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NewOcean Energy Holdings Limited

(新 海 能 源 集 團 有 限 公 司 *)

(incorporated in Bermuda with limited liability)

(Stock Code: 342)

Website: <http://www.newoceanhk.com>

CONTINUING CONNECTED TRANSACTION

The Board announces that on 2 November 2018, Baifuyang, a wholly owned subsidiary of the Company, entered into the Bareboat Charter Agreement with Link Harvest for the lease of a VLCC under the name “Astro Chorus” at the monthly rate of hire of US\$290,000 (equivalent to approximately HK\$2,256,200 per month) for a term of 36 months commencing from 1 December 2018.

Link Harvest is a company the entire share capital of which is held by Mr. L Shum and is part of the privately owned fleet management business of Mr. L Shum. Mr. L Shum is the managing director of the Company and personally holds approximately 3.92% of the issued shares of the Company. Also Mr. L Shum holds 15% shares in Uniocean. As at the date of this Announcement Uniocean holds approximately 33.43% of the issued share capital of the Company. Accordingly Link Harvest is a connected person of the Company, rendering the Bareboat Charter Agreement a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the annual aggregate charter hire payable by Baifuyang and the contract sum under the Bareboat Charter Agreement are more than 0.1%, but all the relevant percentage ratios are less than 5% in accordance with Rule 14A.34 of the Listing Rules the transaction is only subject to the reporting and announcement requirement set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders’ approval requirement of the Listing Rules. Details of the transaction are set out below in this announcement.

The Board announces that on 2 November 2018, Baifuyang, a wholly owned subsidiary of the Company, entered into the Bareboat Charter Agreement with Link Harvest for a VLCC as detailed below:

BAREBOAT CHARTER AGREEMENT

- Owner: Link Harvest
- Charterer: Baifuyang
- VLCC: Astro Chorus
- Charter period: 36 months commencing from 1 December 2018
- Charter hire: A lump sum of US\$290,000 (equivalent to approximately HK\$2,256,200) per month

The rate of charter hire was determined following arm’s length negotiation between the parties and after making reference to market rental for VLCC of similar size and age
- Payment terms: Payable not later than every thirty (30) running days in advance, the first lump sum being payable on the date of delivery of the VLCC
- Cancellation: Should the VLCC not be delivered by 1 December 2018, the charterer shall have the option of cancelling the Bareboat Charter Agreement or granting reasonable extension in written
- Charter guarantee: Irrecoverable and unconditional charter guarantee being provided by the Company

ANNUAL CAPS AND CONTRACT SUM

Taking into account the estimated annual values of the Bareboat Charter Agreement, the maximum aggregated estimated annual values payable by Baifuyang for the financial year ending 31 December 2019 and the contract sum of the Bareboat Charter Agreement are US\$3,480,000 (equivalent to approximately HK\$27,074,400) and US\$10,440,000 (equivalent to approximately HK\$81,223,200) respectively, which represent exceeding 0.1% but less than 5% for each of the applicable percentage ratios on an annual basis.

INFORMATION ON THE COMPANY AND THE GROUP

The business of the Company is investment holding. The principal activities of the Group are sale and distribution of liquefied petroleum gas and nature gas, oil/chemical products business and sale of electronic products.

INFORMATION ON LINK HARVEST

Link Harvest is a company limited by shares incorporated in Hong Kong the business of which is asset holding. The entire share capital of Link Harvest is held by Mr. L Shum and is part of the privately owned fleet management business of Mr. L Shum. Astro Chorus is a vessel recently acquired by Link Harvest pursuant to an agreement providing for delivery of the vessel free from encumbrance to Singapore on or before 30 November 2018 and is not subject to any charter or other engagement (other than under the Bareboat Charter Agreement).

REASON FOR ENTERING INTO THE BAREBOAT CHARTER AGREEMENT

The Singapore Strait Region is the largest bunker fuel market and one of the largest trading centres for oil products in the world. Taking advantage of the opportunities offered by the Belt and Road Initiative, starting from the fourth quarter of 2017 the Group commenced bunkering business in Singapore and chartered a 100,000 metric tons floating storage in Malaysia as the procurement center serving the Singapore Strait Region, Hong Kong and China. In the first half of this year, the oil product business in Singapore achieved a sales volume up to approximately 325,700 tones, successfully opening up a prime new market for the Group. With a total market capacity in the Singapore Strait Region of 4 million tones oil products per month, the Group's long term objective is to substantially increase its market share in the region. To meet the growing logistic needs, in the past few months the Group has actively searched for hire of a VLCC with storage capacity up to 300,000 metric tons.

The buoyant world oil market in the past two years resulted in limited availability of VLCCs and most of the available VLCCs are for voyage charter or short term charter only, which for the Group will lead to greater exposure on fluctuation of charter hires and additional reallocation costs for movement of stock between different floating storages. Following arm's length negotiations with Link Harvest, Baifuyang entered into the Bareboat Charter Agreement for a 36 month charter of the Astro Chorus at fixed charter hire. The Bareboat Charter Agreement is on standard BIMCO (Baltic and International Maritime Council) terms and at market rate. The Directors (including the independent non-executive directors) are of the opinion that the transaction was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As set out in paragraph headed "Information on Link Harvest" above, Link Harvest is a company wholly owned by Mr. L Shum, the managing director of the Company who personally holds approximately 3.92% of the issued share capital of the Company. Also Mr. L Shum holds 15% shares in Uniocean, a company which is held as to 70% shares by Mr. Shum Siu Hung, Chairman of the Company and father of Mr. L Shum. As at the date of this Announcement Uniocean holds approximately 33.43% of the issued share capital of the Company. Accordingly Link Harvest is a connected person of the Company, rendering the Bareboat Charter Agreement a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As Mr. L Shum and Mr. Shum Siu Hung are respectively materially interested, or deemed to be materially interested, in the Bareboat Charter Agreement, both of them had abstained from voting on the relevant board resolution.

As the aggregate annual charter hire payable by Baifuyang and the contract sum under the Bareboat Charter Agreement are more than 0.1%, but all the relevant percentage ratios are less than 5% in accordance with Rule 14A.34 of the Listing Rules the transaction is only subject to the reporting and announcement requirement set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement of the Listing Rules.

DEFINITIONS

Unless otherwise defined, the following expressions shall have the following meanings in this announcement:

“Astro Chorus”	a VLCC with storage capacity of approximately 300,000 metric tons, constructed in year 2001, IMO number 9235244. Astro Chorus flies the Marshall Island flag and maintains classification society registration with Lloyd’s Register
“Baifuyang”	Baifuyang Macao Commercial Offshore Limited, a wholly owned subsidiary of the Company incorporated in Macao
“Board”	the board of Directors
“Bareboat Charter Agreement”	the bareboat charter agreement entered between Link Harvest Enterprise Limited as owner and Baifuyang as charterer in respect of the Astro Chorus dated 2 November 2018
“Company”	NewOcean Energy Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong for the time being
“Link Harvest”	Link Harvest Enterprise Limited, a company incorporated in Hong Kong and wholly owned by Mr. L Shum
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. L Shum”	Mr. Shum Chun, Lawrence

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Uniocean”	Uniocean Investments Limited, a company incorporated in the British Virgin Island, a controlling shareholder of the Company holding approximately 33.43% of the issued share capital of the Company. Uniocean is owned as to 70% by Mr. Shum Siu Hung, 15% by Mr. Shum Chun, Lawrence and 15% by Mr. Shum Ho, Neo
“US\$”	the lawful currency of the United States of America for the time being
“VLCC”	very large crude carrier

By Order of the Board
Shum Siu Hung
Chairman

Hong Kong, 2 November 2018

In this announcement US\$ is converted into HK\$ at the rate of US\$1:HK\$7.78 for indication purposes only. Such conversion should not be construed as a representation that any such amount has been, could have been, or may be converted at this or any other rates.

As at the date of this announcement, the Board of the Company comprises Mr. Shum Siu Hung, Mr. Shum Chun, Lawrence, Mr. Cen Ziniu, Mr. Chiu Sing Chung, Raymond, Mr. Siu Ka Fai, Brian and Mr. Wang Jian, being the Executive Directors, Mr. Cheung Kwan Hung, Anthony, Mr. Chan Yuk Wai, Benedict and Dr. Xu Mingshe being the Independent Non-executive Directors.

** for identification purposes only*