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**Titan Gas Technology Investment
Limited**

*(Incorporated in the British Virgin Islands
with limited liability)*

Shun Cheong Holdings Limited

順昌集團有限公司*

*(incorporated in Bermuda
with limited liability)
(Stock Code: 650)*

JOINT ANNOUNCEMENT

(1) CLOSE OF UNCONDITIONAL MANDATORY CASH OFFER BY



Essence International Securities (Hong Kong) Limited

**FOR AND ON BEHALF OF
TITAN GAS TECHNOLOGY INVESTMENT LIMITED
TO ACQUIRE ALL THE ISSUED ORDINARY SHARES
OF SHUN CHEONG HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY
TITAN GAS TECHNOLOGY INVESTMENT LIMITED
AND PARTIES ACTING IN CONCERT WITH IT);
AND
(2) RESULTS OF THE OFFER**

**Financial adviser to
Titan Gas Technology Investment Limited**



Essence Corporate Finance (Hong Kong) Limited

**Financial adviser to
Shun Cheong Holdings Limited**



REORIENT Financial Markets Limited

* For identification purposes only

CLOSE OF THE OFFER

The Offeror and the Company jointly announce that the Offer made by Essence Securities for and on behalf of the Offeror closed at 4:00 p.m. on Friday, 26 August 2016 and was not revised or further extended by the Offeror.

RESULTS OF THE OFFER

As at 4:00 p.m. on Friday, 26 August 2016, being the latest time and date for acceptance of the Offer as set out in the Composite Document, the Offeror had not received any valid acceptances.

PUBLIC FLOAT

Immediately after the close of the Offer, and as at the date of this joint announcement, 727,935,588 Ordinary Shares, representing approximately 45.02% of the issued Ordinary Shares and voting rights of the Company, are held by the public (within the meaning of the Listing Rules). As set out in the Composite Document, Mr Mo has indicated to the Board his intention to resign as Director with effect from the Closing Date (26 August 2016), being the earliest time permitted under the Takeovers Code. Upon Mr Mo's resignation as Director, Seller 1 and Seller 2 (upon conversion of the Convertible Bonds) will become public Shareholders. At such time, 762,688,997 Ordinary Shares (assuming no conversion of the Convertible Bonds, the Convertible Note and Preferred Shares) and 2,373,834,703 Ordinary Shares (assuming conversion in full of the Convertible Bonds, the Convertible Note and Preferred Shares) will be held by the public, representing approximately 47.17% and 36.39% of the issued Ordinary Shares and voting rights of the Company respectively. Accordingly, the Company is in compliance with the minimum public float requirement of 25% under Rule 8.08(1)(a) of the Listing Rules.

References are made to the composite offer and response document jointly issued by Shun Cheong Holdings Limited (the "**Company**") and Titan Gas Technology Investment Limited (the "**Offeror**") dated 5 August 2016 (the "**Composite Document**") and the announcement issued by the Offeror dated 12 August 2016. Unless the context otherwise requires, terms defined in this joint announcement shall have the same meaning as those defined in the Composite Document.

CLOSE OF THE OFFER

The Offeror and the Company jointly announce that the Offer made by Essence Securities for and on behalf of the Offeror closed at 4:00 p.m. on Friday, 26 August 2016 and was not revised or further extended by the Offeror.

RESULTS OF THE OFFER

As at 4:00 p.m. on Friday, 26 August 2016, being the latest time and date for acceptance of the Offer as set out in the Composite Document, the Offeror had not received any valid acceptances.

SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately prior to 8 June 2015, being the commencement of the Offer Period, the Offeror and parties acting in concert with it held, controlled and had direction over an aggregate of 24,410,000 Ordinary Shares representing approximately 7.03% of the total number of Ordinary Shares then in issue.

Immediately after the S&P Completion, the Subscription Completion and the CN Completion, but prior to the making of the Offer, the Offeror and parties acting in concert with it held, controlled and had direction over an aggregate of 1,468,824,575 Ordinary Shares (representing approximately 90.85% of the total number of Ordinary Shares), 2,747,909,199 Preferred Shares (carrying the rights to convert into 2,747,909,199 new Ordinary Shares upon full payment and subject to their terms) and the Sale Bonds with an aggregate principal amount of HK\$96,832,526 (carrying rights to convert into 1,440,960,208 new Ordinary Shares based on the CB Conversion Price of HK\$0.0672 per CB Conversion Share).

Taking into account that the Offeror had not received any valid acceptances under the Offer, the Offeror and parties acting in concert with it held, controlled and had direction over 1,468,824,575 Ordinary Shares, representing approximately 90.85% of the total issued Ordinary Shares as at the date of this joint announcement.

Save for the acquisition of the Sale Shares and the Sale Bonds pursuant to the S&P Agreement and the subscription of the Subscription Shares pursuant to the Subscription Agreement, none of the Offeror or parties acting in concert with it acquired or agreed to acquire any Ordinary Shares or other securities of the Company or rights over the Ordinary Shares or any other securities during the Offer Period. The Offeror and parties acting in concert with it have not borrowed or lent any Ordinary Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period.

The table below sets out the shareholding structure of the Company (i) immediately after S&P Completion, the Subscription Completion and the CN Subscription Completion and prior to the making of the Offer (assuming no conversion of the Convertible Bonds, the Convertible Note and the Preferred Shares); (ii) immediately after S&P Completion, the Subscription Completion and the CN Subscription Completion and prior to the making of the Offer (assuming conversion in full of the Convertible Bonds, the Convertible Note and the Preferred Shares); (iii) immediately after the close of the Offer and as at the date of this joint announcement (assuming no conversion of the Convertible Bonds, the Convertible Note and the Preferred Shares); and (iv) immediately after the close of the Offer and as at the date of this joint announcement (assuming conversion in full of the Convertible Bonds, the Convertible Note and Preferred Shares):

	Immediately after S&P Completion, the Subscription Completion and the CN Subscription Completion and prior to the making of the Offer (assuming no conversion of the Convertible Bonds, the Convertible Note, and Preferred Shares)		Immediately after S&P Completion, the Subscription Completion and the CN Subscription Completion and prior to the making of the Offer (assuming conversion in full of the Convertible Bonds, the Convertible Note and Preferred Shares) (Note 1)		Immediately after the close of the Offer and as at the date of this joint announcement (assuming no conversion of the Convertible Bonds, the Convertible Note and the Preferred Shares)		Immediately after the close of the Offer and as at the date of this joint announcement (assuming conversion in full of the Convertible Bonds, the Convertible Note and Preferred Shares)	
	Number of Ordinary Shares	%	Number of Ordinary Shares	%	Number of Ordinary Shares	%	Number of Ordinary Shares	%
Seller 1	34,753,409	2.15%	34,753,409	0.53%	34,753,409	2.15%	34,753,409	0.53%
Seller 2	—	—	344,754,077	5.28%	—	—	344,754,077	5.28%
The Sellers	34,753,409	2.15%	379,507,486	5.82%	34,753,409	2.15%	379,507,486	5.82%
The Offeror	829,641,578	51.32%	3,682,107,408	56.44%	829,641,578	51.32%	3,682,107,408	56.44%
IDG Technology	11,500,000	0.71%	11,500,000	0.18%	11,500,000	0.71%	11,500,000	0.18%
Lin Dongliang (林棟梁)	12,910,000	0.80%	12,910,000	0.20%	12,910,000	0.80%	12,910,000	0.20%
Aquarius Investment (Note 3)	—	—	443,369,176	6.80%	—	—	443,369,176	6.80%
Lu Xi (Note 2)	14,934,289	0.92%	14,934,289	0.23%	14,934,289	0.92%	14,934,289	0.23%
Fang Chao (Note 2)	14,934,289	0.92%	14,934,289	0.23%	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 2)	93,588,212	5.79%	93,588,212	1.43%	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 2)	46,794,106	2.89%	46,794,106	0.72%	46,794,106	2.89%	46,794,106	0.72%
New Fast Investments Limited (Note 2)	124,701,315	7.71%	241,437,675	3.70%	124,701,315	7.71%	241,437,675	3.70%
Real Smart Holdings Limited (Note 2)	50,029,870	3.09%	166,766,230	2.56%	50,029,870	3.09%	166,766,230	2.56%
Grand Empire Global Limited (Note 2)	50,029,870	3.09%	166,766,230	2.56%	50,029,870	3.09%	166,766,230	2.56%
True Success Global Limited (Note 2)	75,044,800	4.64%	250,149,340	3.83%	75,044,800	4.64%	250,149,340	3.83%
Sonic Gain Limited (Note 2)	144,716,246	8.95%	319,820,786	4.90%	144,716,246	8.95%	319,820,786	4.90%
Haitong International Securities Company Limited (Note 2)	—	—	50,000,000	0.77%	—	—	50,000,000	0.77%
ExaByte Capital Fund L.P. (Note 2)	—	—	14,934,289	0.23%	—	—	14,934,289	0.23%
Rich Harvest Worldwide Ltd. (Note 2)	—	—	127,681,952	1.96%	—	—	127,681,952	1.96%
Public Shares Subscribers (Note 2)	614,772,997	38.03%	1,507,807,398	23.11%	614,772,997	38.03%	1,507,807,398	23.11%
The Offeror and parties acting in concert with it	1,468,824,575	90.85%	5,657,693,982	86.72%	1,468,824,575	90.85%	5,657,693,982	86.72%
League Way (Note 4)	—	—	373,357,228	5.72%	—	—	373,357,228	5.72%
Other existing public Shareholders	113,162,591	7.00%	113,162,591	1.73%	113,162,591	7.00%	113,162,591	1.73%
Total	1,616,740,575	100.00%	6,523,721,287	100.00%	1,616,740,575	100.00%	6,523,721,287	100.00%
Total public Shareholders (before Mr. Mo resigns as Director) (Note 5)	727,935,588	45.02%	1,994,327,217	30.57%	727,935,588	45.02%	1,994,327,217	30.57%
Total public Shareholders (after Mr. Mo resigns as Director after close of the Offer) (Note 5) (Note 6)	762,688,997	47.17%	2,373,834,703	36.39%	762,688,997	47.17%	2,373,834,703	36.39%

Notes:

- (1) The calculation of the total number of CB Conversion Shares is based on the CB Conversion Price of HK\$0.0672 per CB Conversion Share.
- (2) 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. 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.
- (3) 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.
- (4) 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.
- (5) In the above shareholding table, where no conversion of the Convertible Bonds, the Convertible Note and the Preferred Shares is assumed, "Total public Shareholders" refers to the total shareholding interest in the Company under "The Sellers", "Public Shares Subscribers" and "Other existing Public Shareholders". Where conversion in full of the Convertible Bonds, the Convertible Note and the Preferred Shares is assumed, "Total public Shareholders" refers to the total shareholding interest in the Company under "The Sellers", "Public Shares Subscribers", "League Way" and "Other existing Public Shareholders". In addition, Seller 1 and Seller 2 (upon conversion of the Convertible Bonds) will become public Shareholders upon his resignation as Director after the close of the Offer.
- (6) As set out in the Composite Document, Mr Mo has indicated to the Board his intention to resign as Director with effect from the Closing Date (26 August 2016), being the earliest time permitted under the Takeovers Code. Upon Mr Mo's resignation as Director, Seller 1 and Seller 2 (upon conversion of the Convertible Bonds) will become public Shareholders. The shareholding table above therefore sets out the total public Shareholders' shareholdings before and after Mr Mo's resignation.

PUBLIC FLOAT

Immediately after the close of the Offer, and as at the date of this joint announcement, 727,935,588 Ordinary Shares, representing approximately 45.02% of the issued Ordinary Shares and voting rights of the Company, are held by the public (within the meaning of the Listing Rules). As set out in the Composite Document, Mr Mo has indicated to the Board his intention to resign as Director with effect from the Closing Date (26 August 2016), being the earliest time permitted under the Takeovers Code. Upon Mr Mo's resignation as Director, Seller 1 and Seller 2 (upon conversion of the Convertible Bonds) will become public Shareholders. At such time, 762,688,997 Ordinary Shares (assuming no conversion of the Convertible Bonds, the Convertible Note and Preferred Shares) and 2,373,834,703 Ordinary Shares (assuming conversion in full of the Convertible Bonds, the Convertible Note and Preferred Shares) will be held by the public, representing approximately 47.17% and 36.39% of the issued Ordinary Shares and voting rights of the Company respectively. Accordingly, the Company is in compliance with the minimum public float requirement of 25% under Rule 8.08(1)(a) of the Listing Rules.

By order of the sole director of
Titan Gas Technology Investment Limited
Xie Jianping
Sole Director

By Order of the Board of
Shun Cheong Holdings Limited
Cao Jing
Executive Chairman

Hong Kong, 26 August 2016

As at the date hereof, the Board comprises twelve directors, of whom four are executive directors, namely Ms. Cao Jing (executive chairman), Mr. Zhang Shaohua (managing director), Mr. Wang Jingbo (chief executive officer), and Mr. Lee Khay Kok; three are non-executive directors, namely Mr. Mo Tianquan, Mr. Lin Dongliang and Mr. Shong Hugo; and five are independent non-executive directors, namely Prof. Ye Jianping, Mr. Palaschuk Derek Myles, Prof. Chen Zhiwu, Mr. Shi Cen, and Mr. Chau Shing Yim David.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Xie Jianping.

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

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Restructured Group, Mr. Mo, the Sellers, the PRC Target, League Way and parties acting in concert with them excluding the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.