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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>

PROFIT WARNING

This announcement is made by NewOcean Energy Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provision (as defined under the Listing Rules under Part XVIA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)).

The board of directors of the Company (the “Board”) wishes to inform shareholders of the Company and potential investors that, based on the preliminary assessment of the latest unaudited financial information, the Group is expected to record a consolidated net loss of approximately HK\$2,370 million for the year ended 31 December 2020 (“Year 2020”), as compared to a consolidated net profit of approximately HK\$607 million for the year ended 31 December 2019 (“Year 2019”).

Due to the global pandemic of COVID-19, the slump in global oil prices the Group’s business operation has been seriously affected especially the oil bunkering business in Hong Kong and Singapore and the electronic business in the People’s Republic of China. As a consequence, the gross profit margin derived from oil bunkering business and electronic business has been substantially reduced or turned into gross loss margin as compared to Year 2019. On top of the foregoing, the continued weak energy demand throughout the year due to the global lockdown the Group has also experienced undue delay in trade receivables collection, inventory being sold under purchase costs and contracting of sales volume in different business units. In certain cases, the buyers used various pretext (and in a particular case, also as a result of wrongful interference) to avoid their payment obligations and the Group had to resort to litigation to recover the amounts due and incurred substantial legal and other costs and expenses. The Group has been vigorously pursuing the trade debtors and any other party involved and expects to fully recover all overdue payment together with compensation for the Group’s losses and damages. Therefore, the additional impairment losses on trade receivables, other receivables, inventories, goodwill, intangible assets and property, plant and equipment, etc. amounted to approximately HK\$20,000 million.

The Company is in the process of finalizing the final results for the year ended 31 December 2020. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and information currently available to the Board, which will be updated for any further subsequent events before our final result announcement and that the actual results of the Group for the year ended 31 December 2020 may be different from what is disclosed in this announcement. The final results announcement of the Company for the year ended 31 December 2020 is expected to be released on 31 March 2021 pursuant to the requirements of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
NewOcean Energy Holdings Limited
Shum Siu Hung
Chairman

Hong Kong, 30 March 2021

As at the date of this announcement, the Board of the Company comprises Mr. Shum Siu Hung, Mr. Shum Chun, Lawrence and Mr. Cen Ziniu, 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*