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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 announces that on 28 September 2018, Liaoning Sinorth Resources Co., Ltd, a wholly-owned subsidiary of the Company, entered into a contract with the Transferee, that Liaoning Sinorth Resources Co., Ltd will sell 25% interest equity of Shanghai Guo Xiong Development and Investment Co. Ltd, to the Transferee for RMB11,310,000.

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 “Directors”) of South Sea Petroleum Holdings Limited (the “Company”) announces that on 28 September 2018, Liaoning Sinorth Resources Co., Ltd (“LSR”), the wholly-owned subsidiary of the Company, entered into a contract (the “Contract”) with the Transferee, that LSR will sell 25% interest equity of Shanghai Guo Xiong Development and Investment Co. Ltd (“Shanghai Guo Xiong”), to the Transferee for RMB11,310,000.

THE CONTRACT

Date

28 September 2018

Parties

1. Liaoning Sinorth Resources Co., Ltd, a wholly-owned subsidiary of the Company; and
2. Ms. Wang Qing Jian (the “Transferee”)

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Transferee is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Principal term of the Contract

The principal term of the Contract is that LSR will sell 25% interest equity of Shanghai Guo Xiong to the Transferee for RMB11,310,000. Upon receipt of full payment of RMB11,310,000, all rights and obligations of the Company in Shanghai Guo Xiong will be transferred to the Transferee.

REASON FOR ENTERING INTO THE CONTRACT

On 22 March 2018, LSR invested RMB10,100,000 for 25% interest equity of Shanghai Guo Xiong. The principal business of which is investing in real properties in Shandong Province, China. Due to the Sino-U.S. trade disputes, unstable factors affecting the real property market in China may increase. The Company has decided not to hold the investment for the long term to reduce risk. Therefore the Directors 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 production and trading of minerals, primarily graphite, worldwide; 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 September 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.