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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)

**QUARTERLY UPDATE ANNOUNCEMENT ON  
RESUMPTION PROGRESS AND  
BUSINESS OPERATIONS**

This announcement is made by Brightoil Petroleum (Holdings) Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcements of the Company dated 26 September 2017, 3 October 2017, 10 November 2017, 28 December 2017, 15 February 2018, 28 February 2018, 3 April 2018, 21 May 2018, 13 July 2018, 30 July 2018, 1 August 2018, 4 September 2018, 28 September 2018, 31 October 2018, 21 November 2018, 28 December 2018, 18 January 2019, 31 January 2019, 1 February 2019, 16 April 2019, 6 May 2019, 11 June 2019, 28 June 2019, 17 July 2019 and 22 July 2019 (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

This announcement sets out an update of the Company’s actions taken on satisfying the resumption conditions and the business operations of the Group for the second quarter of 2019.

**RESUMPTION CONDITIONS IMPOSED BY THE STOCK EXCHANGE**

As disclosed in the announcement of the Company dated 28 December 2017, the Stock Exchange imposed the following conditions (the “**Resumption Conditions**”) for the resumption of trading in the shares of the Company:

- (a) disclose the findings of the forensic investigation, assess the impact on the Company’s financial and operational position, and take appropriate remedial actions;
- (b) publish all outstanding financial results and address any audit qualifications; and

- (c) inform the market of all material information for the shareholders and investors to appraise the Company's position.

The Stock Exchange may modify the above Resumption Conditions and/or impose further conditions if the situation changes.

## **PROGRESS ON THE REVIEW AND RESUMPTION PLAN**

As disclosed in the announcement of the Company of 28 June 2019, Mr. Lau, Prof. Chang and Mr. Kwong had jointly resigned as independent non-executive directors of the Company with effect from 19 June 2019. The Company had since appointed Dr. Lo Wing Yan William, JP, Mr. Chan Wai Leung and Mr. Wang Tian as independent non-executive directors (the “**INEDs**”) of the Company with effect from 28 June 2019 to fill the vacancies. On 28 June 2019, the Board has resolved to the formation of the Independent Control Committee (the “**ICC**”) with the new INEDs as members to replace the Independent Investigation Committee comprising the Resigned Directors as members. Immediately after formation, the ICC together with the Company's senior management have taken active steps to resume and pursue works relating to the completion of the Review and resumption of trading, including (i) seeking advice from a new financial adviser (whom the Company intends to engage shortly) to, among other things, prepare a resumption proposal to be submitted to the Stock Exchange; (ii) seeking advice from the auditors of the Company (the “**Auditors**”) in order to understand the latest audit status of the Company and to identify issues relating to the finalization and publication of the outstanding financial results for the year ended 30 June 2017, the six months ended 31 December 2017, the year ended 30 June 2018 and the six months ended 31 December 2018 (the “**Outstanding Financial Results**”); (iii) seeking advice from the Independent Adviser in order to understand the latest progress of the Review with a view to resume the outstanding work as soon as practicable; and (iv) meeting with Further Adviser to seek advice on its proposed actions recommended to the Company concerning the next steps of the Review.

Further, the management of the Company is in discussion with the Independent Adviser on the issues of outstanding fees and the fees arrangement for future work to be undertaken. No agreement has yet been reached between the Independent Adviser and the Company but the Company has been given to understand that the Independent Adviser is amiable to provide certain discount on the outstanding fees. Concurrently, the ICC is working closely with the Independent Adviser to agree on an updated work plan and timetable regarding the conduct of the Review.

As stated above, based on the advice and recommendations provided by the Further Adviser and subject to the result of the negotiation between the Company and the Independent Adviser on the discount of the outstanding fees, the ICC intends to give instructions to the Independent Adviser to resume and continue with the outstanding work in relation to the Review and ensure that the work to be done by the Independent Adviser will provide sufficient assurance to the Auditors.

As soon as the Review is completed, the ICC will report to the Board on the findings and results of the Review. It is expected that the Company will then make further announcement(s) about the findings and any appropriate remedial measures, and liaise with the Auditors to complete the audit of the Company's financial statements in order that the Company can publish the Outstanding Financial Results.

The Company will make further announcement regarding a feasible timetable for its fulfilment of the Resumption Conditions as soon as it is available.

## **UPDATE ON BUSINESS**

### **(1) Upstream business**

For the quarter ended 30 June 2019, the daily oil production of Caofeidian oilfield was 31,700 barrels. The implementation of the ODAP for the Caofeidian project was at 82.07% completion, and the work has been proceeding as planned; the oil production under the ODAP is expected to start in late September 2019.

For the quarter ended 30 June 2019, the daily natural gas production of Dina 1 and Tuzi gas field was 3.14 million cubic meters. The preparatory work for booster station construction of Dina 1 new well and Tuzi gas field has begun, and the booster station is expected to come into production in October 2020.

### **(2) International Trading and Bunkering**

Due to the suspension in the trading of the shares in the Company, the financing banks have tightened credit for the International Trading and Bunkering Unit (“ITB”) Business, thus drastically reducing the business volume. During the relevant period under review, no significant amount of revenue has been generated by the ITB.

### **(3) Marine Transportation**

Operations of 5 VLCCs, 6 barges and 4 Aframax tankers of the Group remain suspended due to arrests by related creditors since the end of last year. As announced by the Company on 11 June 2019, four of the arrested vessels of the Company were sold by auction through judicial sale process for approximately USD201,584,000. The remaining 11 tankers are also in the course of being sold, with an estimated total sale proceeds of approximately USD230 to 250 million. All proceeds are expected to be used to settle the debts of Singapore BOPS and the Company after repayment of the vessel related debts.

### **(4) Intended sale of Zhoushan Oil Storage and Terminal Facilities**

Reference is made to the Company's announcement of 30 July 2018, in relation to, among other things, the Company's engagement in preliminary commercial negotiations with potential investors for the intended sale of the assets and/or shareholding of Zhoushan Oil Storage and Terminal Facilities. The Company has been negotiating with a potential buyer in respect of the sale of all or part of the interests of the Company in Zhoushan Oil Storage and Terminal Facilities. The negotiation is on-going but has been prolonged due to negotiation in valuation method and terms of payment. The Company will make further announcement regarding the progress of the disposal as and when appropriate.

## **UPDATE ON POTENTIAL DEBT REORGANIZATION AND WINDING-UP PETITIONS**

Presently, due diligence continue to be carried out by various financial institutions in relation to the extent of existing financial obligations of the Group that will require reorganization. In addition to the potential debt reorganization, the Group is exploring other capital raising initiatives to increase liquidity of the Group including different financing options and asset disposal, with different investors.

As stated in the announcement of the Company dated 17 July 2019, BOPS was granted the Moratorium until 5 August 2019 (now re-fixed to 8 August 2019 by the Singapore Court) with a view to giving effect to the Company's ongoing debt restructuring efforts in Singapore. The Company believes that the moratoria would provide the Group with the necessary protection against any effort to frustrate its potential debt reorganization.

In addition, as stated in the announcement of the Company dated 22 July 2019, the Petition originally scheduled to be heard on 22 July 2019 at the High Court of Hong Kong was, by consent of the Petitioner, vacated and adjourned to a date to be fixed in consultation with counsel's diaries. The adjournment by consent was the result of ongoing and amicable discussion with the Petitioner and other key creditors of the Company. The Company has made progress by entering into a settlement agreement with one of the key creditors on 19 July 2019, and obtaining commitment letters from several creditors showing support for the Company's debt restructuring efforts. The Company will continue to negotiate with its key creditors for the purpose of resolving the Petition by way of a consensus debt reorganisation.

### **CONTINUED SUSPENSION OF TRADING**

Trading in the Company's shares on the Stock Exchange has been suspended since 3 October 2017 pending the publication of the Outstanding Financial Results, and will remain suspended until further notice. The Company will make further announcement(s) as and when appropriate.

By Order of the Board  
**Brightoil Petroleum (Holdings) Limited**  
**Tang Bo**  
*Chairman*

Hong Kong, 30 July 2019

*As at the date of this announcement, the Board comprises (i) two Executive Directors, namely Mr. Tang Bo and Mr. Xie Wenyan; (ii) two Non-executive Directors, namely Mr. Dai Zhujiang and Mr. Zhao Liguu; and (iii) three Independent Non-executive Directors, namely Dr. Lo Wing Yan William, JP, Mr. Wang Tian and Mr. Chan Wai Leung.*

*\* For identification purposes only*