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BRIGHTOIL PETROLEUM (HOLDINGS) LIMITED

光匯石油（控股）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 933)

KEY FINDINGS OF THE FORENSIC REVIEW

This announcement is made by Brightoil Petroleum (Holdings) Limited pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 26 September 2017, 3 October 2017, 10 November 2017 and 28 December 2017.

BACKGROUND

At the request of the Company, the trading in the Company's shares and debt securities on the Stock Exchange has been suspended since 3 October 2017 pending the publication of the Results Announcement. As stated in the Company's announcement dated 26 September 2017, the Board has requested the Audit Committee to conduct an independent review of matters leading to the delay in provision of information or documentation to PwC, the then auditor of the Company, for completion of the audit. In view of this, the Audit Committee has engaged an independent professional adviser for forensic technology and investigation services to assist with the review regarding certain oil trading transactions of BOPS, an indirect wholly-owned subsidiary of the Company, with certain customers.

On 27 August 2019, RSM Corporate Advisory (Hong Kong) Limited ("**RSM**") was engaged and instructed by the Audit Committee to address the concerns raised by the PwC in their Management Letter dated 15 September 2017 ("**Management Letter**") in relation to various back-to-back trading or indent sales transactions conducted by BOPS during the financial year ended 30 June 2017.

FORENSIC INVESTIGATION REPORT

1 Background

The Group is one of the leaders in the petroleum industry, it is principally engaged in the exploration, development and production of upstream oil and gas fields, oil storage and terminal facilities, international trading and bunkering, marine transportation as well as e-commerce business.

According to the annual report of the Company for the year ended 30 June 2016, the international trading and bunkering segment had a revenue of approximately HK\$45 billion (approximately US\$5.8 billion), contributing almost 93% of the Group's total revenue. While the Group continued to expand the international trading and bunkering business, it started trading with newly established trading companies, allegedly related to sizable entities with strong financial support. By 30 June 2017, there was a substantial amount of accounts receivables due from several of these counterparties outstanding which amounted to over US\$1.3 billion. This led to PwC's concerns about the outstanding receivables and the matters surrounding them.

2 PwC's observations and concerns

In the Management Letter, PwC expressed concerns in relation to the Subject Transactions, which were made between BOPS and the Subject Customers. Among the Subject Customers, seven were new customers to BOPS. PwC had made the following observations:

- (1) nine of the Subject Customers might be related owing to common registered and/or correspondence addresses;
- (2) the corresponding purchases of the sales transactions with the Subject Customers were made from five Subject Suppliers, including three of the Subject Customers, SZBO (which was and still is beneficially owned and controlled by Dr. Sit, the ultimate controlling shareholder of the Company), and another entity;
- (3) there were multiple transactions of potentially the same cargos of oil; and
- (4) there were substantial amount of accounts receivables due from the Subject Customers outstanding as at 30 June 2017 whereas other substantial sums of accounts receivable were netted off against accounts payables due to SZBO via tri-parties agreements.

PwC expressed that they were unable to obtain all the information and supporting documents to substantiate the Subject Transactions, in particular, the delivery supporting documents and confirmation of sales and purchase orders of the Subject Transactions. In addition, they were unable to obtain full explanation and audit evidence on various aspects of and surrounding the Subject Transactions, from the background and relationship of the counterparties, to the commercial substance and business rationale of the Subject Transactions and the netting off arrangements, to the collectability of the outstanding accounts receivables.

3 Review approach

In order to ascertain the nature and/or the business rationale of the Subject Transactions, RSM focused on reviewing the supporting documents and the electronic data in relation to the Subject Transactions. In particular, RSM's review covered the following areas:

- (1) physical or electronic copy of documents from the finance team supporting the Subject Transactions and other transactions of similar nature;
- (2) electronic data acquired from various custodians' computer, email box and network folder subject to their availability; and
- (3) electronic data of trades exported from the Openlink system (a commodities trading and risk management platform).

4 Trade analysis

RSM obtained sales and purchase transaction data of BOPS directly from the Openlink, and have performed trade analysis on sales and purchase transaction data for the year of 2016/17.

RSM have identified 138 Subject Transactions by matching the product grade, quantity, vessel, deal numbers and transaction description, the total transaction amount of which resembled the amount being described in the Management Letter.

Amongst the 138 set of Subject Transactions between BOPS, the Subject Suppliers and Subject Customers, 79 of which were supplied by SZOB, and SZBO had provided discounts ranging from 3% to 10% for each of the 79 transactions. RSM noted that the Subject Transactions will not generate any profit at all if discounts were not offered by SZBO. Considering that the profit for each trade in a structured deal could be thin, the 3% to 10% discount offered by SZBO could be relatively significant in comparison. Besides that, SZBO would have suffered a loss equivalent to the discount amount in every trade. Given that the unit price of the trades was based on announced market price, SZBO could have traded the cargo with another market participant at market price without discount instead of suffering the loss. Other than letting the Group benefit from the price difference, there is no clear reason why the discount was provided.

In comparison, RSM also reviewed 240 sets of back-to-back transactions that occurred in financial year ended 30 June 2017 which are not Subject Transactions, and discovered that relatively large number of back-to-back transactions incurring relatively insignificant profit or loss. However, the 138 Subject Transactions favoured the loss side whereas the 240 sets of back-to-back transactions favoured the profit side. Besides that, the profit or loss of the 138 sets Subject Transactions did not exhibit long-tail distribution pattern but that of the 240 sets of back-to-back transactions did.

Unlike the Subject Transactions with the five Subject Suppliers, it was noted that BOPS did not experience consistent loss in the 240 back-to-back transactions with other suppliers.

RSM also discovered that it could be possible for multiple transactions to deal with the same lot of goods. According to the invoice date, the vessel, the product grade and the quantity from the transaction data and also the parcel indicator found in loading details email, RSM were able to note the apparently identical parcels of goods of a voyage of a vessel. Within the 138 sets of back-to-back transactions, RSM noted that there were 5 apparently identical parcels or 5 groups being traded in 16 sets of back-to-back transactions. Together with the 240 sets of back-to-back transactions, RSM noted that there were 18 identifiable parcels being traded in 43 sets of back-to-back transactions.

In addition, RSM identified 61 back-to-back transactions where BOPS purchases and sold the same goods back to the same counterparty.

5 Key Findings

I. Credit limit of the Subject Customers

One of the fundamental issues that gave rise to PwC's concern was the outstanding accounts receivable as at 30 June 2017 of BOPS, the total amount of which was approximately US\$1.3 billion million (equivalent to approximately HK\$10.1 billion). These outstanding receivables were on open credit; in other words, the Group was not protected from any event of default.

RSM further noted that the credit terms for the Subject Customers in these customer credit application forms were US\$200 million for 30 to 90 days. However, each customers' demand, financial strength could be different and hence their risk profile; so it is unclear why the same terms had been offered to each one of them. Besides that, no safeguard has ever been mentioned in the event of default.

According to the settlement information provided by the Company, summarised below is the settlement status of the sale side of the 138 Subject Transactions:

Settlement status	No. of sales invoices	Payment terms
Cash settlement	66	0 to 11 days for 65 invoices, 39 days for 1 invoice
Tri-parties offset with SZBO	43	58 to 103 days
Outstanding	29	30 to 46 days

RSM found a PDF file containing the scanned copy of customer credit application forms for the Subject Customers in a staff's computer. The customer credit application forms applied for open credit limit of US\$200 million for 30 to 90 days. Eight of the Subject Customers were said to be associated with or had strong business relationship with certain reputable external entities and they were approved by various level of management and eventually became effective around the period from 7 September to 19 September 2017.

According to the customer credit application forms, the primary reason for the open credit application was the association and/or business relationship the Subject Customers had with certain reputable entities. Only in one of the Subject Customer's credit application, a reference letter from a reputable entity was mentioned. Considering that there was no official guarantee provided by the reputable entities to sponsor the Subject Customers, the decision to provide credit appeared to have relied on the purported or alleged relationship of the Subject Customers with those reputable entities.

The outstanding amount of five of the Subject Customers already exceeded the US\$200 million credit limit as at 30 June 2017. According to a daily accounts receivable report which was last modified on 11 September 2017, BOPS continued doing business with 6 of the Subject Customers in July and August 2017; in particular, the transaction amount with one of the Subject Customer was US\$213.1 million and US\$270 million respectively. When the customer credit application forms were prepared in and/or dated September 2017, the outstanding receivable of these two counterparties could have well exceeded US\$200 million. It was counter-intuitive that the approver(s) of these credit applications did not consider the outstanding receivable amount at that point in time.

Based on the information which was available to RSM and without the opportunity to discuss with those who had been involved, it appears to RMS that the credit terms were not properly considered in the applications and approval process. It noted the explanation that the parties behind these customers may have strong background; however, no guarantee or whatsoever protection had been considered nor implemented by these purported parties. Especially, RSM have no information as to who these parties were and cannot ascertain how these parties can influence the credit approval process at the material time.

II. Structured deal arrangement

During the electronic data review, RSM came across various mentions of the phrase "structured deal".

The structured deals usually have the following characteristics, (i) trades were initiated by members of the treasury department or the finance department, rather than traders in the trading department; (ii) BOPS has understanding of the complete flow of the entire chain of transactions of structured deals from the beginning; (iii) many of the structured deals has a circular transaction flow where the same shipment sold by BOPS eventually ended up with

BOPS following a series of transactions; and (iv) third party suppliers and customers “seems to be used” in structured deals to break the chain of related-party transactions within the Group.

For example, the goods would flow from BOPS to one of the Subject Customers to another then to BOPI to SZBO and finally back to BOPS. The first Subject Customer would make one US cent per barrel for its transactions with BOPI and BOPI would make three US cents per barrel for its transactions with SZBO while all other parties traded at “FLAT”, that is, at monthly average of the DME Oman daily settlement without premium or discount. BOPI and SZBO were related parties of the Group so it would be understandable that the team would have access to BOPI’s trading details. Nevertheless, the other Subject Customer were, supposedly, third parties to both the Group and the SZBO Group. It appeared to be unusual for a staff of the Company to state the flow using a phrase referring specifically to certain Subject Customers. This statement might imply that she and/or the Group had control over these two entities and one of the possible scenarios, the arrangement that the relevant Subject Customers were purposely added to the flow of the structured deals to make the transaction(s) between the Group and the SZBO Group becoming unconnected or alternatively speaking, breaking the chain which would otherwise be entirely related or connected party transactions between the Group and the SZBO Group.

This might suggest that the structured deals were arranged in one go and if this is the case, the question is, did the parties negotiate the deals separately or together and whether they knew that this was a circular deal. Should there be no legitimate commercial reasons for the relevant Subject Customers’ involvement in these structured deals, the arrangement would have the concern of having allegedly third party suppliers and customers breaking the chain of related-party transactions.

RSM has identified other structured deals which appeared to be dealt or negotiated simultaneously, and perhaps pre-arranged or pre-matched which results in circular transactions as stated in the forensic report.

III. Loading details from suppliers that was prepared by BOPS’s employees

According to emails reviewed by RSM, it appears that certain staff have discovered discrepancies in quantity and / or sail date of vessels which indicates that there were cargos belonging to BOPS for structured deals which does not exists. The staff have alerted the then CEO and the then COO regarding anomalies found in shipment details of three structured deals. RSM could not find any further electronic evidence in relation to the development of this incident.

In another incident, RSM found two email threads in relation to a structured deal in June 2017.

According to the sequence of events found in the email threads, certain staff of BOPS for unknown reasons, were aware of the loading details prior to receiving the information from the

supplier. More interestingly, the supplier, for unknown reasons, had access to the file created by staff of BOPS and then sent it back to BOPS. Logically, the loading details file could be available to a party outside of the Group or the SZBO Group after the relevant Subject Customer received it from BOPS. Apparently, the supplier could not have received the loading details file via the relevant Subject Customer because the supplier access to the file before the relevant Subject Customer received it. It could be possible that the staff of BOPS provided the file to the supplier via another communication channel. That being said, it was unknown to RSM why the supplier, as a supplier, did not prepare the loading details itself but depended on the information provided by its customer.

However, this deduction is not conclusive since RSM are unable to exclude the possibilities that the supplier had provided the loading details to BOPS by other means and RSM were unable to find such information in this review.

IV. Disclaimed sender of a loading details email

Based on an email dated 21 December 2018, where the contents of a forwarded email was about a loading details email dated 29 April 2017 sent by a former employee of BOPS, who disclaimed that the loading details email was sent by herself.

However, RSM have not been able to locate the original loading details email that purportedly sent on 29 April 2017 or the email she purportedly received on 20 September 2017 from other electronic evidence. RSM would not be able to review the metadata therein to draw further inference unless these original emails were found.

RSM also have not been able to locate any development of this incident. It is worth noting that the transaction amount remains outstanding in accounts receivable.

V. Certain Subject Customers' shareholders

RSM have discovered that the shareholders and directors of two of the Subject Customers, share the same names with employees of SZBO (being one of the Subject Suppliers beneficially owned and controlled by Dr. Sit). They were incorporated in Macau in June 2016 and were dissolved by shareholders' resolution in December 2017.

While RSM is mindful that the situation that two individuals with the same name happens very often in the PRC, the fact that all shareholders/administrators of the relevant Subject Customers had the same name with the SZBO Group's personnel could be less than a coincidence. That being said, since there is no personal identification information found in the company search information, RSM is unable to further verify the identity of these individuals to determine whether they were indeed the same persons or different persons with the same name.

VI. Commonality between counterparties

One of the concerns that PwC expressed was the sharing of registered and/or correspondence address. Based on the information that RSM has reviewed so far, including physical supporting documents, computer data and company search results, it noted certain individual, entities and addresses were related to more than one of the counterparties.

VII. Typos and other inconsistencies

During RSM's review of supporting documents of the Subject Transactions, RSM noted various typos and inconsistencies on the face of the supporting documents. These typos and inconsistencies, although minor, could reflect the parties' lack of care when preparing, handling and reviewing the trade documents, and more particularly whether the counterparty had properly scrutinised the trade documents at all.

6. Key observations and conclusions

In the review, RSM has sought the available information from the current management of the Group to arrive at the findings and observations that it discusses in the forensic report. That being said, RSM believes these findings and observations did not lead to any conclusive determination and/or comment about the Subject Transactions as a result of the various limitations stated in the forensic report.

First, despite the fact that RSM was given to understand that the Group had various competent and sophisticated teams as well as appropriate corporate governance including segregation of duties to ensure that credit risk in the trading business should be under control, RSM was only able to obtain very limited information to support the Company had performed any credit assessment or had such a process in place for the Subject Customers in question and the most relevant information, i.e. the relevant credit application forms, which were successfully retrieved by RSM during the review were only created in September 2017 which are subsequent to the default events of the Subject Customers.

RSM found no information to support the management's suggestion that the Subject Customers were related to financially strong parties despite that it has no information to reject this suggestion either. It could not ascertain the basis and/or any proper consideration which the Company might have in extending the substantial credit to the Subject Customers.

Second, RSM also noted that SZBO was involved in various back-to-back transactions and provided discount ranging from 3% to 10% in BOPS's purchase transactions, which directly translated to the profit of BOPS. While BOPS's profit retained would be financially beneficial to the Group, the discount given by SZBO did not appear to be at arm's length. The management's explanation was that SZBO would still be profitable through the scrap volume created during the transportation as well as other profit could have been generated through the provision of other

services in the long term basis. However, RSM cannot ascertain whether such explanation is reasonable.

In addition, other than SZBO, RSM noted that the Subject Customers were also involved in the back-to-back transactions, including, the “structured deals” which the relevant parties gained nil or relatively insignificant profit from them. Considering that other than the “structured deal”, the transactions involved physical spot trades, the counterparties might have had to take delivery of the goods if they could not find the next buyer in the chain. It might or might not be worth the risk for these counterparties to take part in these transactions.

This leads to the next matter as to whether the trades in the structured deals were dealt or negotiated simultaneously, perhaps pre-arranged or pre-matched. If this was not pre-arranged, the counterparties would have the liberty to find the next buyer down the chain, and hence the transactions might not have resulted in circular transactions. If the trades were indeed dealt simultaneously as if planned or pre-arranged, RSM found certain indication during the forensic review which might suggest that the Group or the SZBO Group had managed (or at least had knowledge) to get the counterparties to enter into the trades. Since the Group have ceased or substantially reduced many of its trading business since 2018 and most management of BOPS have resigned. The current management has no knowledge but suggested that this would not be possible and based on the information currently available, RSM is unable to ascertain or form a conclusive opinion at this stage.

REMEDIAL ACTIONS TAKEN OR TO BE TAKEN BY THE BOARD

The business operation of the BOPS was ceased. In view of the above issues and with a view to resume trading which would bring best return to Shareholders, the Board considers that it is most appropriate and in the Shareholders’ interest to delineate the Group from BOPS through disposal of the Company’s interest in BOPS.

After the proposed Disposal of BOPS, the Remaining Group would comprise mainly the upstream oil and gas production business, the business model of which is different from the oil/gas trading business of BOPS (the “**Remaining Group**”).

The Company have engaged RSM Consulting as internal control adviser to review the Group’s existing internal policies and procedures and identify any internal control deficiency and provide suggestions on remedial actions the Company can take to strengthens its internal control effectiveness and prevent similar incidents from happening with a focus on the Remaining Group.

Set out below are the remedial actions taken by the Board after reviewing RSM Consulting’s internal control review report and considering the Group’s current operational environment:

- 1. Update of connected persons and interests held by Directors and controlling Shareholder(s) on a regular basis**

The Company currently does not have a policy for the Directors and controlling Shareholder(s) to disclose and update their respective connected persons and personal interests in other businesses and entities on a regular basis.

The Company has put in place a new policy where Directors and controlling Shareholder(s) will confirm and provide updates to their respective connected persons and personal interests in other businesses and entities every 6 months, which will allow the Company to produce an updated list of connected persons and corporations, allowing the Company to identify any potential connected transactions under Chapter 14A of the Listing Rules.

2. Establishing management regulatory system

The Company has established a management regulatory system with reference to existing laws and regulations to delegate responsibility and authority to each management member of the Company (including its subsidiaries). The management regulatory system is designed to effectively delegate responsibility and authority to each management member to reduce the Company's exposure to risks caused by abuse of power by its management.

3. Continuous Directors training

The Company will monitor and record trainings taken by Directors annually, and actively seek suitable training programs for the Directors to participate and keep up with the latest industry developments and regulation changes.

4. Audit committee to review management financial results

Under existing practice, the management financial results are prepared by the finance department of the Company, and are only reviewed by the head of finance department and the chairman of the Company.

In the future, the management financial results will also be reviewed by the audit committee of the Company. Given the audit committee members' experience in accounting and financial control, the Board is of the view that the audit committee can provide positive feedbacks to improve the accounting standard of the management financial results and identify any issues that require attention from the Board.

Following the internal control review, RSM Consulting will conduct a follow-up review on the Group's implementation of its recommendations of the internal control review.

Regarding the scope of internal control review conducted by RSM Consulting, it was devised with reference to (i) the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO); (ii) the Corporate Governance Code Revised

as set out in Appendix 14 of the Listing Rules; (iii) the Internal Control and Risk Management - A Basic Framework (2005) published by the HKICPA; and (iv) A Guide on Better Corporate Governance Disclosure (2014) published by the HKICPA, which are in line with market practices with similar engagements.

Based on the foregoing, the Board is of the view that the Company will have restored adequate internal control systems by adopting the internal control procedures recommended by RSM Consulting.

IMPACT ON THE GROUP'S BUSINESS OPERATIONS, FINANCIAL POSITIONS AND CONTINGENT LIABILITIES

The Board (including the Audit Committee) is of the view that the Subject Transactions and the other issues identified in the forensic report do not impose a material adverse impact on the Group's business operations and financial positions. In particular:

- (i) the Group continues its operation on the upstream business, which generated the revenue of approximately HK\$1.3 billion for the year ended 30 June 2016; and
- (ii) the findings and observations did not lead to any conclusive determination and/or comment about the Subject Transactions, and since the Subject Transactions are conducted solely by BOPS, there would be no material adverse change in the Group's financial position upon disposal of BOPS.

INTEGRITY OF DIRECTORS

The Board is of the view that the forensic report was carried out comprehensively by professionals. Full cooperation was given and no limitations were imposed by the Company to RSM in their conduct of the forensic report.

Pursuant to the steps taken in the forensic report as aforesaid, there has been no evidence to date implicating any of the existing Directors were involved in the Subject Transactions and other issues identified in the forensic report. The Directors together with the Group's management are also committed to carry on the Group's business under a strong internal control environment.

Mr Tang Bo joined the Group for a very long period of time. He was appointed as an executive Director of the Group in June 2008 and has recently been appointed as the Chairman and acting CEO of the Group in May 2019. He has been responsible for the development of the fuel oil storage facilities in the PRC. He has not been responsible for oil trading and hence his knowledge on the Subject Transactions was extremely limited.

As a non-executive director, Mr. Dai Zhujiang, was not involved in the decision-making, execution and management of the Subject Transactions, thus his integrity shall not be questioned. The three non-executive independent directors of the Company, namely Dr. Lo Wing Yan William, JP, Mr. Chan Wai Leung and Mr. Wang Tian and the non-executive director, Mr. Zhao Ligu, were appointed on 28 June

2019, after the Subject Transactions have occurred. Therefore, their management integrity should not be doubted

Accordingly, the Board remains confident about the integrity of the existing Directors and the continuing operations of the Group under their leadership.

VIEW OF THE INDEPENDENT CONTROL COMMITTEE

The Independent Control Committee has reviewed the forensic report prepared by RSM and understand that RSM had exploited all means for the investigation and was restricted to identify with certainty the cause of the issues relating to the audit concerns raised by the PwC due to the reluctance of relevant third parties, previous management members and former employees to cooperate and assist in the investigation and unavailability of sufficient supporting documents and information to understand the commercial bases and decision making process associated with the various back-to-back trading or indent sales transactions (the “**Limitations**”). The Independent Control Committee thus is of the view that any further investigations are not expected to provide any additional findings for the result of the investigation.

In addition, due to the Limitations, the Independent Control Committee is of the view that the investigation might not provide further audit evidence nor any additional insights on any wrongdoing committed by any person in connection with the audit concerns raised by PwC.

Despite the Limitations and other difficulties encountered in the investigation, the Independent Control Committee, while noting that the Company has ceased all operations of its trading business and does not intend to engage any further in similar business in the near future, propose that the Company shall refer to the investigation and the forensic report and rectify the issues arising or relating to the Subject Transactions for the purpose of minimising the impact on the Company and to take preventive measure to enhance corporate governance and internal control system of the Group.

The Independent Control Committee has reviewed the internal control review report prepared by RSM Consulting and duly noted the findings and recommendations therein and request the Board to use their best endeavours to rectify the issues identified in the internal control report and maintain the continuous and effective implementation of the enhanced measures.

The Independent Control Committee also recommended the Board to obtain legal advice on the necessity and/or feasibility of taking any legal actions against any creditors and/or other third parties in order to protect the interests of the Company.

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.

DEFINITION

“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“BOPI”	Brightoil Petroleum International Pte. Ltd., a subsidiary of the SZBO
“BOPS”	Brightoil Petroleum (S'pore) Pte. Ltd., an indirect wholly owned subsidiary of the Company
“CEO”	chief executive officer
“Company”	Brightoil Petroleum (Holdings) Limited, a company incorporated in Bermuda and the issued shares of which are listed on the Main Board of the Stock Exchange under Stock Code: 933
“COO”	chief operating officer
“Director(s)”	the director(s) of the Company
“Dr. Sit”	Dr. Sit Kwong Lam, controlling Shareholder of the Company interested in 7,431,935,999 Shares, representing approximately 73.04% of the issued share capital 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
“Independent Control Committee”	Independent Control Committee, comprising all of the independent non-executive Directors, namely Dr. Lo Wing Yan William, JP, Mr. Wang Tian and Mr. Chan Wai Leung
“KPIs”	key performance indicators
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Management Letter”	letter dated 15 September 2017 issued by PwC
“Openlink”	Openlink Rightangle, a commodities trading and risk management platform
“PRC”	the People’s Republic of China
“PwC”	PricewaterhouseCoopers (HK), the auditor of the Company prior to its resignation on 23 January 2020
“Results Announcement”	the announcement in respect of the consolidated results of the Group for the year ended 30 June 2017
“RSM”	RSM Corporate Advisory (Hong Kong) Limited, an independent professional adviser engaged by the Company to conducting forensic investigation on concerns raised by the PwC in the Management Letter
“RSM Consulting”	RSM Consulting (Hong Kong), the internal control advisor engaged by the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Shares”	the issued shares of the Company which are listed on the Main Board of the Stock Exchange (stock code: 933)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Customers”	Twelve customers that were involved in the Subject Transactions
“Subject Suppliers”	Five suppliers that were involved in the Subject Transactions
“Subject Transactions”	transactions conducted between BOPS, the Subject Customers and Subject Suppliers during the financial year ended 30 June 2017
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“SZBO”	Shenzhen Brightoil Group Co Ltd., a company beneficially owned and controlled by Dr. Sit
“SZBO Group”	SZBO and its subsidiaries
“%”	per cent.

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

Hong Kong, 31 January 2020

As at the date of this announcement, the Board comprises (i) one executive director, namely Mr. Tang Bo; (ii) two non-executive directors, namely Mr. Dai Zhujiang and Mr. Zhao Liguo; and (iii) three Independent non-executive directors, namely Dr. Lo Wing Yan William, JP, Mr. Wang Tian and Mr. Chan Wai Leung.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

** For identification purposes only*