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## **SHUN CHEONG HOLDINGS LIMITED**

**順昌集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 650)**

### **ANNOUNCEMENT IN RELATION TO THE AMENDMENTS TO THE S&P AGREEMENT, THE SUBSCRIPTION AGREEMENT, THE ACQUISITION AGREEMENT, THE CN SUBSCRIPTION AGREEMENT AND THE DIVESTMENT AGREEMENT**

Reference is made to the announcement dated 27 October 2015 (the “**Joint Announcement**”) jointly issued by Shun Cheong Holdings Limited (the “**Company**”) and Titan Gas Technology Investment Limited in relation to the Transfer, the Subscription, the Acquisition, the CN Subscription and the Divestment. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the Joint Announcement.

#### **AMENDMENTS TO THE S&P AGREEMENT, THE SUBSCRIPTION AGREEMENT, THE ACQUISITION AGREEMENT, THE CN SUBSCRIPTION AGREEMENT AND THE DIVESTMENT AGREEMENT**

The Board announces that, on 20 November 2015, the respective parties to the S&P Agreement, the Subscription Agreement, the Acquisition Agreement, the CN Subscription Agreement and the Divestment Agreement (collectively, the “**Agreements**”) entered into amendment agreements (individually, the “**Amendment Agreement**”) pursuant to which, amendments have been made to each of the Agreements as follows:

#### **Lock-up arrangement under the Subscription Agreement**

Pursuant to the Amendment Agreement to the Subscription Agreement, each Subscriber (other than Prime Eagle Holdings Limited (“**Prime Eagle**”), Classictime Investments Limited (“**Classictime**”), China Alpha Fund Management (HK) Limited (“**Alpha Fund**”), Leading Global Investment Ltd. (“**Leading Global**”) which have ceased to be Subscribers

\* *For identification purpose only*

upon the entering into of the Amendment Agreement to the Subscription Agreement) undertakes to the Company that, in the period commencing from the date of the Subscription Completion and ending on the date which is 6 months from the date of the Subscription Completion (the “**Lock-up Period**”), it shall not dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of its/his Subscription Shares, which, for the avoidance of doubt, shall include any and all Ordinary Shares into which his/its Preferred Shares may be converted during the Lock-up Period.

### **Allocation of Ordinary Subscription Shares under the Subscription Agreement**

As mentioned above, pursuant to the Amendment Agreement to the Subscription Agreement, (i) Prime Eagle (which agreed to subscribe for 14,934,289 Ordinary Subscription Shares), Classictime (which agreed to subscribe for 89,605,735 Ordinary Subscription Shares and 62,724,014 Preferred Shares), Alpha Fund (which agreed to subscribe for 44,802,867 Ordinary Subscription Shares and 41,816,010 Preferred Shares) and Leading Global (which agreed to subscribe for 14,934,289 Ordinary Subscription Shares) have ceased to be a Subscriber; (ii) the Offeror has agreed to assume all the rights and obligations of Prime Eagle under the Subscription Agreement; (iii) New Fast Investments Limited, one of the Subscribers, has agreed to assume all the relevant rights and obligations of Classictime, Alpha Fund, Leading Global to subscribe for 50% of their respective Ordinary Subscription Shares under the Subscription Agreement; (iv) Sonic Gain Limited, one of the Subscribers, has agreed to assume all the relevant rights and obligations of Classictime, Alpha Fund, Leading Global to subscribe for the remaining 50% of their respective Ordinary Subscription Shares under the Subscription Agreement; and (v) Aquarius Investment, one of the Subscribers, has agreed to assume all the rights and obligations of Classictime and Alpha Fund to subscribe for their respective Preferred Subscription Shares under the Subscription Agreement.

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

After amendments to the Subscription Agreement, the following table sets out a summary of the Subscription Shares to be subscribed for by the Subscribers:

Subscribers	Ordinary Subscription Shares to be subscribed		Tranche 1 and Tranche 2 Preferred Shares to be subscribed	
	<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	649,641,578	435,000,001	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	149,716,246	100,249,998	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>

### Long stop date under the Agreements

Pursuant to the Amendment Agreement to each of the Agreements, the parties thereto agree to extend the long stop date (in the case of the S&P Agreement, the Subscription Agreement, the CN Subscription Agreement and the Divestment Agreement, being the latest date for fulfillment or waiver (as applicable) of the conditions precedent referred to therein; in the case of the Acquisition Agreement, the latest date allowing Acquisition Completion to take place thereunder) from 31 December 2015 to 31 January 2016 (or such later date as the parties to each of the Agreements may agree) with a view to giving additional buffer for the timetable regarding the Transfer and the Transactions.

\* For identification purpose only

## SHAREHOLDING STRUCTURE OF THE COMPANY

Tranche 1 Sale Completion took place on 27 October 2015. After amendments to the Subscription Agreement, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement (assuming no conversion of the Convertible Bonds); (ii) immediately after the Tranche 2 Sale Completion (i.e. the S&P Completion) (assuming no conversion of the Convertible Bonds); (iii) immediately after the S&P Completion and before the Subscription Completion and the CN Subscription Completion (assuming conversion in full of the Convertible Bonds); (iv) immediately after the S&P Completion, the Subscription Completion and the CN Subscription Completion (assuming no conversion of the Convertible Bonds, the Convertible Note and the Preferred Shares); (v) immediately after the S&P Completion, the Subscription Completion and the CN Subscription Completion (assuming conversion in full of the Convertible Bonds (taking into account the adjustment of CB Conversion Price as detailed in the section headed “Adjustment to the CB Conversion Price of the Convertible Bonds” of the Joint Announcement), the Convertible Note and the Preferred Shares):

	As at the date of this announcement (assuming no conversion of the Convertible Bonds)		Immediately after the Tranche 2 Sale Completion (i.e. the S&P Completion) (assuming no conversion of the Convertible Bonds)		Immediately after the S&P Completion and before the Subscription Completion and the CN Subscription Completion (assuming conversion in full of the Convertible Bonds) (Note 1)		Immediately after the S&P Completion, the Subscription Completion and the CN Subscription Completion (assuming no conversion of the Convertible Bonds, the Convertible Note, and Preferred Shares)		Immediately after the S&P Completion, the Subscription Completion and the CN Subscription Completion (assuming conversion in full of the Convertible Bonds, the Convertible Note and Preferred Shares) (Note 2)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Seller 1	173,728,685	50.02%	34,753,409	10.01%	34,753,409	5.17%	34,753,409	2.15%	34,753,409	0.53%
Seller 2	-	-	-	-	62,699,523	9.33%	-	0.00%	344,754,077	5.28%
<b>The Sellers</b>	<b>173,728,685</b>	<b>50.02%</b>	<b>34,753,409</b>	<b>10.01%</b>	<b>97,452,932</b>	<b>14.50%</b>	<b>34,753,409</b>	<b>2.15%</b>	<b>379,507,486</b>	<b>5.82%</b>
The Offeror	36,024,724	10.37%	175,000,000	50.38%	437,063,670	65.03%	824,641,578	51.01%	3,677,107,408	56.37%
IDG Technology Venture Investment III, L.P.	11,500,000	3.31%	11,500,000	3.31%	11,500,000	1.71%	11,500,000	0.71%	11,500,000	0.18%
Lin Dongliang	12,910,000	3.72%	12,910,000	3.72%	12,910,000	1.92%	12,910,000	0.80%	12,910,000	0.20%
Aquarius Investment (Note 4)	-	-	-	-	-	-	-	-	443,369,176	6.80%
Lu Xi (Note 3)	-	-	-	-	-	-	14,934,289	0.92%	14,934,289	0.23%
Fang Chao (Note 3)	-	-	-	-	-	-	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單一資金信託 (Hwabao.Overseas Investment Series 2 No. 20-6 QDII Single Money Trust*) (Note 3)	-	-	-	-	-	-	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單一資金信託 (Hwabao.Overseas Investment Series 2 No. 20-7 QDII Single Money Trust*) (Note 3)	-	-	-	-	-	-	46,794,106	2.89%	46,794,106	0.72%
New Fast Investments Limited (Note 3)	-	-	-	-	-	-	124,701,315	7.71%	241,437,675	3.70%
Real Smart Holdings Limited (Note 3)	-	-	-	-	-	-	50,029,870	3.09%	166,766,230	2.56%
Grand Empire Global Limited (Note 3)	-	-	-	-	-	-	50,029,870	3.09%	166,766,230	2.56%
True Success Global Limited (Note 3)	-	-	-	-	-	-	75,044,800	4.64%	250,149,340	3.83%
Sonic Gain Limited (Note 3)	-	-	-	-	-	-	149,716,246	9.26%	324,820,786	4.98%
Haitong International Securities Company Limited (Note 3)	-	-	-	-	-	-	-	-	50,000,000	0.77%
ExaByte Capital Fund L.P.	-	-	-	-	-	-	-	-	14,934,289	0.23%
Rich Harvest Worldwide Ltd. (Note 3)	-	-	-	-	-	-	-	-	127,681,952	1.96%

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	As at the date of this announcement (assuming no conversion of the Convertible Bonds)		Immediately after the Tranche 2 Sale Completion (i.e. the S&P Completion) (assuming no conversion of the Convertible Bonds)		Immediately after the S&P Completion and before the Subscription Completion and the CN Subscription Completion (assuming conversion in full of the Convertible Bonds) (Note 1)		Immediately after the S&P Completion, the Subscription Completion and the CN Subscription Completion (assuming no conversion of the Convertible Bonds, the Convertible Note, and Preferred Shares)		Immediately after the S&P Completion, the Subscription Completion and the CN Subscription Completion (assuming conversion in full of the Convertible Bonds, the Convertible Note and Preferred Shares) (Note 2)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Public Shares Subscribers (Note 3)	-	-	-	-	-	-	619,772,997	38.33%	1,512,807,398	23.19%
The Offeror and parties acting in concert with it	60,434,724	17.40%	199,410,000	57.41%	461,473,670	68.66%	1,468,824,575	90.85%	5,657,693,982	86.72%
League Way (Note 5)	-	-	-	-	-	-	-	-	373,357,228	5.72%
Other existing public Shareholders	113,162,591	32.58%	113,162,591	32.58%	113,162,591	16.84%	113,162,591	7.00%	113,162,591	1.73%
<b>Total</b>	<b>347,326,000</b>	<b>100.00%</b>	<b>347,326,000</b>	<b>100.00%</b>	<b>672,089,193</b>	<b>100.00%</b>	<b>1,616,740,575</b>	<b>100.00%</b>	<b>6,523,721,287</b>	<b>100.00%</b>
Total public Shareholders (Note 6)	113,162,591	32.58%	113,162,591	32.58%	113,162,591	16.84%	767,688,997	47.48%	2,378,834,703	36.46%

*Notes:*

- (1) The calculation of the total number of CB Conversion Shares is based on the Existing CB Conversion Price of HK\$0.3695 per CB Conversion Share. The above situation is for illustrative purposes only. Each of the Company, the Offeror and Seller 2 have unconditionally and irrecoverably undertaken to ensure that no less than 25% of the Ordinary Shares will be held by the public at all times in compliance with the minimum public float requirement of the Listing Rules; in particular, immediately following any conversion of the Convertible Bonds (i.e. the Sale Bonds under the Tranche 1 Transfer, the Sale Bonds under the Tranche 2 Transfer and the Excluded Bonds).
- (2) 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 section headed “Adjustment to the CB Conversion Price of the Convertible Bonds” of the Joint Announcement.
- (3) 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. It is stated in the Joint Announcement that 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.
- (4) It is stated in the Joint Announcement that 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.
- (5) It is stated in the Joint Announcement that 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.

- (6) In the above shareholding table, (i) under the column “As at the date of this announcement (assuming no conversion of the Convertible Bonds)”, “Immediately after the Tranche 2 Sale Completion (i.e. the S&P Completion) (assuming no conversion of the Convertible Bonds)” and “Immediately after the S&P Completion and before the Subscription Completion and the CN Subscription Completion (assuming conversion in full of the Convertible Bonds)”, “Total public Shareholders” refer to the shareholding interest in the Company under “Other existing public Shareholders”; (iii) under the columns “Immediately after the S&P Completion, the Subscription Completion and the CN Subscription Completion (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”; (iv) under the column “Immediately after the S&P Completion, the Subscription Completion and the CN Subscription Completion (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”.

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

Hong Kong, 20 November 2015

*As at the date of this announcement, the Board of the Company 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.*

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