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NEW TIMES ENERGY CORPORATION LIMITED

新時代能源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00166)

CONNECTED TRANSACTION OFFER LETTER OF TENANCY

Reference is made to the announcement of the Company dated 25 May 2022 in relation to the Offer Letter of Tenancy Agreement I.

The Board of the Company hereby announces that Jumbo Hope (a wholly-owned subsidiary of the Company) (as tenant) and the Lessor (as landlord) entered into the Offer Letter of Tenancy Agreement II in respect of the Lease Premise on 1 March 2023 for the period commencing from 15 March 2023 to 31 May 2024 (both dates inclusive).

As at the date of this announcement, CTF Capital is a substantial shareholder of the Company. The Lessor, being a 30%-controlled company (as defined in the Listing Rules) of CTF Capital, is an associate of CTF Capital. Accordingly, the Lessor is a connected person of the Company, and the entering into of the Offer Letter of Tenancy Agreement II constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since Jumbo Hope entered into the Offer Letter of Tenancy Agreement I with the Lessor, the Offer Letter of Tenancy Agreement I and the Offer Letter of Tenancy Agreement II were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the transaction contemplated under the Offer Letter of Tenancy Agreement II, on a standalone basis, or when aggregated with the transaction contemplated under the Offer letter of Tenancy Agreement I, exceeds 0.1% but less than 5%, the transaction contemplated under the Offer Letter of Tenancy Agreement II is subject to the reporting and announcement requirements, but is exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

* For identification purpose only

OFFER LETTER OF TENANCY

The Board of the Company hereby announces Jumbo Hope (a wholly-owned subsidiary of the Company) (as tenant) and the Lessor (as landlord) entered into the Offer Letter of Tenancy Agreement II in respect of Lease Premises on 1 March 2023 for the period commencing from 15 March 2023 to 31 May 2024 (both dates inclusive).

The principal terms of the Offer Letter of Tenancy Agreement II are as follows:

Date:	1 March 2023
Landlord:	the Lessor
Tenant:	Jumbo Hope
Premises:	Room 1402, 14/F, New World Tower I, 16-18 Queen's Road Central, Hong Kong
Total gross floor area:	Approximately 977 square feet
Lease term:	One year and two months and seventeen days commencing from 15 March 2023 to 31 May 2024 (both dates inclusive)
Rent:	HK\$72,298.00 per month (exclusive of service charges and government rates)
Service charges:	HK\$7,425.20 per month (subject to adjustment by the Lessor from time to time)
Government rates:	HK\$10,800.00 per quarter (subject to adjustment by the Rating and Valuation Department from time to time)
Deposit:	HK\$249,969.60 which is equivalent to three months' rent and service charges and one quarter's government rates

A formal tenancy agreement shall be prepared and signed between the parties in respect of the Offer Letter of Tenancy Agreement II in due course.

The rent of the Offer Letter of Tenancy Agreement II was determined with reference to prevailing market rentals for office units of similar size, facilities/amenities, quality, and rental period in the same building and nearby vicinity. The rent of the Offer Letter of Tenancy Agreement II will be satisfied with the internal resources of the Group. The terms of the Offer Letter of Tenancy Agreement II were negotiated on an arm's length basis.

DIRECTORS' CONFIRMATION

The Directors (including the independent non-executive Directors) consider that the terms of the transaction contemplated under the Offer Letter of Tenancy Agreement II is fair and reasonable, on normal commercial terms and in the ordinary and normal course of business of the Group. The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Offer Letter of Tenancy Agreement II is in the interest of the Company and its shareholders.

REASON FOR THE ENTERING INTO THE OFFER LETTER OF TENANCY AGREEMENT II

The Company considers the entering of the Offer Letter of Tenancy Agreement II is in the interest of the Company, taking into accounts the competitive rental rate and proximity of the premise to its immediate parent company and the existing office premise which is adjacent to the Lease Premise. Due deliberation was also given to prevailing market rentals of comparable premises in the same building and nearby vicinity, potential relocation cost, and anticipated future business needs.

RIGHT-OF-USE ASSETS

Pursuant to HKFRS 16, as Jumbo Hope is the lessee under the Offer Letter of Tenancy Agreement II, the Company shall recognise the lease payments (i.e. rent and service charges) as a right-of-use asset on a present value basis in the consolidated balance sheet of the Company. Accordingly, the entering into of the Offer Letter of Tenancy Agreement II will be regarded as an acquisition of asset under the definition of transaction as set out in Rule 14.04(1)(a) of the Listing Rules.

Based on preliminary assessment by the management of the Company, the value of the right-of-use asset for the Lease Premise is approximately HK\$1,123,000. Together with the right-of-use asset under Offer Letter of Tenancy Agreement I, the aggregated value of right-of-use assets is approximately HK\$3,568,000. The figures are unaudited preliminary figures and are subject to possible adjustments or amendments, at the time of the 2023 annual results announcement and audited consolidated financial statements of the Company.

INFORMATION ON JUMBO HOPE AND THE COMPANY

The principal activity of Jumbo Hope is investment holding. Whilst the principal activities of the Company together with its subsidiaries' are exploration, development, production and sale of oil and gas, and general and commodities refinery and trading.

INFORMATION ON THE LESSOR

The principal activity of the Lessor is property investment. The Lessor is a wholly-owned subsidiary of NWD, the shares of which are listed on the Main Board of the Stock Exchange.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CTF Capital is a substantial shareholder of the Company. The Lessor, being a 30%-controlled company (as defined in the Listing Rules) of CTF Capital, is an associate of CTF Capital. Accordingly, the Lessor is a connected person of the Company, and the entering of the Offer Letter of Tenancy Agreement II constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since Jumbo Hope entered into the Offer Letter of Tenancy Agreement I with the Lessor, the Offer Letter of Tenancy Agreement I and the Offer Letter of Tenancy Agreement II were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the transaction contemplated under the Offer Letter of Tenancy Agreement II, on a standalone basis, or when aggregated with the transaction contemplated under the Offer letter of Tenancy Agreement I, exceeds 0.1% but less than 5%, the transaction contemplated under the Offer Letter of Tenancy Agreement II is subject to the reporting and announcement requirements, but is exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

APPROVAL BY THE BOARD OF DIRECTORS

Mr. CHENG, Kam Chiu Stewart, a Director and the chairman of the Company, is a relative (as defined in the Listing Rules) of Dr. CHENG, Kar Shun Henry, the chairman of NWD (the immediate parent company of the Lessor). Therefore, Mr. CHENG, Kam Chiu Stewart abstained from voting on the relevant resolution to approve the entering of the Offer Letter of Tenancy Agreement II.

Save as disclosed above, none of the other Directors have a material interest in the transaction contemplated under the Offer Letter of Tenancy Agreement II, and after due consideration of the relevant resolutions, the entering of the Offer Letter of Tenancy Agreement II was approved.

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	New Times Energy Corporation Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules

“CTF Capital”	Chow Tai Fook Capital Limited, a company incorporated in the British Virgin Islands with limited liability, the holding company of CTFH and a substantial shareholder of the Company
“CTFH”	Chow Tai Fook (Holding) Limited, a company incorporated in the British Virgin Islands with limited liability, a subsidiary of CTF Capital
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jumbo Hope”	Jumbo Hope Group Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of the Company
“Lease Premise”	Room 1402, 14/F, New World Tower I, 16-18 Queen’s Road Central, Hong Kong
“Lessor”	New World Tower Company Limited, a company incorporated in Hong Kong with limited liability, a wholly owned subsidiary of NWD
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Offer Letter of Tenancy Agreement I”	the offer letter of tenancy dated 25 May 2022 entered into between Jumbo Hope and the Lessor in respect of Room 1403, 14/F, New World Tower I, 16-18 Queen’s Road Central, Hong Kong
“Offer Letter of Tenancy Agreement II”	the offer letter of tenancy dated 1 March 2023 entered into between Jumbo Hope and the Lessor respect of Lease Premise, and “Tenancy” means the tenancy thereunder

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

By order of the Board
New Times Energy Corporation Limited
CHENG, Kam Chiu Stewart
Chairman

Hong Kong, 1 March 2023

As at the date of this announcement, the Board comprises:

EXECUTIVE DIRECTORS:

Mr. CHENG, Kam Chiu Stewart (*Chairman*)

Mr. TANG, John Wing Yan (*Chief Executive Officer*)

NON-EXECUTIVE DIRECTOR:

Mr. LEE, Chi Hin Jacob

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. YUNG, Chun Fai Dickie

Mr. CHIU, Wai On

Mr. HUANG, Victor