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## **BRIGHTOIL PETROLEUM (HOLDINGS) LIMITED**

**光滙石油(控股)有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 933)

### **CONNECTED TRANSACTION ACQUISITION OF VESSEL**

On 23 December 2015, Subsidiary 326 entered into the MOA with Shenzhen Brightoil Shipping, pursuant to which Shenzhen Brightoil Shipping has agreed to sell, and Subsidiary 326 has agreed to purchase Vessel 326 for a total cash consideration of US\$8,400,000 (equivalent to approximately HK\$65,103,024).

Shenzhen Brightoil Shipping is a connected person of the Company under the Listing Rules. As such, the entering into the MOA with Shenzhen Brightoil Shipping constitutes a connected transaction for the Company.

As the applicable percentage ratios in respect of the transaction contemplated under the MOA exceed 0.1% but are less than 5%, such transaction is subject to the reporting and announcement requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

#### **INTRODUCTION**

On 23 December 2015, Subsidiary 326 entered into the MOA with Shenzhen Brightoil Shipping, pursuant to which Shenzhen Brightoil Shipping has agreed to sell, and Subsidiary 326 has agreed to purchase Vessel 326 for a total cash consideration of US\$8,400,000 (equivalent to approximately HK\$65,103,024).

Vessel 326 is built by Rizhao Kingda, and the vessel is presently at Rizhao, the PRC where final preparatory steps for delivery to Shenzheng Brightoil Shipping are being undertaken.

Shenzhen Brightoil Shipping is ultimately and beneficially controlled by Dr. Sit, who is an Executive Director, the Chairman and the Chief Executive Officer of the Company and a controlling Shareholder indirectly interested in approximately 72.97% of the issued share capital of the Company as at the date of this announcement. Shenzhen Brightoil Shipping is therefore a connected person of the Company under the Listing Rules. As such, the entering into the MOA with Shenzhen Brightoil Shipping constitutes a connected transaction for the Company.

## **THE MEMORANDUM OF AGREEMENT**

The MOA is legally binding, of broadly similar terms and conditions in the form as per the Norwegian Shipbrokers' Association's Memorandum of Agreement for sale and purchase of ships (adopted by The Baltic and International Maritime Council (BIMCO) in 1956).

### **1. MOA dated 23 December 2015**

#### **1.1 Parties**

Shenzhen Brightoil Shipping as seller  
Subsidiary 326 as buyer

#### **1.2 Asset to be acquired**

Vessel 326

#### **1.3 Consideration**

US\$8,400,000 (equivalent to approximately HK\$65,103,024), which shall be payable in full to Shenzhen Brightoil Shipping within 30 days of the delivery of Vessel 326, subject to the satisfactory documentary closing.

The consideration is determined after arm's length negotiation between the parties with reference to a third party valuation report dated 16 September 2015, with an open market value of US\$8,500,000 (equivalent to approximately HK\$65,878,060) of Vessel 326.

The construction cost of Shenzhen Brightoil Shipping for Vessel 326 was approximately RMB 51,463,903 (equivalent to approximately HK\$62,407,702).

It is intended that payment of the consideration of Vessel 326 will be satisfied entirely in cash by way of bank loans and internal funds.

#### **1.4 Completion and delivery**

Pursuant to the MOA, the delivery of Vessel 326 is expected to take place on 15 January 2016 in Rizhao, the PRC or such other place as the parties may mutually agree. The cancellation date for completion (the last day available for completion) is 15 March 2016.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

Having established itself as one of the leading suppliers of marine bunkers in Singapore, the Group considers that the purchase of the bunker barge will (i) enhance the competitive strength in the bunkering business of the Group by expanding the operating fleet; and (ii) bring in additional revenue to the Group through increased marine bunker sales volumes.

The entering into the MOA is not expected to have a material impact on the Group's asset/liabilities ratio and liquidity.

The Directors (including the Independent Non-executive Directors) are of the view that the terms of the MOA were determined after arm's length negotiations, and are on normal commercial terms in the ordinary and usual course of business of the Group, which are fair and reasonable and in the interests of the Group and its Shareholders as a whole.

Dr. Sit has a material interest in the transaction contemplated under the MOA, and therefore has abstained from voting in the relevant Board resolution.

## **GENERAL INFORMATION**

### **Information on the Group**

The Group is principally engaged in oil and gas exploration, development and production, international trading and bunkering, marine transportation, oil storage and terminal facilities as well as E-commerce business.

### **Information on Shenzhen Brightoil Shipping**

Shenzhen Brightoil Shipping is a limited liability company established under the laws of the PRC and beneficially owned by Dr. Sit. Shenzhen Brightoil Shipping engages in the business of providing marine transportation services for hazardous cargo, whole sale of petroleum products, ship management (technical and commercial), ship repair, ship maintenance and related services in the PRC.

### **Information on Subsidiary 326**

Subsidiary 326 is a limited liability company incorporated in Singapore and a wholly-owned subsidiary of the Company. Subsidiary 326 engages in the ownership of vessel in Singapore.

## **IMPLICATION ON LISTING RULES**

As the applicable percentage ratios in respect of the transaction contemplated under the MOA exceed 0.1% but are less than 5%, such transaction is subject to the reporting and announcement requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors;
“Company”	Brightoil Petroleum (Holdings) Limited, an exempted company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under Chapter 14A of the Listing Rules;
“Director(s)”	director(s) of the Company;
“Dr. Sit”	Dr. Sit Kwong Lam, an Executive Director, the Chairman and Chief Executive Officer of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MOA”	the Memorandum of Agreement for the sale and purchase of Vessel 326 entered into between Shenzhen Brightoil Shipping and Subsidiary 326 on 23 December 2015;
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Rizhao Kingda”	RIZHAO KINGDA SHIPBUILDING HEAVY INDUSTRIES CO., LTD., CHINA;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s) ;

“Shenzhen Brightoil Shipping”	深圳光滙石油海運集團有限公司 (Shenzhen Brightoil Shipping Group Co., Ltd.*), a company established in the PRC with limited liability, which is ultimately and beneficially controlled by Dr. Sit;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary 326”	Brightoil 326 Oil Tanker Pte. Ltd., a wholly-owned subsidiary of the Company incorporated under the Laws of Singapore;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Vessel 326”	an oil tanker with vessel name: 光滙 326; Chinese Flag; Chinese Classification Society; Registration Number: 140015000277; GRT/NRT: 2882/1215; and
“%”	per cent.

*Translation of amounts in US\$ into HK\$ has been made at the rate of US\$1=HK\$7.75036 in this announcement; translation of amounts in RMB into HK\$ has been made at the rate of RMB1=HK\$1.21265 in this announcement for illustration purpose only. No representation is made that any amount in HK\$ has been, could have been or may be converted at such rate or at all.*

By Order of the Board  
**Brightoil Petroleum (Holdings) Limited**  
**Sit Kwong Lam**  
*Chairman*

Hong Kong, 23 December 2015

*As at the date of this announcement, the Board comprises (i) four Executive Directors, namely Dr. Sit Kwong Lam, Mr. Tang Bo, Mr. Tan Yih Lin and Mr. Wang Wei; (ii) one Non-executive Director, namely Mr. Dai Zhujiang; and (iii) three Independent Non-executive Directors, namely Mr. Kwong Chan Lam, Mr. Lau Hon Chuen and Professor Chang Hsin Kang.*

*\* for identification purpose only*