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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 29 July 2016, Subsidiary 329 entered into the MOA with Zhu Hai S.E.Z. Huadian, pursuant to which Zhu Hai S.E.Z. Huadian has agreed to sell, and Subsidiary 329 has agreed to purchase Vessel 329 for a total cash consideration of US\$8,400,000 (equivalent to approximately HK\$65,172,912).

Zhu Hai S.E.Z. Huadian is a connected person of the Company under the Listing Rules. As such, the entering into the MOA with Zhu Hai S.E.Z. Huadian 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 29 July 2016, Subsidiary 329 entered into the MOA with Zhu Hai S.E.Z. Huadian, pursuant to which Zhu Hai S.E.Z. Huadian has agreed to sell, and Subsidiary 329 has agreed to purchase Vessel 329 for a total cash consideration of US\$8,400,000 (equivalent to approximately HK\$65,172,912).

Vessel 329 is built by Rizhao Kingda, and the vessel is presently at Rizhao, the PRC where final preparatory steps for delivery to Zhu Hai S.E.Z. Huadian are being undertaken.

Zhu Hai S.E.Z. Huadian 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 71.82% of the issued share capital of the Company as at the date of this announcement. Zhu Hai S.E.Z. Huadian is therefore a connected person of the Company under the Listing Rules. As such, the entering into the MOA with Zhu Hai S.E.Z. Huadian 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), as revised thereafter from time to time, customarily referred to by its code name "SALEFORM 1993".

1. MOA dated 29 July 2016

1.1 Parties

Zhu Hai S.E.Z. Huadian as seller
Subsidiary 329 as buyer

1.2 Asset to be acquired

Vessel 329

1.3 Consideration

US\$8,400,000 (equivalent to approximately HK\$65,172,912), which shall be payable in full to Zhu Hai S.E.Z. Huadian within 30 days of the delivery of Vessel 329, 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 25 July 2016, with an open market value of US\$8,500,000 (equivalent to approximately HK\$65,948,780) of Vessel 329.

The construction cost of Zhu Hai S.E.Z. Huadian for Vessel 329 was approximately RMB50,371,565 (equivalent to approximately HK\$58,820,388).

It is intended that payment of the consideration of Vessel 329 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 329 is expected to take place on 1 August 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 August 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 Zhu Hai S.E.Z. Huadian

Zhu Hai S.E.Z. Huadian is a limited liability company established under the laws of the PRC and beneficially owned by Dr. Sit. Zhu Hai S.E.Z. Huadian engages in the business of providing marine transportation services for refined oil products, ship management (technical and commercial), sales of ship components and related services in the PRC.

Information on Subsidiary 329

Subsidiary 329 is a limited liability company incorporated in Singapore and a wholly-owned subsidiary of the Company. Subsidiary 329 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;

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| “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 329 entered into between Zhu Hai S.E.Z. Huadian and Subsidiary 329 on 29 July 2016; |
| “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) ; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Subsidiary 329” | Brightoil 329 Oil Tanker Pte. Ltd., a wholly-owned subsidiary of the Company incorporated under the Laws of Singapore; |

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| “US\$” | United States dollars, the lawful currency of the United States of America; |
| “Vessel 329” | an oil tanker with vessel name: 光滙 329; Chinese Flag; Chinese Classification Society; Registration Number: 090316000023; GRT/NRT: 2882/1215; |
| “Zhu Hai S.E.Z. Huadian” | 珠海經濟特區華電船務有限公司(ZHU HAI S.E.Z. HUADIAN SHIPPING CO. LTD.*), a company established in the PRC with limited liability, which is ultimately and beneficially controlled by Dr. Sit; and |
| “%” | per cent. |

Conversion of amounts in US\$ into HK\$ has been made at the rate of US\$1=HK\$7.75868 in this announcement; conversion of amounts in RMB into HK\$ has been made at the rate of RMB1=HK\$1.16773 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, 29 July 2016

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*