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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)

**INSIDE INFORMATION
ESTABLISHMENT OF A JOINT VENTURE**

This announcement is made by South Sea Petroleum Holdings Limited (the “Company”) pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of South Sea Petroleum Holdings Limited is pleased to announce that on 23 January 2018, Cityhill Limited, a wholly owned subsidiary of the Company, signed an agreement to establish a joint venture with Scientific Energy, Inc. Cityhill Limited and Scientific Energy, Inc. owns 50% equity interest in the joint venture respectively.

LISTING RULES IMPLICATIONS

As none of the relevant applicable percentage ratios (as defined in the Listing Rules) for the establishment of the Joint Venture exceeds 5%, the establishment of the Joint Venture does not constitute a notifiable transaction of the Company according to Rule 14 of the Listing Rules.

This announcement is made pursuant to Rule 13.09(2) of Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “Directors”) of South Sea Petroleum Holdings Limited is pleased to announce that on 23 January 2018, Cityhill Limited, a wholly owned subsidiary of the Company, signed an agreement to establish a joint venture (the “Joint Venture”) with Scientific Energy, Inc. (“Scientific”). Cityhill and Scientific (the “Contracted Parties”) owns 50% equity interest in the Joint Venture respectively.

Scientific is a company incorporated in the United States of America. To the best knowledge of the Directors, information and belief after having made all reasonable enquires, Scientific is a third party, independent of the Company and its connected person(s).

INFORMATION OF THE JOINT VENTURE AND REASON FOR ESTABLISHING THE JOINT VENTURE

The Venture Joint, with the support of blockchain technology, is to provide global trading service of real gold for customers, including purchasing, depositing, circulating and selling real gold for cash. The Contracted Parties contribute their respective experiences in blockchain technology and marketing. Scientific will assist the Joint Venture in exploring the North America and Europe markets, while Cityhill will focus on the Asian markets. Operation details of the Joint Venture will be further negotiated between the Contracted Parties.

The Directors consider the terms of the agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As none of the relevant applicable percentage ratios (as defined in the Listing Rules) for the establishment of the Joint Venture exceeds 5%, the establishment of the Joint Venture does not constitute a notifiable transaction of the Company according to Rule 14 of the Listing Rules.

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

Hong Kong, 23 January 2018

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.