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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 6 September 2019, NewOcean Fuel, a subsidiary of the Company, entered into two Bareboat Charter Agreements with Rise Harvest and Win Harvest respectively for the lease of two oil tankers under the names “New Navigator 2” and “New Navigator 3” at the monthly rate of hire of US\$90,000 each (equivalent to approximately HK\$700,200 per month) for a term of 24 months commencing from 20 September 2019.

The entire share capital of Rise Harvest and Win Harvest are held by Mr. L Shum and from 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 Rise Harvest and Win Harvest are connected persons of the Company, rendering the Bareboat Charter Agreements a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the annual aggregate charter hire payable by NewOcean Fuel and the contract sum under the Bareboat Charter Agreements 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 6 September 2019, NewOcean Fuel, a subsidiary of the Company, entered into Bareboat Charter Agreements with Rise Harvest and Win Harvest for two oil tankers as detailed below:

BAREBOAT CHARTER AGREEMENT A

Owner: Rise Harvest

Charterer: NewOcean Fuel

Oil tanker: New Navigator 2

Charter period: 24 months commencing from 20 September 2019

Charter hire: A lump sum of US\$90,000 (equivalent to approximately HK\$700,200) 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 oil tanker 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 oil tanker

Charter guarantee: Irrecoverable and unconditional charter guarantee being provided by the Company

BAREBOAT CHARTER AGREEMENT B

Owner: Win Harvest

Charterer: NewOcean Fuel

Oil tanker: New Navigator 3

Charter period: 24 months commencing from 20 September 2019

Charter hire: A lump sum of US\$90,000 (equivalent to approximately HK\$700,200) 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 oil tanker 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 oil tanker

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 Agreements, the maximum aggregated estimated annual values payable by NewOcean Fuel for the financial year ending 31 December 2020 and the contract sum of the Bareboat Charter Agreements are US\$2,160,000 (equivalent to approximately HK\$16,804,800) and US\$4,320,000 (equivalent to approximately HK\$33,609,600) 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 RISE HARVEST AND WIN HARVEST

Both Rise Harvest and Win Harvest are companies limited by shares incorporated in Singapore, the business of which are asset holding. The entire share capitals of both Rise Harvest and Win Harvest are held by Mr. L Shum and are part of the privately owned fleet management business of Mr. L Shum.

REASON FOR ENTERING INTO THE BAREBOAT CHARTER AGREEMENTS

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 from November 2018 onward chartered a 300,000 metric tons floating storage in Malaysia as the procurement center serving the Singapore Strait Region, Hong Kong and China. From January 2019 onward, the oil product business in Singapore achieved promising organic growth. NewOcean Fuel currently hires around six oil tankers with storage capacity ranged from 4,000 to 5,000 tones to handle oil delivery between floating storage in Malaysia to end customer in Singapore. Commencing from August 2019 onward, the Group expanded the oil delivery business to Port Klang of Malaysia, rendering the Singapore Strait Region a prime new market for the Group. In order to meet the growing logistic needs, in the past few months the Group has actively searched for hire of new oil tankers with storage capacity up to 4,000 metric tons or more.

Following arm's length negotiations with Rise Harvest and Win Harvest, NewOcean Fuel entered into the Bareboat Charter Agreements for a 24 month charter of New Navigator 2 and New Navigator 3 at fixed charter hire. The Bareboat Charter Agreements are 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 Rise Harvest and Win Harvest” above, both Rise Harvest and Win Harvest are companies 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 both Rise Harvest and Win Harvest are connected persons of the Company, rendering the Bareboat Charter Agreements 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 Agreements, both of them had abstained from voting on the relevant board resolution.

As the aggregate annual charter hire payable by NewOcean Fuel and the contract sum under the Bareboat Charter Agreements 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:

“Board”	the board of Directors
“Bareboat Charter Agreements”	Bareboat Chartered Agreement A and Bareboat Chartered Agreement B
“Bareboat Chartered Agreement A”	a bareboat chartered agreement entered between Rise Harvest as owner and NewOcean Fuel as Charterer in respect of the New Navigator 2 dated 6 September 2019
“Bareboat Chartered Agreement B”	a bareboat chartered agreement entered between Win Harvest as owner and NewOcean Fuel as Charterer in respect of the New Navigator 3 dated 6 September 2019
“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

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. L Shum”	Mr. Shum Chun, Lawrence
“New Navigator 2”	an oil tanker with storage capacity of approximately 4,700 metric tons, constructed in year 2010, IMO number 9550606. New Navigator 2 flies the Singapore flag and maintains classification society registration with Bureau Veritas
“New Navigator 3”	an oil tanker with storage capacity of approximately 4,700 metric tons, constructed in year 2009, IMO number 9550591. New Navigator 3 flies the Singapore flag and maintains classification society registration with Bureau Veritas
“NewOcean Fuel”	NewOcean Fuel (Singapore) Pte. Ltd., a subsidiary of the Company incorporated in Singapore. 60% of the interest in NewOcean Fuel is owned by Keen Luck Ventures Limited (“Keen Luck”) and 79.2% of the interest in Keen Luck is owned by Sound Hong Kong Limited (“Sound Hong Kong”). Sound Hong Kong is a wholly owned subsidiary of the Company
“Rise Harvest”	Rise Harvest Enterprise Pte. Ltd., a company incorporated in Singapore and wholly owned by Mr. L Shum
“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
“Win Harvest”	Win Harvest Enterprise Pte. Ltd., a company incorporated in Singapore and wholly owned by Mr. L Shum
“HK\$”	the lawful currency of Hong Kong for the time being
“US\$”	the lawful currency of the United States of America for the time being

By Order of the Board
Shum Siu Hung
Chairman

Hong Kong, 6 September 2019

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. 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*