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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)**

**DISCLOSEABLE TRANSACTION**

The board of directors of South Sea Petroleum Holdings Limited is pleased to announce that on 28 November 2016, Unicorn Arts Limited, the wholly-owned subsidiary of the Company, and Dadi Film Distribution (HK) Limited entered into a contract, to purchase the 20-year publishing rights and all relevant income (including but not limited to the income in relation to movies, TV shows and new media. Hotels housing foreign guest are excluded.) generated in China of “American Made”, a movie starred by Tom Cruise. Dadi Film Distribution (HK) Limited will be interested in 70% of the proceeds, while Unicorn will be of 30%. It is estimated that the movie will be worldwide released in 2017.

**Listing Rules Implication**

As the applicable percentage ratios for the transaction exceed 5% but are less than 25%, the Contract constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The board of directors (the “Board”/the “Directors”) of South Sea Petroleum Holdings Limited (the “Company”) is pleased to announce that on 28 November 2016, Unicorn Arts Limited (“Unicorn”), the wholly-owned subsidiary of the Company, and Dadi Film Distribution (HK) Limited ( “Dadi” ) entered into a contract (the “Contract”).

## **THE CONTRACT**

### **Date**

28 November 2016

### **Parties**

1. Unicorn Arts Limited, a wholly-owned subsidiary of the Company; and
2. Dadi Film Distribution (HK) Limited, a company which principally engaged in investment of movie production.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Dadi and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

### **Principal terms of the Contract**

Dadi and Unicorn will purchase the 20-year publishing rights and all relevant income (including but not limited to the income in relation to movies, TV shows and new media. Hotels housing foreign guest are excluded) generated in China of "American Made", a movie starred by Tom Cruise. Dadi will invest US\$8.4 million and be interested in 70% of the proceeds, while Unicorn will invest US\$3.6 million and be interested in 30% of the proceeds. It is estimated that the movie will be worldwide released in 2017.

## **REASONS FOR ENTERING INTO THE CONTRACT**

With the increasing development of economy in China and with the government support, the film-making industry in China is growing with full speed. The box offices were recording 30% growth in the near consecutive years. The Company intends to make films and publish foreign movies which on one hand suit the Chinese audience, and to produce multi-media products and internet programmes which open the international markets on the other hand. The Company believes that cultural industries have good market prospect; and the development of cultural industrial business may bring in new income streams to the Company. Therefore the Directors (including the independent non-executive directors of the Company) consider the Contract is appropriate, fair, reasonable and in the best interest of the Company and its shareholders as a whole.

## **GENERAL INFORMATION OF THE COMPANY**

The Company, through its subsidiaries, is primarily engaged in the business of developing and producing crude oil in Indonesia, graphite minerals in China, provision of electronic manufacturing services in the United Kingdom, and development of cultural industrial business.

## **LISTING RULES IMPLICATION**

As the applicable percentage ratios for the transaction exceed 5% but are less than 25%, the Contract constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 28 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.*