

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 TEN VESSELS

On 30 December 2015, Singapore Subsidiary and Shenzhen Brightoil Shipping entered into the Vessels Acquisition Agreement, pursuant to which Shenzhen Brightoil Shipping agrees to sell, and Singapore Subsidiary agrees to purchase ten Vessels for a total cash consideration of US\$84,000,000 (equivalent to approximately HK\$651,030,240).

Shenzhen Brightoil Shipping is a connected person of the Company under the Listing Rules. The entering into the Vessels Acquisition Agreement with Shenzhen Brightoil Shipping constitutes therefore a connected transaction for the Company.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Vessels Acquisition Agreement exceeds 0.1% but is less than 5%, this transaction is subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 30 December 2015, Singapore Subsidiary and Shenzhen Brightoil Shipping entered into the Vessels Acquisition Agreement, pursuant to which Shenzhen Brightoil Shipping agrees to sell, and Singapore Subsidiary agrees to purchase ten Vessels for a total cash consideration of US\$84,000,000 (equivalent to approximately HK\$651,030,240).

The Vessels will be built by Rizhao Kingda or such other qualified shipyards mutually agreed by Singapore Subsidiary and Shenzhen Brightoil Shipping.

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 72.98% 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 and the entering into the Vessels Acquisition Agreement with Shenzhen Brightoil Shipping constitutes a connected transaction for the Company.

THE VESSELS ACQUISITION AGREEMENT

Date: 30 December 2015

Parties: Singapore Subsidiary (as the buyer); and
Shenzhen Brightoil Shipping (as the seller).

Assets to be acquired: Pursuant to the Vessels Acquisition Agreement, the seller agrees to procure, deliver and sell, and the buyer agrees to purchase and take delivery of ten Vessels.

Consideration and Payment Terms: The total consideration payable for the ten Vessels under the Vessels Acquisition Agreement is US\$84,000,000 (equivalent to approximately HK\$651,030,240).

The consideration for each Vessel will be payable in the amount of US\$8,400,000 (equivalent to approximately HK\$65,103,024) under the Vessels Acquisition Agreement in the following manner:

- (i) First instalment: a deposit of 80% of the total consideration of the ten Vessels, i.e. US\$67,200,000 (equivalent to approximately HK\$520,824,192), which shall be payable to Shenzhen Brightoil Shipping within 5 days from the date of the Vessels Acquisition Agreement; and
- (ii) Second instalment: Singapore Subsidiary shall pay the rest 20% of the consideration in the amount of US\$1,680,000 (equivalent to approximately HK\$13,020,605) to Shenzhen Brightoil Shipping within 30 days after delivery, subject to the satisfactory documentary closing.

The consideration is determined after arm's length negotiation between the parties with an estimated open market value of US\$8,500,000 (equivalent to approximately HK\$65,878,060) of each Vessel with reference to an independent party valuation report dated 16 September 2015 for the acquisition of 光滙326 (GUANG HUI 326*), which is of the same specifications as those of the ten Vessels contemplated under the Vessels Acquisition Agreement.

The construction costs of Shenzhen Brightoil Shipping for each Vessel are estimated to be approximately RMB51,850,000 (equivalent to approximately HK\$62,875,903).

It is intended that payment of the abovementioned consideration for the ten Vessels will be settled entirely in cash by way of bank loans and internal funds.

Completion and delivery: Pursuant to the Vessels Acquisition Agreement, the delivery and cancellation dates for completion (the last day available for completion) of the ten Vessels are expected to be as below:

- (i) for the first two Vessels, the dates of delivery and cancellation for completion are 31 March 2016 and 30 April 2016, respectively;
- (ii) for the subsequent two Vessels, the dates of delivery and cancellation for completion are 30 June 2016 and 31 July 2016, respectively;
- (iii) for the subsequent three Vessels, the dates of delivery and cancellation for completion are 30 September 2016 and 31 October 2016, respectively; and
- (iv) for the last three Vessels, the dates of delivery and cancellation for completion are 30 November 2016 and 31 December 2016, respectively.

The completions are expected to take place on the abovementioned dates for the relevant Vessels in Rizhao, the PRC or such other places as the parties may mutually agree.

Inspection of the Vessels: The buyer shall have the rights to inspect the Vessels' classification records and declare whether the same are accepted or not within 5 days after the inspection. The seller shall provide for inspection of the Vessels at a shipyard in the PRC.

The buyer shall undertake the inspection of the Vessels without undue delay and shall inspect the Vessels without opening up and without cost to the seller. If the Vessels are accepted after such inspection, the sale shall become outright and definite, subject only to the terms and conditions of the Vessels Acquisition Agreement, provided that the seller receives a written notice from the buyer within 72 hours after the completion of inspection of each of the Vessels.

Refund Terms:

- (i) Should the notice of acceptance of the Vessels' classification records and/or of the Vessels not be received by the seller as aforesaid for any of the Vessels tendered for delivery by the seller under the Vessels Acquisition Agreement, 10% of the deposit together with interest thereon at the rate of 5% per annum shall be immediately released and repaid by the seller to the buyer for any one of the Vessels which the buyer refused to accept, whereafter

the buyer's obligation to take delivery of such Vessel for which acceptance was refused by the buyer shall be discharged completely.

- (ii) In the event where the buyer refused to accept the classification record of one of the Vessels and/or refused to accept one of the Vessels tendered for delivery by the seller under the Vessels Acquisition Agreement, the buyer shall also be entitled to elect to cancel the Vessels Acquisition Agreement in its entirety for all of the Vessels not yet delivered and/or not yet tendered for delivery under the Vessels Acquisition Agreement, in which case (i) all of the deposit then held by the seller under the Vessels Acquisition Agreement together with interest thereon at the rate of 5% per annum shall be immediately released and repaid by the seller to the buyer; and (ii) the buyer's obligation to take delivery of such Vessels not yet delivered and/or not yet tendered for delivery under the Vessels Acquisition Agreement shall be discharged completely.

Singapore Subsidiary is entitled to require Shenzhen Brightoil Shipping to enter into a separate Memorandum of Agreement 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) with reasonable amendments on terms consistent with the Vessels Acquisition Agreement to document the sale of each of the Vessels to the Singapore Subsidiary or its associates, at the sole discretion and option of Singapore Subsidiary.

REASONS FOR AND BENEFITS OF THE TRANSACTION

In the view of a positive development trend for the shipping market, the needs for its bunkering business development in the combination with the new "Shipping Internet+" in the coming year, the Group considers that the purchase of the Vessels will (i) enhance the competitive edges in the bunkering business of the Group by expanding the operating fleet; (ii) lock the current low price of the bunker barges in order to save costs; and (iii) bring in additional revenue to the Group through additional marine bunker sales volumes.

The entering into the Vessels Acquisition Agreement is not expected to have a material impact on the Group's assets/liabilities ratio and liquidity.

The Directors (including the Independent Non-executive Directors) are of the view that the terms of the Vessels Acquisition Agreement were determined after arm's length negotiations and on normal commercial terms in the ordinary and usual course of business of the Group and 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 Vessels Acquisition Agreement, and therefore has abstained from voting in the relevant Board resolution.

GENERAL INFORMATION

Information of 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 of 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 services including marine transportation of hazardous cargo, wholesale of petroleum products, ship management (technical and commercial), ship repair, ship maintenance and related services in the PRC.

Information of Singapore Subsidiary

Singapore Subsidiary is a limited liability company incorporated in Singapore and a wholly-owned subsidiary of the Company. Singapore Subsidiary is principally engaged in the international marine transportation.

IMPLICATION ON LISTING RULES

As the highest applicable percentage ratio in respect of the transaction contemplated under the Vessels Acquisition Agreement exceeds 0.1% but is less than 5%, this transaction is subject to the reporting and announcement requirements but 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:

“Vessels Acquisition Agreement”	the agreement for the acquisition of 10 bunker barges entered into between Shenzhen Brightoil Shipping as the seller and Singapore Subsidiary as the buyer on 30 December 2015;
“Board”	the board of Directors of the Company;
“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)”	person(s) having 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;
“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.;
“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;
“Singapore Subsidiary”	Brightoil Shipping Singapore Pte. Ltd., a wholly-owned subsidiary of the Company incorporated under the Laws of Singapore;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Vessel(s)”	each or any of the ten bunker barges to be acquired by Singapore Subsidiary from Shenzhen Brightoil Shipping under the Vessels Acquisition Agreement; 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, 30 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*