

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **NEW TIMES ENERGY CORPORATION LIMITED**

**新時代能源有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00166)**

### **CONNECTED TRANSACTIONS OFFER LETTERS OF TENANCY**

The Board of the Company hereby announces that:

- (i) Jumbo Hope (a wholly-owned subsidiary of the Company) (as tenant) and the Lessor (as landlord) entered into Offer Letter of Tenancy A in respect of Lease Premises A on 25 March 2020 for the period commencing from 15 March 2020 to 14 March 2023 (both dates inclusive); and
- (ii) Jumbo Hope and Cheung Hung (as tenants), and the Lessor (as landlord) entered into Offer Letter of Tenancy B in respect of Lease Premises B on 27 May 2020 for the period commencing from 1 June 2020 to 31 May 2023 (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. Cheung Hung is an associate of Mr. CHENG, Kam Chiu Stewart, a Director and the chairman of the Company. Accordingly, each of the Lessor and Cheung Hung is a connected person of the Company, and the entering into of the Offer Letters of Tenancy constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Offer Letters of Tenancy are required to be aggregated. Since the highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Aggregate Value are more than 0.1% but less than 5%, the entering into of the Offer Letters of Tenancy are subject to the reporting and announcement requirements, but are exempt from the circular and independent shareholders' approval requirements under the Listing Rules for the Company.

\* For identification purpose only

## OFFER LETTERS OF TENANCY

The Board of the Company hereby announces:

- (i) Jumbo Hope (a wholly-owned subsidiary of the Company) (as tenant) and the Lessor (as landlord) entered into Offer Letter of Tenancy A in respect of Lease Premises A on 25 March 2020 for the period commencing from 15 March 2020 to 14 March 2023 (both dates inclusive); and
- (ii) Jumbo Hope and Cheung Hung (as tenants), and the Lessor (as landlord) entered into Offer Letter of Tenancy B in respect of Lease Premises B on 27 May 2020 for the period commencing from 1 June 2020 to 31 May 2023 (both dates inclusive).

The principal terms of the Offer Letters of Tenancy are as follows:

### (i) Offer Letter of Tenancy A

Date:	25 March 2020
Landlord:	the Lessor
Tenant:	Jumbo Hope
Premises:	Room 1402, 14/F, New World Tower, Nos. 16-18 Queen's Road Central, Hong Kong
Total gross floor area:	Approximately 977 square feet
Lease term:	Three years from 15 March 2020 to 14 March 2023 (both dates inclusive)
Rent:	HK\$81,091.00 per month (exclusive of service charges and government rates)
Rent free period:	Nil
Service charges:	HK\$7,425.20 per month (subject to adjustment by the Lessor from time to time)
Government rates:	HK\$11,700.00 per quarter (subject to adjustment by the Rating and Valuation Department from time to time)
Deposit:	HK\$277,248.60 which is equivalent to three months' rent and service charges and one quarter's government rates

**(ii) Offer Letter of Tenancy B**

Date:	27 May 2020
Landlord:	the Lessor
Tenants:	(1) Jumbo Hope and (2) Cheung Hung
Premises:	Room 1401, 14/F, New World Tower, Nos. 16-18 Queen's Road Central, Hong Kong
Total gross floor area:	Approximately 2,977 square feet
Lease term:	Three years from 1 June 2020 to 31 May 2023 (both dates inclusive)
Rent:	HK\$247,091.00 per month (exclusive of service charges and government rates) to be equally borne by Jumbo and Cheung Hung
Rent free period:	Nil
Service charges:	HK\$22,625.20 per month (subject to adjustment by the Lessor from time to time) to be equally borne by Jumbo Hope and Cheung Hung
Government rates:	HK\$28,650.00 per quarter (subject to adjustment by the Rating and Valuation Department from time to time) to be equally borne by Jumbo Hope and Cheung Hung
Deposit:	HK\$837,798.60 which is equivalent to three months' rent and service charges and one quarter's government rates, to be equally borne by Jumbo Hope and Cheung Hung

Formal tenancy agreements shall be prepared and signed between the parties to each of the Offer Letters of Tenancy, respectively, in due course.

The rent of each of the Offer Letters of Tenancy were 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 terms of the Offer Letters of Tenancy were negotiated on an arm's length basis.

## **DIRECTORS' CONFIRMATION**

The Directors (including the independent non-executive Directors) consider that the terms of the transactions contemplated under the Offer Letters of Tenancy are 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 transactions contemplated under the Offer Letters of Tenancy are in the interest of the Company and its shareholders as a whole.

## **REASON FOR THE ENTERING INTO THE OFFER LETTERS OF TENANCY**

Due to the competitive rental rates and close proximity of the premises to its immediate parent company, the Company consider the entering into of the Offer Letters of Tenancy are in the interest of the Company. 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 Tenancy A and Tenancy B, and the Company shall recognise the lease payments (i.e. rent and service charges) as right-of-use assets on a present value basis in the consolidated balance sheet of the Company. Accordingly, the entering into of the Offer Letters of Tenancy 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 assets for Lease Premises A and Lease Premises B are approximately HK\$2,965,625 and HK\$4,518,384, respectively, and in aggregate, approximately HK\$7,484,009 (the "Aggregate Value"). The figures are unaudited preliminary figures and are subject to possible adjustments or amendments, at the time of the 2020 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. The Company together with its subsidiaries are mainly engaged in oil exploration and production, and commodities trading, with a view to diversifying into the renewable energy business.

## **INFORMATION ON CHEUNG HUNG**

Cheung Hung is a company incorporated in Hong Kong, where Mr. CHENG, Kam Chiu Stewart is also a member of the board of directors.

## **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. Cheung Hung is an associate of Mr. CHENG, Kam Chiu Stewart, a Director and the chairman of the Company. Accordingly, each of the Lessor and Cheung Hung is a connected person of the Company, and the entering into of the Offer Letters of Tenancy constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Offer Letters of Tenancy are required to be aggregated. Since the highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Aggregate Value are more than 0.1% but less than 5%, the entering into of the Offer Letters of Tenancy are subject to the reporting and announcement requirements, but are exempt from the circular and independent shareholders' approval requirements under the Listing Rules for the Company.

## **APPROVAL BY THE BOARD OF DIRECTORS**

Mr. CHENG, Kam Chiu Stewart, a Director and the chairman of the Company, and also member of the board of directors of Cheung Hung, 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 resolutions to approve the entering into of the Offer Letters of Tenancy.

Save as disclosed above, none of the other Directors have a material interest in the transactions contemplated under the Offer Letters of Tenancy, and after due consideration of the relevant resolutions, the entering into of the Offer Letters of Tenancy were approved.

## DEFINITIONS

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

“Aggregate Value”	has the meaning ascribed to it under the section headed “Right-of-use assets” in this announcement
“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
“Cheung Hung”	Cheung Hung Development (Holdings) Limited, a company incorporated in Hong Kong
“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

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lease Premises A”	Room 1402, 14/F, New World Tower I, 16-18 Queen’s Road Central, Hong Kong
“Lease Premises B”	Room 1401, 14/F, New World Tower I, 16-18 Queen’s Road Central, Hong Kong
“Lessor”	New World Tower Limited, a company incorporated in Hong Kong with limited liability, a wholly owned subsidiary of NWD
“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 A”	the offer letter of tenancy dated 25 March 2020 entered into between Jumbo Hope and the Lessor respect of Lease Premises A, and “Tenancy A” means the tenancy thereunder
“Offer Letter of Tenancy B”	the offer letter of tenancy dated 27 May 2020 entered into between Jumbo Hope, Cheung Hung and the Lessor respect of Lease Premises B, and “Tenancy B” means the tenancy thereunder
“Offer Letters of Tenancy”	collectively, Offer Letter of Tenancy A and Offer Letter of Tenancy B
“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, 27 May 2020

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