circular, on 22 June 2015, the Company and the Subscribers entered into the Subscription Agreement pursuant to which, the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, a total of 4,017,323,774 Subscription Shares, comprising (i) 1,269,414,575 Ordinary Subscription Shares under the Ordinary Shares Subscription; (ii) 1,373,954,600 Preferred Shares under the Tranche 1 Preferred Shares Subscription; and (iii) 1,373,954,599 Preferred Shares under the Tranche 2 Preferred Shares Subscription, at the Subscription Price of HK\$0.6696 per Subscription Share.

Allocation of Ordinary Subscription Shares under the Subscription Agreement

Sonic Gain Limited has reduced the number of Ordinary Subscription Shares it subscribed for by 5,000,000 Ordinary Subscription Shares. Pursuant to the terms of the Subscription Agreement, the Offeror has correspondingly agreed to take up and subscribe for those 5,000,000 Ordinary Subscription Shares. The total number of Ordinary Subscription Shares allotted and issued to the Offeror increases from 649,641,578 to 654,641,578.

The total number of the Subscription Shares, total proceeds from the Subscription and the related payment schedule remain unchanged.

After the change in allocation of Ordinary Subscription Shares under the Subscription Agreement, the following table sets out a summary of the Subscription Shares allotted and issued to the Subscribers:

Subscribers	Ordinary Subscription Shares		Tranche 1 and Tranche 2 Preferred Shares	
	<i>Number of Ordinary Shares</i>	<i>Aggregate Subscription Monies (HK\$)</i>	<i>Number of Preferred Shares</i>	<i>Aggregate Subscription Monies (HK\$)</i>
(1) The Offeror	654,641,578	438,348,001	1,411,505,622	945,144,164
(2) Lu Xi	14,934,289	10,000,000	–	–
(3) Fang Chao	14,934,289	10,000,000	–	–
(4) 華寶●境外市場投資2號系列20–6期 QDII單一資金信托 (Hwabao.Overseas Investment Series 2 No. 20–6 QDII Single Money Trust*)	93,588,212	62,666,667	–	–
(5) 華寶●境外市場投資2號系列20–7期 QDII單一資金信托 (Hwabao.Overseas Investment Series 2 No. 20–7 QDII Single Money Trust*)	46,794,106	31,333,333	–	–
(6) New Fast Investments Limited	124,701,315	83,500,001	116,736,360	78,166,667
(7) Real Smart Holdings Limited	50,029,870	33,500,001	116,736,360	78,166,667
(8) Grand Empire Global Limited	50,029,870	33,500,001	116,736,360	78,166,667
(9) True Success Global Limited	75,044,800	50,249,998	175,104,540	117,250,000
(10) Sonic Gain Limited	144,716,246	96,901,998	175,104,540	117,250,000
(11) Aquarius Investment	–	–	443,369,176	296,880,000
(12) Haitong International Securities Company Limited	–	–	50,000,000	33,480,000
(13) ExaByte Capital Fund L.P.	–	–	14,934,289	10,000,000
(14) Rich Harvest Worldwide Ltd.	–	–	127,681,952	85,495,835
	<u>1,269,414,575</u>	<u>850,000,000</u>	<u>2,747,909,199</u>	<u>1,840,000,000</u>

The Subscription Completion

The Board is pleased to announce that the conditions precedent of the Subscription Agreement have been fulfilled and the Subscription Completion took place on 29 July 2016 in accordance with the terms and conditions of the Subscription Agreement, simultaneously with the Acquisition Completion, the CN Subscription Completion and the Divestment Completion.

The gross proceeds of the Subscription amount to HK\$2,690,000,000. The Subscription Price per Subscription Share is HK\$0.6696. Following the satisfaction of all the conditions precedent set out in the Subscription Agreement, the Subscription Shares have been allotted and issued to the Subscribers.

THE CN SUBSCRIPTION COMPLETION

As set out in the Joint Announcement and the Circular, on 22 June 2015, the Company (as issuer) and League Way (as subscriber) entered into the CN Subscription Agreement pursuant to which League Way conditionally agreed to subscribe for, and the Company conditionally agreed to issue, the Convertible Note with an aggregate principal amount of HK\$250,000,000.

The Board is pleased to announce that the conditions precedent of the CN Subscription Agreement have been fulfilled and the CN Subscription Completion took place on 29 July 2016 in accordance with the terms and conditions of the CN Subscription Agreement, simultaneously with the Subscription Completion, the Acquisition Completion and the Divestment Completion. Following the satisfaction of all the conditions precedent set out in the CN Subscription Agreement, League Way paid to the Company HK\$12,500,000, being 5% of the principal amount of the Convertible Note, and the Convertible Note has been issued to League Way. Nevertheless, League Way will not be entitled to any of the redemption, conversion, or other rights under the Convertible Note until it has fully paid the issue price in accordance with the terms of the CN Subscription Agreement.

THE ACQUISITION COMPLETION

The Board is pleased to announce that the conditions precedent of the Acquisition Agreement have been fulfilled and the Acquisition Completion took place on 29 July 2016 in accordance with the terms and conditions of the Acquisition Agreement, simultaneously with the Subscription Completion, the Divestment Completion and the CN Subscription Completion. Following completion of the Acquisition Agreement, the PRC Target has become a wholly-owned subsidiary of the Company.

THE DIVESTMENT COMPLETION

The Board is pleased to announce that the conditions precedent of the Divestment Agreement have been fulfilled and the Divestment Completion took place on 29 July 2016 in accordance with the terms of the Divestment Agreement, simultaneously with the Subscription Completion, the Acquisition Completion and the CN Subscription Completion. Pursuant to the Divestment Agreement, the Soufun Shares held by the Company have been transferred to the Divestment Group at market price and reflected as an corresponding increase into Current Accounts Receivable. Based on the adjustment mechanism pursuant to the Divestment Agreement as explained in the Circular, the final consideration for the Divestment is HK\$1.00. Upon the Divestment Completion, the Restructured Group has ceased to own or otherwise hold responsible for any assets or liabilities of the Divestment Group; and the principal business of the Restructured Group has changed from hotel and restaurant operations as carried out by the Divestment Group to upstream oil exploration, development and production of crude oil as carried out by the PRC Target.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately before S&P Completion; (ii) immediately upon S&P Completion and as at the date of this joint announcement (assuming no conversion of the Convertible Bonds, the Convertible Note and the Preferred Shares); and (iii) immediately upon S&P Completion and as at the date of this joint announcement (assuming conversion in full of the Convertible Bonds (taking into account of the adjustment of CB Conversion Price as detailed in the section headed “Letter from the Board — Adjustment to the CB Conversion Price of the Convertible Bonds” of the Circular), the Convertible Note and the Preferred Shares):

	Immediately before S&P Completion		Immediately upon S&P Completion and as at the date of this joint announcement (assuming no conversion of the Convertible Bonds, the Convertible Note, and Preferred Shares)		Immediately upon S&P Completion and as at the date of this joint announcement (assuming conversion in full of the Convertible Bonds, the Convertible Note and Preferred Shares) (Note 1)	
	Number of Ordinary Shares	%	Number of Ordinary Shares	%	Number of Ordinary Shares	%
Seller 1	173,728,685	50.02%	34,753,409	2.15%	34,753,409	0.53%
Seller 2	—	—	—	—	344,754,077	5.28%
The Sellers	173,728,685	50.02%	34,753,409	2.15%	379,507,486	5.82%
The Offeror	36,024,724	10.37%	829,641,578	51.32%	3,682,107,408	56.44%
IDG Technology	11,500,000	3.31%	11,500,000	0.71%	11,500,000	0.18%
Lin Dongliang (林棟梁)	12,910,000	3.72%	12,910,000	0.80%	12,910,000	0.20%
Aquarius Investment (Note 3)	—	—	—	—	443,369,176	6.80%
Lu Xi (Note 2)	—	—	14,934,289	0.92%	14,934,289	0.23%
Fang Chao (Note 2)	—	—	14,934,289	0.92%	14,934,289	0.23%
華寶●境外市場投資2號系列20-6期 QDII 單一資金信托 (Hwabao.Overseas Investment Series 2 No 20-6 QDII Single Money Trust*) (Note 2)	—	—	93,588,212	5.79%	93,588,212	1.43%
華寶●境外市場投資2號系列20-7期 QDII 單一資金信托 (Hwabao.Overseas Investment Series 2 No 20-7 QDII Single Money Trust*) (Note 2)	—	—	46,794,106	2.89%	46,794,106	0.72%
New Fast Investments Limited (Note 2)	—	—	124,701,315	7.71%	241,437,675	3.70%
Real Smart Holdings Limited (Note 2)	—	—	50,029,870	3.09%	166,766,230	2.56%
Grand Empire Global Limited (Note 2)	—	—	50,029,870	3.09%	166,766,230	2.56%
True Success Global Limited (Note 2)	—	—	75,044,800	4.64%	250,149,340	3.83%
Sonic Gain Limited (Note 2)	—	—	144,716,246	8.95%	319,820,786	4.90%
Haitong International Securities Company Limited (Note 2)	—	—	—	—	50,000,000	0.77%
ExaByte Capital Fund L.P. (Note 2)	—	—	—	—	14,934,289	0.23%
Rich Harvest Worldwide Ltd. (Note 2)	—	—	—	—	127,681,952	1.96%
Public Shares Subscribers (Note 2)	—	—	614,772,997	38.03%	1,507,807,398	23.11%
The Offeror and parties acting in concert with it	60,434,724	17.40%	1,473,824,575	91.16%	5,662,693,982	86.80%
League Way (Note 4)	—	—	—	—	373,357,228	5.72%
Other existing public Shareholders	113,162,591	32.58%	113,162,591	7.00%	113,162,591	1.73%
Total	347,326,000	100.00%	1,616,740,575	100.00%	6,523,721,287	100.00%
Total public Shareholders (before Mr. Mo resigns as Director)	113,162,591	32.58%	727,935,588	45.02%	1,994,327,217	30.57%
Total public Shareholders (after Mr. Mo resigns as Director after close of the Offer)	113,162,591	32.58%	762,688,997	47.17%	2,373,834,703	36.39%

Notes:

- (1) The calculation of the total number of CB Conversion Shares is based on the Adjusted CB Conversion Price of HK\$0.0672 per CB Conversion Share, details of which are set out in the sub-section headed “Adjustment to the CB Conversion Price of the Convertible Bonds” in the section headed “Letter from the Board” in the Circular.
- (2) Given that the Public Shares Subscribers are not connected persons to the Offeror, their subscription of the Ordinary Subscription Shares and Preferred Shares are not financed by any connected persons of the Company and they will not become connected persons of the Company as a result of the Subscription or after full conversion of the Preferred Shares/Convertible Note, the interests of the Public Shares Subscribers in the Company upon the Subscription Completion and/or conversion of the Preferred Shares/Convertible Note shall form part of the Company’s public shareholding. The Public Shares Subscribers are parties acting in concert with the Offeror as the Public Shares Subscribers were introduced by the Offeror and the terms of the Subscription Agreement were negotiated between the Company and the Offeror (for itself and on behalf of the other Subscribers) and all the Subscribers entered into the Subscription Agreement (being one single agreement) together with the Company.
- (3) Aquarius Investment is held as to 9% by Mr. Wang, who is the chief executive officer and an executive director of Titan Gas Holdings, and a director of Standard Gas and Aquarius Investment. Further, Mr. Wang holds an approximately 8.05% equity interest in Titan Gas Holdings.
- (4) Given League Way is independent of the Offeror, its subscription of the Convertible Note is not financed by any connected persons of the Company and it will not become a connected person of the Company as a result of the CN Subscription or conversion of the Convertible Note, the interests of League Way in the Company upon the Subscription Completion and/or after conversion of the Convertible Note shall form part of the Company’s public shareholding.
- (5) In the above shareholding table, (i) under the columns “Immediately before S&P Completion”, and “Total public Shareholders” refer to the shareholding interest in the Company under “Other existing public Shareholders”; (ii) under the columns “Immediately upon S&P Completion and as at the date of this joint announcement (assuming no conversion of the Convertible Bonds, the Convertible Note, and Preferred Shares)”, “Total public Shareholders” refer to the total shareholding interest in the Company under “The Sellers”, “Public Shares Subscribers” and “Other existing public Shareholders”; (iii) under the column “Immediately upon S&P Completion and as at the date of this joint announcement (assuming conversion in full of the Convertible Bonds, the Convertible Note and Preferred Shares)”, “Total public Shareholders” refer to the total shareholding interest in the Company under “The Sellers”, “Public Shares Subscribers”, “League Way” and “Other existing public Shareholders”.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately after the S&P Completion (prior to the Subscription Completion and the CN Subscription Completion), the Offeror and parties acting in concert with it became interested in an aggregate of 199,410,000 Ordinary Shares (representing approximately 57.41% of the total number of Ordinary Shares in issue as at the date of the S&P Completion and prior to the Subscription Completion and the CN Subscription Completion) and the Sale Bonds with an aggregate principal amount of HK\$96,832,526. Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for all the issued Ordinary Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Essence Securities will, on behalf of the Offeror, make the Offer.

DESPATCH OF THE COMPOSITE DOCUMENT

Pursuant to the consent granted by the Executive pursuant to Note 2 to Rule 8.2 of the Takeovers Code dated 29 June 2016, the latest time for the despatch of the Composite Document (together with the Form of Acceptance) will be a date falling within seven days of the S&P Completion or 7 September 2016, whichever is earlier. It is expected that the Composite Document and the accompanying Form of Acceptance will be despatched to the Shareholders on 5 August 2016.

Further announcement in relation to the despatch of the Composite Document and the accompanying Form of Acceptance will be made by the Offeror and the Company as and when appropriate.

By order of the sole director of
Titan Gas Technology Investment Limited
Xie Jianping
Sole Director

By Order of the Board of
Shun Cheong Holdings Limited
Cao Jing
Executive Director

Hong Kong, 29 July 2016

As at the date of this joint announcement, the Board comprises two executive Directors, being Ms. Cao Jing and Mr. Zhang Shaohua, one non-executive Director, being Mr. Mo Tianquan, and three independent non-executive Directors, being Prof. Ye Jianping, Mr. Palaschuk Derek Myles and Prof. Chen Zhiwu.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Xie Jianping.

The Directors and the proposed Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, Mr. Mo, the Sellers, the PRC Target, League Way and parties acting in concert with them (excluding the Offeror and parties acting in concert with it)), and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.