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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>

ANNOUNCEMENT

WINDING UP PETITION AGAINST THE COMPANY

This announcement is made by NewOcean Energy Holdings Limited (the “**Company**” and together with its subsidiaries the “**Group**”) pursuant to Rule 13.09 and Rule 13.19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”), Chapter 571 of the Laws of Hong Kong.

Winding Up Petition against the Company

Reference is made to the announcements of the Company dated 10 December 2020, 14 December 2020, 18 December 2020, 18 January 2021, 12 April 2021 and 3 May 2021 (the “**Court Scheme Announcements**”). Unless the context otherwise required, capitalised terms used in this announcement shall have the same meanings as defined in the Court Scheme Announcements.

On 27 October 2021 the Company received notice that a winding up petition against the Company was presented to the Bermuda Court by The Hongkong and Shanghai Banking Corporation Limited (the “**Petitioner**”) on 22 October 2021 and was listed for hearing on 19 November 2021 at 11:30 a.m. (Bermuda Time) (the “**Winding Up Petition**”).

It was alleged in the Winding Up Petition that the Company had failed to satisfy the Petitioner total indebtedness (the “**Debt**”) in the sum of HK\$5,433,659.12 and US\$70,802,320.35. According to the Winding Up Petition, the aforesaid amounts were owed pursuant to a facility letter dated 21 January 2020 entered into, among others, by Sound Agents Limited (“**Sound Agents**”) and NewOcean Resources (Singapore) Pte. Ltd. and guaranteed by the Company.

Background of the Winding Up Petition

As stated in the Court Scheme Announcements, orders to convene Scheme Meetings were granted by the Hong Kong Court and the Bermuda Court on 10 December 2020 and 11 December 2020 respectively. However, as the Company and Sound Agents have been engaged in ongoing discussion with some of the major Scheme Creditors, which may in turn have implications over the terms of the Court Scheme, at the Scheme Meetings a resolution was approved to adjourn the Scheme Meetings. After the adjournment of the Scheme Meetings and following discussion between the Company and the Major Scheme Creditors, on 12 April 2020 the Company applied to, and was granted leave by the Courts to withdraw the Court Scheme in order to prepare the New Court Scheme.

The New Court Scheme contemplates that all Scheme Claims will be restructured into a global loan facility provided by the Scheme Creditors to the Group, with the Company as the borrower and Sound Agents as the guarantor. The Company's lawyers were then instructed to revise the court documents for the New Court Scheme to reflect the change and to resume the relevant applications to the Hong Kong Court and the Bermuda Court.

On or about March 2021 certain other creditors joined the Major Scheme Creditors and formed a committee of the Scheme Creditors (the "**Steering Committee**") to lead the restructuring negotiations with the Company in place of the group of Major Scheme Creditors. The Petitioner, being one of the Major Scheme Creditors, is on the Steering Committee. At around the same time the Company received indications of interest from several potential acquirers of the Group's core LPG assets. In view of this and other change of circumstance, the Company informed the Steering Committee in a timely manner of the indicative offers received for the LPG assets, and proposed that corresponding changes should be made in the New Court Scheme, and conducted further negotiations with the Steering Committee on this basis.

On 17 April 2021 the Company received a working draft of the facility agreement from the the Bank Group's lawfirm stated to be subject, among others, to lenders' review (the "**Draft Facility Agreement**"). Based on an analysis of the practical issues of the Draft Facility Agreement, the Company wrote to all banks on different occasions explaining these issues and proposing certain changes to be made in the key provisions in the Draft Facility Agreement. These changes are mainly technical in nature, the principle objective of which is to prevent obstacles in the Company's exercise to dispose of the core and non-core assets to fund the debt restructuring, taking advantage of the opportunities now presented to the Company for disposal of the LPG Assets. On 9 September 2021, a further revised draft scheme document for debt restructuring were circulated to Scheme Creditor for comments but no reply had been received up to now.

Between April to October 2021, although the Steering Committee refused to negotiate further with the Company on the Draft Facility Agreement, the Company continued in good faith to work towards satisfying the principle terms of the restructuring plan with the aim of repaying all the lenders, including the Petitioner, by the final repayment date under the proposed New Court Scheme. The Company's efforts included intensifying negotiations with potential buyers of the LPG assets,. By the time the Winding Up Petition was presented to the Bermuda Court, the Company has successfully canvassed additional potential acquirers and more than one has issued non-binding offers for the LPG assets.

Action to be taken by the Company

The Company has been taking advice from counsel and separate legal teams and consider that it has legitimate grounds to oppose the Winding-up Petition. Instead of winding up, several Scheme Creditors have already expressed their preference for debt restructuring. The management considered that winding up is not the best option which may lead to serious consequences:

1. The safety of the infrastructure and equipment depends on around 3000 workers who perform Environmental, Social and Governance duties. These employees are in roles ranging from: The Principal Responsible Person for Dangerous Chemical Entity (as required by prevailing regulatory requirements), safety officers, safety and technical support teams, to specially licensed tanker truck drivers for transportation of flammable goods. The Winding Up Petition is impacting the ability of the Group to maintain safety standards and perform its social responsibilities; and
2. The Group's asset is subject to stringent industrial safety and disaster prevention regulations. The Winding Up Petition impairs the Group's ability to meet its statutory obligations under the industrial safety and disaster prevention legislation in force in the PRC, including the obligations to conduct regular inspection, to properly put in place the safety and disaster control personnel and the necessary equipment in respect of, for instance, explosion of dangerous chemical hazards will lead to fire disaster, as well as to pay the wages of the relevant personnel, all of which will potentially result in the revocation of critical government licences.

The Company and all its staff are totally committed to maintaining the present business of the Company, to fully fulfil its obligations as a large scale petrol chemical corporation, and on a fair and equitable basis to repay all its creditors in full. Therefore, the Company will vigorously oppose the Winding Up Petition and take all other actions as deemed necessary to protect the Company's interest and the interest of its shareholders as a whole and that of its creditors as a whole.

Further announcement will be made by the Company as appropriate in accordance with the Listing Rules and the Inside Information Provisions of the SFO.

Shareholders and potential investors should exercise caution when dealing in the Shares of the Company.

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

Hong Kong, 1 November 2021

For the purpose of this announcement, the conversion of US\$ into HK\$ is based on the approximate exchange rate of US\$1.00 = HK\$7.78. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at such particular rate or at all.

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*