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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)

UPDATE ON SUSPENSION OF TRADING

This announcement is made by Brightoil Petroleum (Holdings) Limited (the “**Company**” and together with its subsidiaries, 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 (“**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 and 1 August 2018 (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

As stated in the Announcements, the Board has requested the Audit Committee to conduct the Review, with power to engage professional advisors as required, and the Audit Committee engaged the Independent Adviser to assist with the Review.

The Board has been informed by the Audit Committee that despite the Audit Committee’s intention to complete the Review as soon as practicable, the Audit Committee encountered a number of difficulties, e.g. in relation to determining the scope of the investigation and understanding the rationales behind the steps or works recommended by the Independent Adviser that require more time and effort to resolve than had been anticipated.

The Review involves conducting an independent investigation into matters relating to certain sale and purchase transactions of the Company (the “**Transactions**”), for which the Auditor has requested more information and documents in order to complete the audit procedures for the financial year ended 30 June 2017.

According to the Audit Committee, the key work performed thus far by the Independent Adviser include reviewing the financial data of the relevant entities, general background checks on customers, checking the relevant sales data, invoices and supporting documents, checking the documentation and terms and conditions of the Transactions, conducting analysis of trade, credit review process of the customers concerned, and potential repetitive sales, conducting integrity due diligence work on customers and suppliers; and carrying out benchmark analysis.

The Board has been informed by the Audit Committee that the next stages of work to be performed by the Independent Adviser involve more detailed analysis into the background and commercial rationales for conducting and continuing the Transactions, and analysis of the relevant transactional records, documents and communications, and that substantial work is required. The Audit Committee and the Independent Adviser have looked into employing computer analysis technology to assist in the work involved. However, the potential costs, as presently advised, have exceeded the expectations of the Audit Committee as they seem not to be proportionate to the initial budget. Substantial sums have already been incurred, and the Audit Committee is concerned to keep costs under control having regard to proportionality and the circumstances of the situation. The Audit Committee are not only deeply concerned about the staggering amount of the present costs estimate but also the possibilities that these estimate could not be contained and could go out of control in completing the Investigation procedures. The Audit Committee is presently liaising with the Independent Adviser in relation to matters of costs and budgeting and also to consider the feasibility and appropriateness of alternative procedures that could be less costly and which can be done efficiently bearing in mind the desirability of completing the Review as soon as practicable. The Audit Committee are also in the course of consulting with further professional advisors for views and the recommendations on control of costs and the methodologies to be applied. The final results of the Review is expected to include findings (where possible) as well as recommendations.

The Audit Committee presently expect matters including methodology, costs, budget and timetable to be agreed upon within the next few weeks, and to deepen the mutual understanding regarding the scope of the investigation after seeking advice from the Independent Adviser and other professional advisors as may be appropriate. Further Announcement will be made when more information is available, including timetable for completion of the Review process.

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 Results Announcements, 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
Sit Kwong Lam
Chairman

Hong Kong, 4 September 2018

As at the date of this announcement, the Board comprises (i) three Executive Directors, namely Dr. Sit Kwong Lam, Mr. Tang Bo and Mr. Tan Yih Lin; (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*