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**SOUTH SEA PETROLEUM HOLDINGS LIMITED**

**南海石油控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 076)**

**CLARIFICATION ANNOUNCEMENT**

Reference is made to the announcement dated 28 November 2016 in relation to a disclosable transaction. The Company will clarify several points in the Announcement.

Reference is made to the announcement dated 28 November 2016 in relation to a disclosable transaction (the “Announcement”) made by South Sea Petroleum Holdings Limited. It was announced that Unicorn Arts Limited, the wholly-owned subsidiary of the Company, and Dadi Film Distribution (HK) Limited entered into a joint-investment contract. The Company will clarify several points in the Announcement. Capitalized terms used herein shall have the same meaning as in the Announcement unless defined otherwise.

1. Dadi was the original owner of the publishing rights of the movie 《American Made》 in China. Dadi invited Unicorn to be a participation investor. As a result of this Contract, Unicorn owns 30% of the publishing rights and all relevant income (including but not limited to the income in relation to the movie, TV shows and new media), and Dadi owns the remaining 70%.
2. The consideration is based on the original price of US\$12 million paid by Dadi for the publishing rights of 《American Made》 in China. Under the Contract, Unicorn will pay US\$3.6 million in cash to acquire the 30% participation interest of the publishing rights from Dadi. The payment will be made in three installments. The 50% of the US\$3.60 million, which is US\$1,800,000 will be paid on or before 1 December, 2016; the 25% of the payment, which is US\$900,000, will be paid on or before 28 February, 2017; and the final 25% of the payment, which is US\$900,000, will be paid within 3 business days after the release of the movie.

3. The purchasing price for the publishing rights will be treated as expense in the financial statements of the Group (the Company and its subsidiaries).

By Order of the Board  
**South Sea Petroleum Holdings Limited**  
Vivian Lam  
*Company Secretary*

Hong Kong, 30 November 2016

*As at the date of this announcement, the board of directors comprises of Mr. Feng Zhong Yun and Ms. Zhang Xue, being executive directors; Mr. Han Zhi Jun, Mr. Lu Ren Jie, Mr. Chai Woon Chew and Mr. Ng Lai Po being independent non-executive directors.*